

Structural Funds Challenges and Opportunities for the Business Environment in Romania



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Structural Funds in Romania

- Romania will benefit of about 32 billion Euro in EU structural funds for the period 2007-2013
- This means that 8.5 million should be spent every day, including Saturdays and Sundays, starting from the 1st January 2007

14 domains will be financed from the EU structural and cohesion funds:

- technological research and development
- informatization of the society
- transport
- energy
- environment protection and risk prevention
- tourism
- culture
- urban and rural re-generation
- companies and entrepreneurs support
- access to stable jobs
- social integration for people with problems
- development of human capital
- investments in social infrastructure, including health and education
- promotion of partnership development

Regional Operational Program (ROP)

The total budget of ROP is approximately 4,4 Billion Euro for the first seven years after accession (i.e. 2007-2013). EU funding represents approximately 84% of the ROP budget. The remaining is coming from national funds, public (14%) and private (2%).

What projects does ROP finance?

Improve the quality of life and the “appearance” of towns and strengthen their role in the region

Improve the access to and within a region, by developing its infrastructure such as county roads and ring-roads;

Modernize social services: schools, clinics, emergency situations units etc;

Increase business investments, by providing support to micro-enterprises, to the improvement of utility networks and business infrastructure;

Modernization and rehabilitation of existing tourism facilities.

**Rehabilitation/ modernization/
development and equipping of the
social services infrastructure,
Priority Axis (PA) 3, Major Domain of
Intervention (MDI) 3.2 -**

□ Improvement of infrastructure quality for social services, through support given in a balanced way, all over the country territory, in order to assure an equal access of the citizens to such services

**Eligible
activities**

- Modernization / extension of the buildings of the social centers (accomodation facilities, canteens, toilets etc)
- Modernization / extension of buildings in order to set up new social centers
- Modernization of the general utilities specific to social centers;
- Set up/modernization of the access facilities for people with disabilities
- Set up of workshops within the social centers;
- Supply of adapted equipment for the beneficiaries of the social centers, including the equipment for the people with disabilities

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**The continuous
development of the
structures that support
businesses of regional and
local importance
(ROP, PA 4, MDI 4.1)**

□Set up, improvement and modernization of the regional and local support structures, with the aim of attracting investments, reviving and developing local and regional economies

**Eligible
activities**

- Construction / modernization / extension of buildings plus appendices to be used by economic agents for production activities and/or services
- Construction/modernization/extension of the inner road/railway infrastructure supporting the businesses as well as the access roads
- Set up /modernization/extension of basic utilities support ing the inner structure of businesses: water cleaning stations, electrical and gas stations, sewage, connection to broadband networks
- The endowment with equipment of the built/ modernized/extended businesses support structures

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Supporting the development of micro-enterprises (ROP, PA 4, MDI 4.3)

Development of productive and services micro-enterprises using the endogenous potential of the regions

Eligible activities

- Purchase of new equipments and technologies for the production, services, construction activities
- Purchase of IT systems (hard and soft)
- Construction/extension/modernization of the micro-enterprises production spaces

Consultancy support for the small and medium enterprises (Sectorial Operational Program (SOP) - Economic Competition Growth , PA 1, MDI 1.3, Operation b

The development and innovation of the business basis by assuring the access of the SMEs to services of qualified consultancy

Eligible activities

- Strategies elaboration for innovative solutions and the creation of new products/services and technologies
- Elaboration of Business Plans, Pre- Feasibility/Feasibility Studies for the implementation of eco-efficient and competitive products and technologies
- Elaboration of studies and strategies of management, marketing and/or financial analyses for the implementation of a certain project
- Elaboration of strategies and plans for the development and stimulation of the human resources
- Elaboration of comparative studies for the use of information technology solutions
- Elaboration of evaluation and diagnosis studies for the business transfer

ACTIVE GRANTS

Tourism Promotion ROP , PA 5, MDI 5.2

- Valuation of the natural resources for tourism purposes, diversification of the touristic services
- Improvement of the accommodation quality
- Set up/extension of touristic leisure structures, having as purpose the growth of the number of tourists and of the vacations duration

Eligible activities

- Valuation of the natural touristic objectives with touristic potential
- Value adding to the mountain touristic potential
- Spa tourism development
- Modernization and extension of the accommodation structure and utilities
- Set up, rehabilitation and extension of the leisure structure, including their corresponding utilities

Financing will be granted for objectives with touristic potential from the urban environment

For objectives in rural environment, only those in excess of 1.500.000 euro will be financed

Spa centers will be financed irrespective of their location (urban or rural)

Support for the consolidation and modernization of the productive field by investments made by small and medium enterprises
 (Sectorial Operational Program (SOP)
 - Economic Competition Growth , PA
 1, MDI 1.1, Operation a

The consolidation and development of the productive field in Romania

Eligible activities

Set up of a new production facility (factory/section/ installation)
 Extension of an existing unit for production capacity increase
 Diversification of production, by launching new products
 Modernization of the enterprise
 Acquisition of intangible products, like software, patents, licenses, know-how or unpatented technical solutions
 Specialized consultancy and training for the above mentioned investment activities

ACTIVE GRANTS

Eligible applicants

The authority of the local public administration
 partnerships between local public administration authorities
 chamber of commerce and industry, associations which represent the business environment;
 commercial companies or co-operative companies from either the rural or urban environment
 partnerships between authorities of the local public administration
 inter-community development associations
 SME's
 partnerships between authorities of the local public administration
 NGOs

The grants value ranging from 10.000 euro up to 25.000.000 euro

The beneficiary's contribution from 2 to 40 %

ACTIVE GRANTS

Social European Fund

- Access to quality education and initial – School for Each One
- Development of Human Resources in Education and Training – Career in Education and training
- Transition to active school – Learn for your career!
- Prevention and correction of early school abandon – Do not abandon school!
- Access and participation to the continuous professional formation – Continue to qualify!
- Promotion of the entrepreneurial culture - Entrepreneuriat, a career alternative
- Professional formation for increased adaptability of the employees
- Partnership development
- Development and implementation of active measures of employment- Be active on the labor market!
- Promoting long term sustainability for rural areas regarding the development of human resources and labor occupation – Rural areas: more than agriculture!
- Development of social economy Social economy and solidarity!

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ACTIVE GRANTS

Eligible applicants

public and privates; FPC providers, public and privates, in order to authorize the providers of FPC
 accredited providers, public and privates, of career orientation and counseling
 union organizations and employer's organizations
 chambers of commerce and industry,
 Departmental schooling academies and affiliate/subordinated/coordinated structures
 Social partners from the educational and professional formation system
 centers/public and private providers for the formation of the teachers
 public and private schooling units from the national schooling network; public and private accredited universities

The grants value from 10.000 euro up to 500.000 euro

The beneficiary's contribution: NGOs 2%
Others 5%

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FEADR

1. The growth of the competitiveness in agriculture and forestry aimed at the restructuring and development of the agricultural and forestry production, as well as for the implied processing industries, non-repayable funds will be granted for:

- professional formation and information actions
- the utilization of agricultural counseling services by the agricultural producers and forest owners
- the modernization of the agricultural exploitations
- the growth of the addition value of the agricultural and forestry products
- the improvement and development of the infrastructure linked to the development and adaptation of the agriculture and forestry
- the support for setting up producers groups

2. The quality of life in rural areas and the diversification of rural economy will assign a bigger importance to the economic multifunctionality of the rural areas and to the preservation and valuation of the cultural and architectural patrimony by:

- diversification towards non-agricultural activities
- support for micro-enterprises
- encouragement of touristic activities
- the renovation and development of villages
- introduction and development of new technologies and procedures, diversification of the production, the adjustment of the profile, level and quality of production to the market demands, including the ecological ones, as well as the production and utilization of the energy from regenerable sources
- the adaptation of exploitations to comunitary standards
- the growth of the incomes of the supported agricultural exploitations
- the support of the producers groups or other associative forms in order to encourage the association.

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ACTIVE GRANTS

FEADR

For the modernization of the agricultural exploitations are available over 991 million euroin grants.

"The renovation and development of villages, improvement of basic services for the rural economy and population and the valuation of the rural inheritance as well as for enhancing the quality of life in rural areas and the diversification of rural economy" have as objectives:

- the improvement of basic physical infrastructure in rural area
- the improvement of access to basic services for rural population
- the growth of the number of renovated villages
- the multiplication of objectives of patrimony in the rural areas.

Available funds : 1.546.087.425 euro

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CONCLUSIONS

- Romania is an important recipient of EU grants
- Romania's experience in getting projects approved and financed is limited, therefore it needs extended expertise in the field
- Due to the delays in both Romanian Government and Brussels decisions, the process is at its start, although there are already one and a half year since Romania's admission in EU
- The applicants share of contribution in financing projects with structural funds support is relatively small compared with mature EU countries
- Foreign companies could participate in the process and are highly advisable to do so, taking into consideration their prior experience in their countries, on the condition to be registered under the Romanian law
- With Romania at the beginning of its road towards a durable and sustainable economy, there are more opportunities in most of the domains that need to be restructured and developed according to EU standards

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