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Peculiarities of the European Funds Programming Period in Terms of Regional Development

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Abstract
One of the main key policies of the European Union is regional development. It is based on the principle of financial solidarity and provides support to countries and regions that are underdeveloped or facing structural difficulties in order to create jobs and increase competitiveness. Since 1957, when the Treaty of Rome was signed, which laid the foundations of the European Economic Community, the regional disparities between the signatory states were not significant, but both in the preamble and in art. 2, stipulated this need. The European Union's regional policy has been built around the concept of economic and social cohesion. In this article we will highlight the main features of European funds, in Romania, for regional development.

Keywords: Solidarity, underdeveloped regions, regional disparities, development programs, innovation.

JEL classification: O0, O20, O47.

1. Introduction

The concept of regional development, is focused on reducing disparities at the level of development of regions and supporting lagging regions and reducing disparities between them. This policy is a policy of solidarity between states, so that more than a third of the Community budget is directed to less prosperous regions and disadvantaged social groups.

This new type of policy has met the real needs of local and regional authorities in the Member States of the European Union, which can be characterized as a new approach to development based on initiatives, plans and development programs of local and regional authorities, based on structural instruments (www.publications.europa.eu).

Existing disparities in income and employment in the European Union have narrowed in recent years in the EU, for example, with Greece and Ireland experiencing twice as many increases in labor productivity as the European average employment rate between 1994 and 2001. On the other hand, the third report on economic and social cohesion presented by the European Commission mentions that in Greece and Portugal GDP per capita is still at 70% or less of the Community average. At the same time, the average GDP of the new Member States is half the EU average, and at the time of accession only 58% of working-age people were employed, compared to 64% in the EU (Ciocan et all., 2007).

Cohesion policy is also based on the principle of financial solidarity, providing support to Member States and their less developed regions, which are facing a level of development below the EU average, in terms of job creation and employment. increasing competitiveness. In this way, more than a third of the European Union's budget is allocated to economic cohesion policies, in order to reduce development disparities between regions and disparities between citizens in terms of their standard of living (Gherghinescu, 2009.

At the beginning of each programming period related to the Structural Funds, the multiannual financial framework being for a period of 7 years, the European Union decides on the budget dedicated to the structural instruments and defines the basic rules that will be applied in their use. The budget will be shared between the Member States and on Priority Objectives by the European Commission. Also, in this preliminary period, the areas eligible for funding from the Structural Funds shall be defined by the Commission in agreement with the Member State concerned.

The new approach of the European programs 2014-2020 of the UE foresees a strategic strategy for economic and social cohesion, according to the objectives Europe 2020 (Moldovan, 2015).

Dynamics of Operational Programs is a brief comparison of the two financial resources would run into the following events:

Table 1. Operational programs comparative analysis

Programming 2007-2013 period	Programming 2014-2020 period
National Strategic Framework of Reference (ERDF, CF, ESF)	Partnership agreement (ERDF, CF, ESF, EAFRD-European Agricultural Fund for Rural Development, European Fisheries and Maritime Fund - EMFF)
Strategic and programming orientation - EC guidelines	Europe 2020 strategy Country specific recommendations
3% performance reserve at the discretion of the Member States	Mandatory 6% performance reserve
result and immediate achievement indicators established on the basis of EC guidelines	Common indicators standardized by substantive regulations: - de output ((ERDF, CF EAFRD EMFF) - as a rezult (ESF)
Thematic focus - NA	11 thematic objectives; financial allocations conditioned by regulations specific to the allocated funds
Fund priorities/ fund	Investment priorities/ fund/ thematic objective
Without predefined territorial development tools	ITI – Integrated Territorial Investments LDPCR - Local Development Placed under Community Responsibility
Without financing conditioning	ex-ante conditionalities

Source: Adapted after www.fonduri-ue.ro

This approach involves adapting national legislation to regional policy and EC policy priorities.

Initiatives to support national policies at regional level have been less effective at Community level and have contributed to a very small extent to economic and social cohesion.

2. Particularities of European funds and sustainable development

The common regional policy is undergoing a complete transformation through the introduction of the concept of economic and social cohesion. This concept incorporates the basic principles of regional policies at EU level (Onescu and Florescu, 2013):

- Solidarity - according to which regional policy aims to benefit citizens and economically and socially disadvantaged regions, compared to the Community average,
- Cohesion - according to which we are all beneficiaries of reducing disparities between developed and least developed regions.

Thus, the need for a reform at European level was felt, through which four basic principles were introduced in order to increase the efficiency of the use of structural funds (Onescu, Florescu, 2013):

- The principle of concentration, according to which the financing activity related to the regional policy must focus on the regions that face really big problems,
- The principle of drawing up programs, according to which funds will be allocated in programs developed in consultation with the governments of the member countries and based on compliance with the criteria set by the European Commission,
- The principle of additionality, according to which the role of Community funds is to supplement and not to replace national funding for regional development,
- The principle of partnership, which calls for the active involvement of regional and local authorities, together with the European Commission and the government, in the whole process of planning, decision-making and implementation of the structural funds.

Regional policy has a strong impact in many areas. Its investments contribute to many EU policy objectives and complement other EU policies, such as education, employment, energy, the environment, the single market, research and innovation (Dragan, 2008).

The European Structural and Investment Funds directly support the Commission's investment plan and priorities.

Regional policy provides the investment framework needed to meet the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth in the European Union (https://ec.europa.eu/romania).

The five objectives for the EU in 2020 depending on the particularities of the structural funds are addressed to:

- Increasing the employment rate for people aged between 20 and 64 years, to a higher figure the 75%,
- Research and development at least 3% of GDP,
- Climate change and energy sustainability by reducing greenhouse gas emissions by 20% compared to 1990 levels,
- Education - reducing early school leaving below 10%,
- Combating poverty and social exclusion – by reducing the number of people at or at risk of poverty and social exclusion by at least 20 million.

Each Member State has adopted its own national targets in these areas.

Most of the funds available to cohesion policy are directed to less developed European countries and regions, in order to support them in order to recover and reduce the economic, social and territorial disparities that still exist at EU level (https://ec.europa.eu/romania).

By supporting public investment and flexibly implementing EU investment, for example by reprogramming funds or increasing the co-financing rate in countries such as Cyprus, Greece, Hungary, Ireland, Portugal and Romania, regional policy has mitigated the effects of the financial crisis that began in 2008. Also, in the context of sustained fiscal consolidation, EU regional policy has become of major importance. In the absence of cohesion policy, much-needed public investment in less developed Member States would have fallen by a further 45% during the crisis (https://ec.europa.eu/romania).

Cohesion policy is a catalyst for additional funding from public and private funds, as it requires Member States to co-finance from the national budget and also builds confidence among investors.

Taking into account national contributions and other private investments, the impact of cohesion policy for the period 2014-2020 is estimated at about 450 billion euros at the E.U. level, of which 23 billion euros belong to Romania.

3. Objectives and characteristics of European funds in Romania

The lines of action of the Structural Funds are drawn up according to their objectives. They are specific to each programming period and are set according to the main priorities identified, in order to reduce economic and social disparities between Member States, but also within each Member State.

According to Council Regulation (EC) no. 1260/1999 of 21 June 1999 (http://www.fsesudest.ro/legislatie/Regulament1260) on the general provisions of the Structural Funds and Community action through the Structural Funds, the European Agricultural Guidance and Guarantee Fund (EAGGF), the Guarantee Section, the European Investment Bank (EIB) and other existing financial instruments, will support the achievement of the general objectives specified in art. 158 and 160 of the Treaty. The Structural Funds, the EIB and the other existing financial instruments will each contribute in an appropriate way to the achievement of the following three priority objectives (Lazea et. all, 2012):

- Promoting the development and structural adjustment of underdeveloped regions, called "Objective 1";
- Supporting the economic and social conversion of areas facing structural difficulties, called "Objective 2";
- Support the adaptation and modernization of education, training and employment policies and systems, called "Objective 3". This objective will provide financial assistance outside the Objective 1 regions and will provide a policy reference framework for all measures to promote human resources in a national territory without prejudice to the specific characteristics of each region.

To achieve these objectives the Community will contribute to the harmonious, balanced and sustainable development of economic activities, the development of employment and human resources, the protection and improvement of the environment and the elimination of inequalities and the promotion of equality between men and women.

The implementation and management of the structural funds are based on the following general principles and rules (www.fonduri-ue.ro):

- Complementarity, consistency and conformity:

The allocated funds will be constituted in complementary financial assistance to the national, regional and local measures, integrating at their level the community priorities. National and Community authorities will ensure that assistance provided through structural instruments is consistent and in line with Community activities, policies and priorities.

- Programming:

The follow-up of the financing objectives is done in a multi-annual programming framework that includes the establishment of priorities, the management process, the adoption of financing decisions.

- Partnership

Assistance provided through the Structural Funds is based on the idea of partnership at two levels - on the one hand, between the European Commission and the Member States and, on the other hand, at the level of each Member State, respectively between: competent public authorities at regional and local level, economic and social partners, as well as any other body representing civil society, environmental partners, non-governmental organizations and bodies responsible for promoting equal opportunities.

- Subsidiarity and proportional intervention

The implementation of the operational programs is the responsibility of the Member States, in accordance with the institutional system specific to each of them. The principle of subsidiarity seeks to avoid situations in which the delegation of prerogatives to Community supranational entities at any cost may have counterproductive effects compared to the situation in which those prerogatives remain in the portfolio of the governments of the Member States.

- The principle of additionality

The additionality represents the level of public expenditure that the Member State of the European Union makes from its own sources, during the programming period, for the same types of measures financed from the structural funds, including the public co-financing related to these measures. The Structural and Cohesion Funds of the Member States of the European Union are meant to complement and not replace the national effort.

- The principle of reimbursement

Unlike PHARE and ISPA, the Structural and Cohesion Funds operate on the principle of reimbursement, as does SAPARD. This implies that the Final Beneficiaries make the payment to the suppliers of works or services from their own funds, and subsequently, based on the paid invoices and the payment orders on the basis of which the payment was made, the reimbursement of the expenses incurred is requested (Butler, 2006).

Rule n + 3 / n + 2 N is the year of commitment, n + 3 is the year until the end of which the funds committed in year "n" must be spent. The unspent amounts in the mentioned interval are lost. In the period 2013-2016 the n + 3 rule applies and in the period 2017-2020 the n + 2 rule.

- Grants

The phrase "access to non-reimbursable funds" means that the persons concerned (mostly represented by SMEs) may apply, under certain conditions, for financial subsidies for investments which, in whole or in part, must not be repaid (Diaconu 2007).

With the help of the main objectives set out above, the Structural Funds contribute to achieving a lasting balance at European Union level. Strengthening competitiveness, developing disadvantaged areas, supporting people from disadvantaged groups, supporting young people, promoting initiatives, protecting the environment, reintegration and professional conversion, and investing in infrastructure are also objectives and principles that help the Structural Funds contribute to material and human resources. at the level of each Member State (www.fonduri-ue.ro).

Under the structural instruments, we will include the following Community funds to reduce development disparities between EU Member States and their regions: Structural Funds, Cohesion Fund and Complementary Funds: European Agricultural Fund for Rural Development and European Fisheries Fund.

The thematic objectives for the financial year 2014 - 2020 2 are the following:

- Consolidating research, technological development and innovation;
- Improve access, use and increase quality of TIC;
- Improving the rural area, the agricultural sector (in the case of FEADR) and the agricultural and aquaculture sector (within FEPAM);
- supporting the transition to a low-carbon economy in all sectors;
- promoting adaptation to climate change, prevention and risk management;
- environmental protection and promoting the efficient use of resources;
- promoting sustainable transport systems and removing bottlenecks in major network infrastructures;
- promoting the sustainability and quality of jobs and supporting labor mobility;
- promoting social inclusion, combating poverty and any form of discrimination;
- investments in education, training and lifelong learning;
- strengthening the institutional capacity of public authorities and efficient public administration.

In the period 2014 - 2020, Romania will invest in all 11 thematic objectives of the Europe 2020 strategy, using the resources of the European structural and investment funds, through operational programs

4. European funds for regional development in Romania - peculiarities

The Partnership Agreement provides for the following structural instruments: European Regional Development Fund - ERDF, Cohesion Fund - CF, European Social Fund - ESF, European Agricultural Fund for Rural Development - EAFRD, European Fisheries and Maritime Fund - EMFF.

The Partnership Agreement for Development and Investment applied to cohesion policy (national strategic document, drawn up by each Member State and negotiated with the Commission, which substantiates and sets out the thematic development objectives and indicative allocation of European funds for the period 2014-2020), includes the 11 main objectives previously presented in this article.

Turning to a total budget of EUR 454 billion in the period 2014-2020, the Structural Funds and European Investments (the Funds) will be awarded to the European Union.

Structural Funds and European Investments Funds are:

- The European Regional Development Fund (ERDF) - encourages stable development in different areas of the European Union,

- European Social Fund (FSE) – supports national employment programs in Europe and invests in the Union's human capital,

- Cohesion Fund (FC) - finances the program of transition and Environment for the 2014 - 2020 period,

- The European Agricultural Fund for Rural Development (EAFRD) - focuses on resolving the difficulties of rural areas and struggles rural areas in the EU.

- The European Fisheries and Maritime Affairs Fund (FEMA) – Supports fishermen and sustainable organizations and helps organizations to improve their health.

In addition to the funds raised in May, 20 member states are part of the country and Romania, benefiting from the decline in the strength of the mountain at the level of the land (YEI-Yn).

ESI funds focus mainly on the development of 5 sectors:

- analysis and creation
- digital technologies
- support for low carbon savings
- sustainable management of natural resources
- small companies

The collaboration agreement between the European Commission and the member country sets the perspectives of the national authorities regarding the use of the funds coming from the European structural and investment funds related to the period 2014 - 2020. It specifies the thematic objectives and priorities regarding the investments of each state, according to those in the Europe 2020 strategy (Dornean, 2016).

Financial assistance from the Cohesion Fund may be suspended by a Council decision (approved by a qualified majority) if a Member State has an excessive government deficit or if it has not remedied the problem or taken appropriate measures to this sense.

A wide range of organizations - public bodies, private companies and civil society - have access to business finance, which helps people find work or keep their jobs, with the help of European funds. The Commission and the Member States share responsibility for evaluating ESF activities. Managing authorities carry out evaluations at Member State level, while the Commission does so at EU level.

Evaluations shall be based on consistent, comparable and quality data collected by national authorities. The data is also used to check if the programs give the expected results. The Commission's guidelines on monitoring and evaluation support the work of managing authorities in this area (www.ec.europa.eu).

The open data platform provides an opportunity to view data on ESF funding, related achievements for the period 2014-2020 and the subsequent evolution of investment at EU level. The Commission's Strategic / Synthesis Reports provide information on achievements at EU level.

The Data Fitness initiative carried out counterfactual assessments of the impact of ESF-funded operations. They are part of a broader EU commitment to focus on results and policy based on concrete data.

We have developed a series of practical suggestions and video tutorials to help managing authorities conduct and order reliable counterfactual assessments.

ESF managing authorities can receive personalized advice on counterfactual impact assessments from the Quality Assurance Support Service.

Managing authorities and experts in counterfactual impact assessments share their experience and knowledge in regular community practice meetings.

The particularities of the structural funds are oriented towards achieving the general objectives of the Europe 2020 strategy within the five areas of interest: employment, climate change, education, poverty reduction and innovation.

The overall goal of the study was to evaluate the impact of the project on the development of the European Union from 20014 - 2020. It also involves a discussion on the contribution of cohesion policy to state development and the achievement of key European priorities.

Both the theoretical works and the economic evidence showed certain relations of positive directly proportional between investments, be they public or private and economic growth. The positive impact has been more evident in developing countries, with the potential for economic growth and capable of increasing productivity through labor.

In the 2014-2020 period, it will be a more routine approach to evaluating the effectiveness of the projects financed by the European Structural Funds. The programs benefited from the definition of specific objectives, which would accelerate the change sought through policies and result indicators, through the prism of the concrete actions implemented, the output indicators. Romania's budget for the development of these European programs is approximately 33 billion euros.

According to the objectives, most funds are directed towards regional development, which aims to strengthen the part of economic and social cohesion within the union, by eliminating existing imbalances.

Conclusions

We can specify that Romania has benefited from the European funds from the UE budget since the moment of accession, and the assumed objectives have been largely solved one by one.

European funds have always been committed to reliable, sustainable projects that create stable, profitable jobs in the long run, including after European funding ends.

The particularities of the European funds, understood and applied, can bring a great plus to Romania in terms of economic growth, through the correct implementation of common policies.

We consider that there is a need for a better information and communication of the particularities of the structural funds, from the institutions that coordinate the operational programs, to the real beneficiaries of these funds. Most of the time, entrepreneurs, farmers, businessmen in Romania either do not know concretely about the advantages of accessing funds, or they find it too complicated to submit a financing project. By eliminating bureaucratic issues, those who want to obtain non-reimbursable financing will contribute to achieving common goals.

The reform of European funds from 2014 to 2020, aims to maximize their contribution to the Europe 2020 strategy. The strategy aims to achieve the general socio-economic objectives of the European Union.

The regulations specific to the Structural Funds describe in detail how each European Investment Fund can contribute to achieving the thematic objectives by meeting the investment priorities or by meeting the priorities of the European Union, aligned with the specific objectives.

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