



# European Funds for Romania 2014-2020

## Tapping into the Opportunity

**April 2014**

office@ganes.ro  
www.ganes.ro

# Contents

Section	Page
1 Introduction	4
2 EU Structural Instruments	5
3 Key Areas of Funding	6
4 Financial Exercise 2007-2013	7
5 Financial Exercise 2014-2020	15
6 Ganes EU Funds Services	18

## Introduction

As a EU Member State, Romania is eligible to receive funding from **structural and cohesion funds** as well as from the Union's **Common Agricultural Policy** (direct payments and rural development policy program).

In the **2007-2013 programming period**, Romania was allocated over EUR 30 Bln. in EU Funds, out of which EUR 19 Bln. from structural and cohesion funds.

Current absorption rate for these funds stands at approximately 35%. Romania has until 2015 to absorb these funds.

**During 2014-2020, Romania is scheduled to receive approximately EUR 40 Bln. in EU funds:**

- **EUR 21.5 Bln. Structural and Cohesion Funds**
- **EUR 19.5 Bln. Common Agricultural Policy**



# EU Structural Funds

**Structural and Cohesion Funds (SCF), or Structural Instruments** are financial instruments that the EU enacts to eliminate economic and social disparities between regions, in order to achieve economic and social cohesion.

- **European Regional Development Fund (ERDF)** - research and technological development, innovation and entrepreneurship, information society, environmental protection, tourism and energy.
- **European Social Fund (ESF)** - helping to increase access to the labor market, preventing unemployment, increasing labor market participation of women and immigrants, combating discrimination.
- **Cohesion Fund** - Trans-European transport networks, sustainable development, improved air traffic management and road upgrading urban transport, multimodal transport development and modernization.

## Key Areas of Funding

- ✓ Expansion of production capacity
- ✓ Cover the cost of human resources
- ✓ Investment in research and development within private companies
- ✓ Investment in know-how and other intangible assets
- ✓ Improving IT infrastructure
- ✓ Promotion of products on foreign markets
- ✓ Support to the energy sector and reduction of emissions
- ✓ Real estate development in urban areas
- ✓ Investments in waste treatment and pollution reduction

## Financial Exercise 2007-2013

**Structural and Cohesion Funds (SCF) allocated to Romania in the financial exercise 2007-2013 stood at 19.668 billion EUR:**

- 12.661 billion EUR allocated under the **Objective Convergence**
- 6.552 billion EUR allocated from the **Cohesion Fund**
- 0.455 billion EUR will be allocated to Objective **European Territorial Cooperation** (including transfers to IPA and ENPI).

## Financial Exercise 2007-2013

Evolution of European Funds absorption during the past five years:

<b>Date</b>	<b>Total absorption</b>	<b>New reimbursements from a year earlier</b>	<b>Absorption Rate</b>
<b>31.12.2009</b>	0.17 billion EUR	-	0,8%
<b>31.12.2010</b>	0.465 billion EUR	0.295 billion EUR	2.3%
<b>31.12.2011</b>	1.066 billion EUR	0.601 billion EUR	5.55%
<b>31.12.2012</b>	2.204 billion EUR	1.138 billion EUR	11.47%
<b>31.12.2013</b>	5.089 billion EUR	2.885 billion EUR	26.49%

## Financial Exercise 2007-2013

EU funds were distributed to their beneficiaries through 7 Operational Programs (OP):

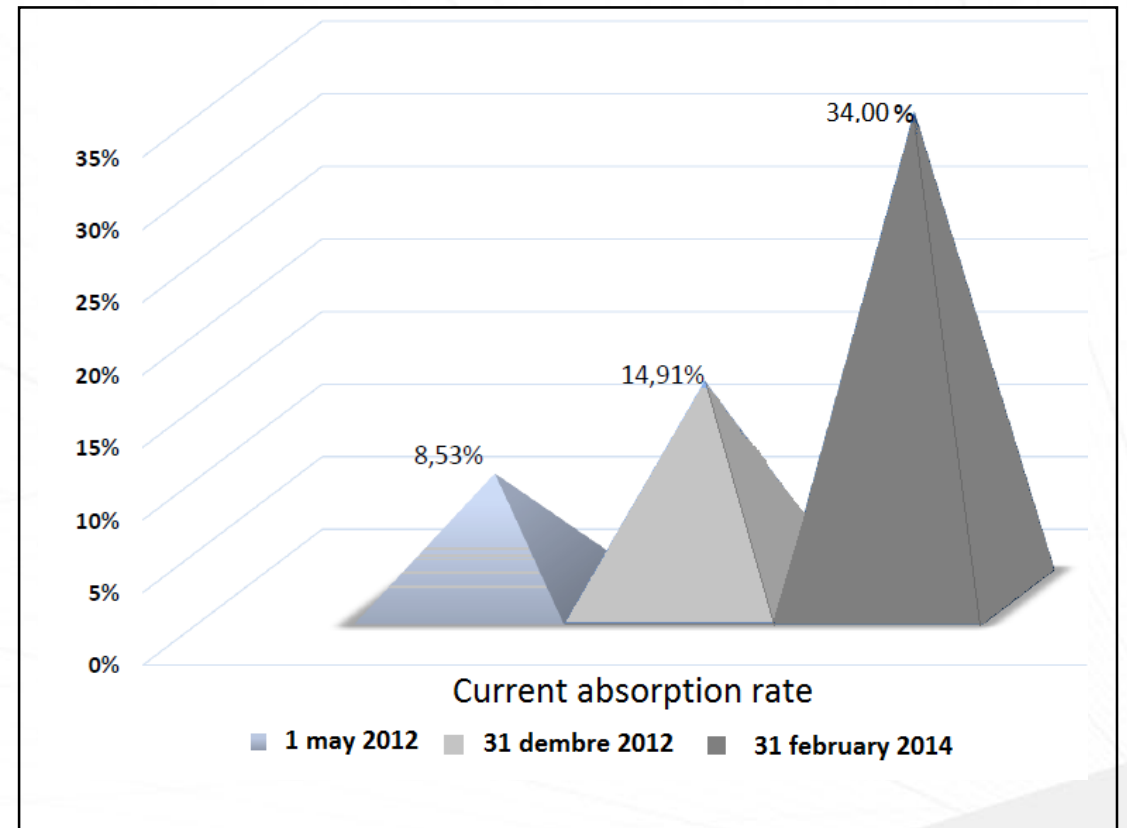
<b>Operational Program (OP)</b>	<b>% of total allocated budget</b>	<b>Allocation EUR / 2007-2013</b>	<b>Absorption Rate 31 December 2013</b>
<b>OP Transport</b>	23%	4.43 billion EUR	31.23%
<b>OP Environment</b>	23%	4.41 billion EUR	26.65%
<b>Regional OP</b>	19%	3.97 billion EUR	44.87%
<b>OP Human Resources Development</b>	18%	3.48 billion EUR	28.75%
<b>OP Increase of Economic Competitiveness</b>	13%	2.55 billion EUR	36.40%
<b>OP Administrative Capacity Development</b>	1%	210 mil. EUR	50.59%
<b>OP Technical Assistance</b>	1%	170 mil. EUR	33.89%



## Financial Exercise 2007-2013

Structural funds absorption was 34% as of February 2014

Program	Amounts reimbursed by the E.C. February 2014
Regional OP	1,647 mil EUR
OP Transport	1,382 mil EUR
OP Environment	1,175 mil EUR
OP Human Resources Development	948 mil EUR
OP Increase of Economic Competitiveness	929 mil EUR
OP Administrative Capacity Development	83 mil EUR
OP Technical Assistance	57.4 mil EUR
<b>TOTAL</b>	<b>6.2 billion EUR</b>



## Financial Exercise 2007-2013

Applications Submitted	Total Amount	EU Contribution
41,757	71.6 billion EUR	47.1 billion EUR

Approved Projects	Total Amount	EU Contribution
15,182	33.5 billion EUR	19.9 billion EUR

### PAYMENTS TO BENEFICIARIES:

**Total payments to beneficiaries** (pre-financing and reimbursement) except reimbursement of VAT, have amounted to approximately **EUR 7.89 billion**.

Of this amount, the EU contribution amounted to approx. **7.1 billion euros, or 36.65% of the 2007-2013 allocation**.

## Financial Exercise 2007-2013

According to the data provided by the Romanian Government, as of October 2012, the status of European Fund absorption for each Operational Program was as follows:

<b>Operational Program</b>	<b>Submitted Projects</b>	<b>Approved Projects</b>	<b>Financing Agreements/ Decisions</b>	<b>Payments to beneficiaries (EUR Bln)</b>
<b>OP Transport</b>	145	90	82	0.425
<b>OP Environment</b>	626	352	338	0.784
<b>Regional OP</b>	8,162	3,525	3,216	1.363
<b>OP Human Resources Development</b>	10,224	3,006	2,465	1.147
<b>OP Increase of Economic Competitiveness</b>	14,545	3,617	2,446	0.566
<b>OP Administrative Capacity Development</b>	1,371	420	387	0.049
<b>OP Technical Assistance</b>	129	110	103	0.030
<b>TOTAL</b>	<b>35,202</b>	<b>11,120</b>	<b>9,057</b>	<b>4.364</b>

# Financial Exercise 2007-2013

## Successfully implemented projects

Region	Project	Operational Program	Duration	Beneficiary	Funding
South-Muntenia	Rehabilitation of Historically Polluted Site - Waste storage oil	OP Environment	2011-2013	City Council of Campina	Total Cost (euro) 2,393,999.95 80% ERDF: 1.9152 million EUR 18% state budget: 430,919.92 EUR 2% Local Budget: 47880.01 Euro
Center	Extension and modernization of water and wastewater in the county Covasna	OP Environment	2011-2014	Communal Company Shareholders St. George	Total Cost (Euro): 86,531,920 Euro 85% Cohesion Fund: 67,057,478 Euro 13% state budget: 10,255,850 Euro 2% Local Budget: 1,577,823 Euro Beneficiary contribution: Euro 7,640,769
North – East	Policy on growth poles – Integrated Development Plan of Iasi City	Regional OP	2007-2013		Total Cost: € 106,552,099.31 EU contribution: € 67,636,454.42 Central National contribution: € 14,857,106.76 Local contribution: 1,471,35 € Contribution of: - €

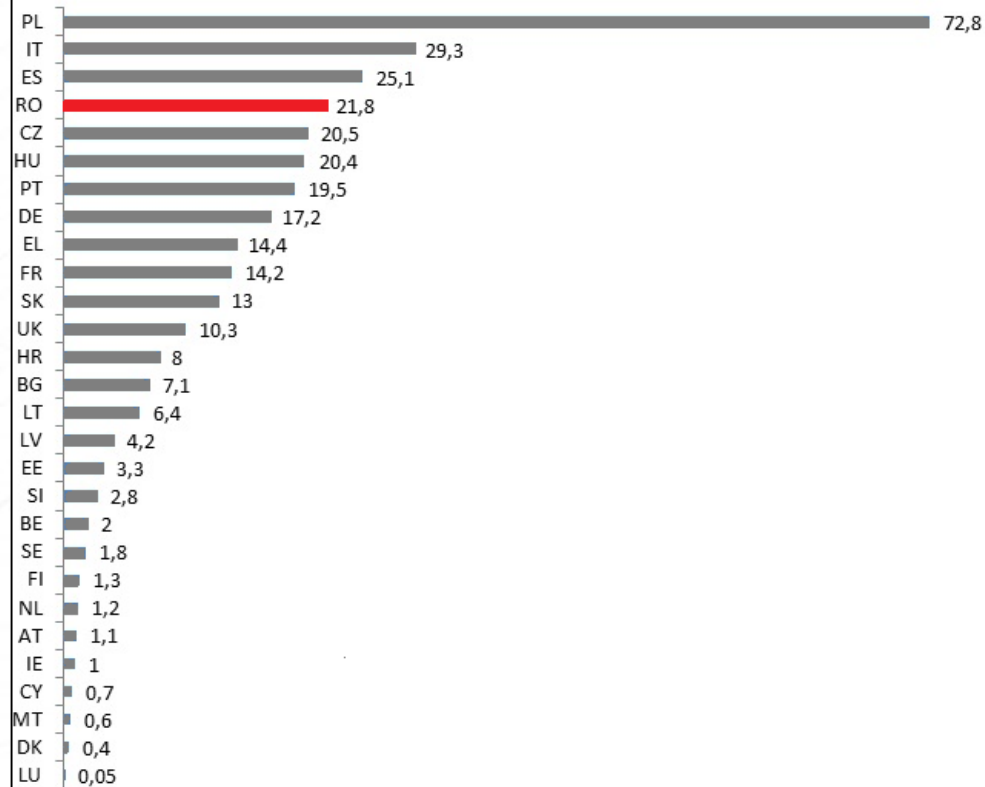
# Financial Exercise 2007-2013

## Successfully implemented projects

Region	Project	Operational Program	Duration	Beneficiary	Funding
Center	Increasing economic competitiveness through infrastructure development CD enterprises	OP Increase of Economic Competitiveness	34 months	Polipharma Industries LTD	Total cost (Euro) - 15,932,502.44 EU contribution (Euro) - 7,377,188.48 Central National contribution (Euro) 1,510,990.41 Local contribution: - Private contribution (Euro) 3,987,964.4
Bucharest – Ilfov	“Geriatric internships valued in a modern transnational context”	OP Human Resources Development	36 months	"Philanthropy MEDICAL ASSOCIATION Christian CHRISTIANA"	Total Cost (Euro) 4,141,014 Total Eligible Cost (Euro) 3,851,081 EU Contribution (€) 3,315,889 National (Euro) 458,170 Private (Euro) 77,022
North - East	Improving the conservation status of the species in the Park bison Natural hunters Neamt	OP Environment	24 de luni + 17 luni	Romsilva	Total Cost (RON) 2,979,216 ERDF (RON): 1,793,517 State Budget (RON): 448,380 Local Budget (RON): 0

# Financial Exercise 2014-2020

## Financial allocation for 2014-2020 across EU28 (billion EUR)



Cohesion policy for 2014-2020 will provide up to 366.8 billion EUR to invest in regions, cities and the real economy in Europe.

### 2020 Strategy Objectives:

- creating jobs and generating economic growth;
- tackling climate change;
- energy dependence;
- reducing poverty and social exclusion;
- support for small and medium companies.

## Financial Exercise 2014-2020

According to the second version of the Partnership Agreement, the proposed indicative financial allocation to the operational programs:

<b>Operational Program</b>	<b>Indicative financial allocation for 2014-2020</b>	<b>Management Authority</b>
<b>OP Large Infrastructure</b>	9.07 billion EUR	Ministry of European Funds
<b>Regional OP</b>	6.47 billion EUR	Ministry of Regional Development and Public Administration
<b>OP Human Capital</b>	3.44 billion EUR	Ministry of European Funds
<b>OP Competitiveness</b>	1.26 billion EUR	Ministry of European Funds
<b>OP Administrative Capacity</b>	0.52 billion EUR	Ministry of Regional Development and Public Administration
<b>OP Technical Assistance</b>	0.30 billion EUR	Ministry of European Funds

The implementation of EU funds will be more effective in 2014-2020, due to the simplification of the institutional structure.

## Financial Exercise 2014-2020

2007-2013		2014-2020	
<b>OP Transport</b>	4.43 billion EUR	<b>OP Large Infrastructure</b>	9.07 billion EUR
<b>OP Environment</b>	4.41 billion EUR		
<b>Regional OP</b>	3.97 billion EUR	<b>Regional OP</b>	6.47 billion EUR
<b>OP Human Resources Development</b>	3.48 billion EUR	<b>OP Human Capital</b>	3.44 billion EUR
<b>OP Increase of Economic Competitiveness</b>	2.55 billion EUR	<b>OP Competitiveness</b>	1.26 billion EUR
<b>OP Administrative Capacity Development</b>	210 mil. EUR	<b>OP Administrative Capacity</b>	0.52 billion EUR
<b>OP Technical Assistance</b>	170 mil. EUR	<b>OP Technical Assistance</b>	0.30 billion EUR



# Financial Exercise 2014-2020

## Destination of funds in the financial exercise 2014-2020:

- ✓ Transport infrastructure (highways , railways , water and air ) - 5.7 billion EUR
- ✓ Environmental projects - 3 billion EUR
- ✓ Urban development - 2,8 billion EUR
- ✓ County roads and beltways - 1.1 billion EUR
- ✓ Youth employment and unemployment - 1 billion EUR
- ✓ Professional Development in Education - 1 billion EUR
- ✓ Social assistance for vulnerable persons (mainly Roma integration programs) - 1 billion EUR
- ✓ SMEs and technology parks - 800 million EUR
- ✓ Research - 700 million EUR
- ✓ IT - 550 million EUR
- ✓ Health infrastructure (construction of three regional hospitals in Iasi , Cluj and Craiova ) - 500 million EUR
- ✓ Administrative capacity development at local level - 500 million EUR
- ✓ Restoration of historical, cultural and tourist - 450 million EUR
- ✓ Education infrastructure - 350 million EUR
- ✓ Cadastral Surveys - 300 million EUR
- ✓ Energy efficiency - 270 million EUR
- ✓ Programs of the National Agency for Employment - 250 million EUR

# Ganes Strategy Services

**Alexandru Coita**, Managing Partner

*former Permanent Representative of the Romanian Parliament to the EU Institutions*



- ✓ Monitoring and intelligence regarding financing opportunities
- ✓ Strategic development modelling and goals assessment
- ✓ Identifying and engaging with key public stakeholders
- ✓ Assistance in project implementation.
- ✓ Elaborating and updating development strategies for future beneficiaries.

**Dan Costan**, Partner

*12 years of experience in financial management and business consulting*



- ✓ Ex ante analysis of investment project,
- ✓ Eligibility analysis for projects and costs
- ✓ Generating custom specifications for technical, economic and financial data to build a competitive case for the project.
- ✓ Drafting application documents
- ✓ Counsel and representation in relation to contracting authorities
- ✓ Support in project implementation

# GANES

PERSPECTIVE MATTERS

For more information on gaining access to EU  
Grants, contact us at [office@ganes.ro](mailto:office@ganes.ro)