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**EUROPEAN INTEGRATION  
REALITIES AND PERSPECTIVES**

**The European Regional Development Fund and Romanian  
Transportation Sector**

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**Abstract:** Romania, as a Member State of the European Union since 2007, receive financial assistance through EU structural instruments. The goal of regional development policy is to reduce disparities in the level of wealth, income between different regions and Member States of the European Union. In our country, there are 8 development regions that receive non-refundable financial assistance through the European Regional Development Fund. **The aim** of this paper is to present a comparative situation of the projects financed by ERDF, related to the period of financial programming 2007-2013, in two different development regions of Romania: North-West and Central. **The objective** of this article is to analyze the ongoing and implemented projects in transportation sector for the programming period 2007-2013, through ERDF, for the two development regions. The concepts used in this article are the regional policy of the EU, structural funds. The approach is based on several scientific research. According to Iain Begg, the structural funds aim to promote economic development by stimulating growth rate of disadvantaged regions, public investment in infrastructure, training, productivity of businesses in the region. The paper is based on theoretical documentation regarding the structural funds, the concept of the European regional policy, the absorption rate. The main methods employed were the observation, the specialized literature and publications. The conclusion of this study is that the North-West region has managed to attract more European funds through the European Regional Development Fund in the period 2007-2013 for the rehabilitation of streets, county and national roads. The case study can be used in university as a frame of reference in order to compare one of the two analyzed regions with other development regions. Although the North-West region had an absorption rate higher than the Central, through ERDF, in the North-West were upgraded seven county roads while in the Central region they were eight.

**Keywords:** regional development; region; regional policy; structural funds.

## **1. Introduction and Theoretical Framework**

This article aims to present the comparative situation between 2 Romanian development regions receiving financial assistance through European Regional Development Fund, during the programming period 2007-2013, using the Regional Operational Programme. This case study is based only on the projects of the rehabilitation/modernization county roads in the regions mentioned above.

During the period 2000-2006, Romania, as a candidate country to the European Union, has received non-repayable financial assistance through pre-accession instruments such ISPA, PHARE and SAPARD; once became a Member State in 2007 on January 1, receive Community support in the form of grants post-accession called Structural Instruments. The origins of these EU funds are in the Treaty of Rome in whose preamble is determined commitment of Member States to „ensure their

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harmonious development by reducing disparities between the various regions and the backwardness of the least favored regions”.

Structural Instruments are the funds allocated by the European Union for the financial programming period 2007-2013 for structural interventions in the implementation of cohesion policy and consist of two Structural Funds (European Regional Development Fund and European Social Fund) and the Cohesion Fund. Together, these funds represent the EU's regional policy. Each structural instrument contribute adequately to achieve cohesion policy's objectives: Convergence, Regional competitiveness and employment and European territorial cooperation.

Between 2000-2006, under Agenda 2000, have been allocated 213 billion euros, of which 195 billion euros were designated to the European Regional Development Fund and European Social Fund and 18 billion euros for the Cohesion Fund. During 2002-2007, these funds were organized differently, including the European Fisheries Fund (EFF) and the European Agricultural Fund for Rural Development (EAFRD), but since 2007, the latter have their own legal basis and there are no longer part of EU cohesion policy.

## **2. The Structural Instruments and the Operational Programmes in Romania**

### **2.1. The Romanian Operational Programmes**

According to Council Regulation (EC) no. 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) no. 1260/1999, Member State shall submit a National Strategic Reference Framework (NSRF) that ensures the consistency of the funds with the Community Strategic Guidelines on cohesion and identifies the link between Community priorities, on the one hand and the reform program, on the other hand. Each National Strategic Reference Framework is a reference tool for preparing Fund programming. Thus, in order to benefit from funds allocated through EU policies related to the 2007-2013 programming period, Romania, like all other Member State, has drafted the National Strategic Reference Framework (NSRF).

National Strategic Reference Framework is a national strategic document setting out the priorities of intervention of Structural Instruments (European Regional Development Fund, European Social Fund and the Cohesion Fund). It connects the national development priorities set out in the National Development Plan 2007-2013, the priorities at European level - Community Strategic Guidelines on Cohesion 2007-2013 and the revised Lisbon Strategy. NSRF was developed by the Ministry of Economy and Finance through the Authority for Coordination of Structural Instruments in a broad partnership with the structures of the central government, local institutions and NGOs. The document was adopted by the European Commission in 2007 on June 25. Starting from the socio-economic situation and the long-term development needs of Romania, the National Strategic Reference Framework's overall objective is to reduce the disparities between our country and the other EU Member States, through the Structural Instruments.

National Strategic Reference Framework details the priorities set in the National Development Plan 2007-2013, except those relating to development of rural economy and increasing productivity in the agricultural sector. Therefore, it includes only those priorities of the National Development Plan that are covered by Operational Programmes, funded only by Structural Instruments.

The implementation at operational level of the overall objective, thematic priorities and regional priorities of National Strategic Reference Framework are at the level of operational programmes,

according to the objectives „Convergence” and “European Territorial Cooperation”, each of them is coordinated by a Managing Authority of the resort ministry. The Operational Programmes are the documents which ensure the implementation of strategic actions set out in the National Strategic Reference Framework and the access of the Structural Instruments. These strategic documents developed in Romania and approved by the European Commission include the multiannual priorities set that can be co-financed by the structural funds of the European Investment Bank and other grants.

In Romania, the operational programmes managed by the Management Authorities of the resort ministries, for the Convergence objective in the programming period 2007-2013 are, as follows:

- Sectoral Operational Programme „Transport”;
- Operational Programme „Increase of Economic Competitiveness”;
- Sectoral Operational Programme „Environment”;
- Sectoral Operational Programme „Human Resources Development”;
- „Regional” Operational Programme;
- Operational Programme „Administrative Capacity Development”;
- Operational Programme „Technical Assistance”.

## **2.1 The Regional Development in Romania**

First, the concept of region occurred in the early twentieth century in geography. The region is a territorial unit lying, a large expanse of land more or less homogeneous, from a country or around the globe who have common features but differs in the social, economic, cultural, geographical, ethnographical, administrative and historical degree. The region is a concept with a broad meaning, representing the cornerstone in regional science and regional economy, being the center of regional development policies. Over time, the regions have evolved differently and at different rates causing discrepancies between them.

The literature on regional science, along with the notion of the region, use the terms of area or zone. The area is part of the territory of a country that shows the space of influence of a city, being rendered „attraction areas”. The concept of zone is defined as an area with different characteristics in relation to the surrounding space.

The Council of Europe defines the region as an administrative-territorial unit under state authorities; the European Parliament understands the concept of development region as a territory that forms, geographically, a net unit or a similarly groups of territories where there is continuity, the population has certain common elements and try to retain the specificity in order to develop and stimulate economic, social and cultural progress.

Development regions are the framework of the elaboration, implementation and evaluation of the regional development policies and specific statistical data collection in accordance with European regulations issued by Eurostat for the second level of territorial classification NUTS 2 existing in the European Union. In our country, according to the Law no. 315/2004 on regional development, development regions are not administrative units and have no legal personality, these are areas that comprise the counties in question, respectively Bucharest, constituted on the basis of agreements between representatives of county councils and the General Council of Bucharest. The development regions are the following:

- North-East includes the counties: Bacău, Botoșani, Iași, Neamț, Suceava, Vaslui;

- South-East consists of counties: Brăila, Buzău, Constanța, Galați, Vrancea, Tulcea;
- South-Muntenia includes the counties: Argeș, Călărași, Dâmbovița, Giurgiu, Ialomița, Prahova, Teleorman;
- South-West Oltenia consists of counties: Dolj, Gorj, Mehedinți, Olt, Vâlcea;
- West includes the counties: Arad, Caraș-Severin, Hunedoara, Timiș;
- North-West consists of the counties: Bihor, Bistrița-Năsăud, Cluj, Sălaj, Satu-Mare, Maramureș;
- Central includes the counties: Alba, Brașov, Covasna, Harghita, Mureș, Sibiu;
- București - Ilfov includes București City and Ilfov county.

### 3. The Romanian Development Regions

#### 3.1. North-West Region

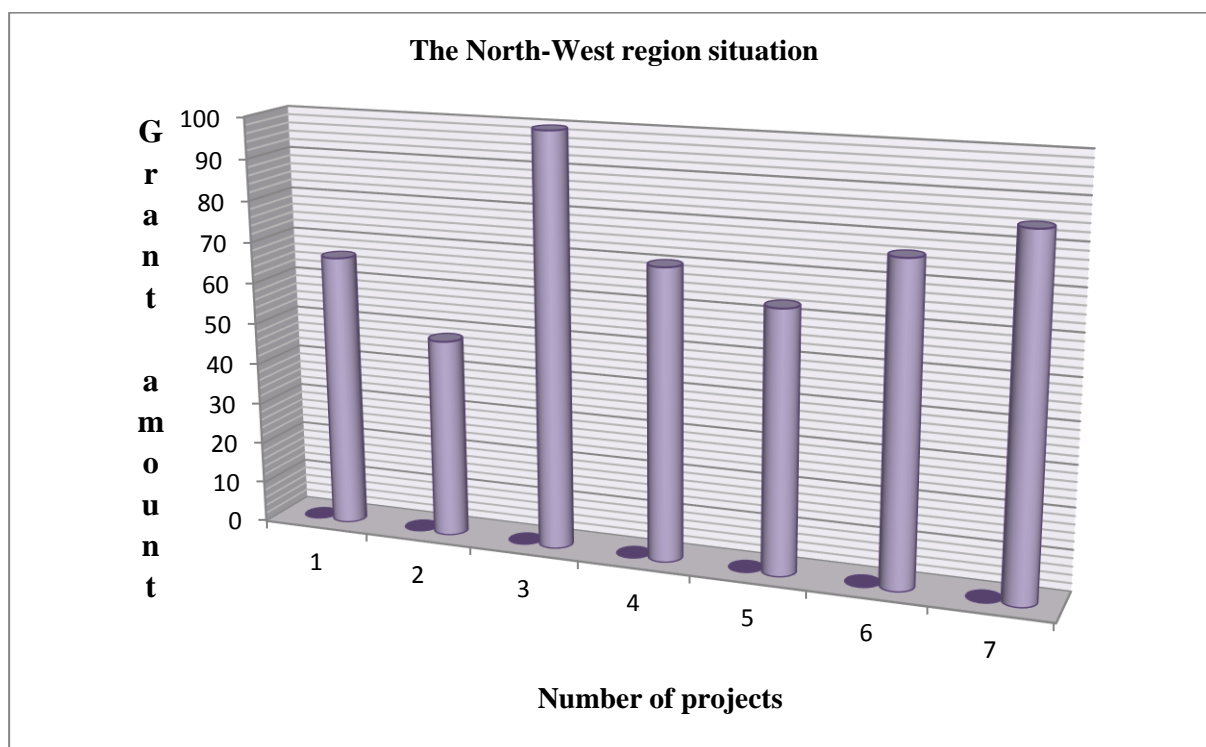
The surface area is 34.159 square kilometers and represents 14,32% of the country with a total population of 2.744.914 citizens. The region consists of 421 administrative-territorial units and has a strategic geographical position, its borders with Hungary and Ukraine and central development regions, west and north-east of Romania. The region is crossed by 7 European roads and the most important are: E60-from Hungary connected with Oradea-Cluj-Brașov and Bucharest E579-Cluj-Napoca-Dej, E81-Satu Mare-Zalău-Cluj-Napoca-Brașov-București, E79-Oradea-Deva, E671-Oradea-Arad-Timișoara, E58-Cluj-Napoca-Dej-Bistrița-Baia Mare-Vatra Dornei. Of the total region's road network 3.222 km are modernized. Through the European Regional Development Fund, for this region, during the period 2007-2013 was allocated financial assistance about 522,19 million euros, 452,17 million euros representing the contribution of the European Union. The projects are implemented by the North-West Regional Development Agency which is the Intermediate Body for Regional Operational Programme (ROP) 2007-2013. The absorption rate was 74,71%. For road transport infrastructure, the regional allocation of the investment projects was about 113 million euros. In the following, will be presented the ongoing and implemented projects in this region of the country.

**Table 1. The projects of the North-West region**

Project name	Localisation	Status	Total value	Grant amount (lei)
Modernisation of DJ 191 Marghita-Tășnad	Marghita, Tășnad	implemented	83.890.745	66.327.826
Modernisation of road infrastructure in Satu Mare county – DJ 109L, Negrești Oaș-Turț	Negrești Oaș, Turț	implemented	60.574.586,21	48.297.025,05
Rehabilitation of DJ 151, km 45+810 – km 126+172, border county Mureș-Bistrița Năsăud, Bistrița county	Bistrița, Blăjenii de Jos, Blăjenii de Sus, Brăteni, Budești, Chirales, Lechița, Sânmihaiu de Câmpie, Sieu Odorhei, Sigmir, Sângeorzu Nou, Șintereag, Șirioara, Țagu, Zoreni	implemented	126.610.050	99.660.527
Road rehabilitation Ciucea-Crasna, Virsolt	Ciucea, Crasna, Virsolt	implemented	85.628.384	70.341.627

Rehabilitation and modernisation of DJ 763 Sudrigiu-Pietroasa-Cabana Padiş, km 0+000-km 13+100 and 19+650-km 35+100, L=28,550 km, Bihor county	Padiş, Pietroasa, Sudrigiu	implemented	76.883.313,56	63.126.137,99
Rehabilitation of the county road route Baia Sprie (DN 18)-Cavnic (DJ 184)-Ocna Şugatag (DJ 109F)-Călineşti (DJ 185)-Bârsana (DJ 185)	Baia Sprie, Bârsana, Călineşti, Cavnic, Ocna Şugatag	ongoing	92.946.366,10	76.514.666,20
Rehabilitation of DJ 108A: DN 1F-Românaşi-Creaca-Jibou-Benesat	Benesat, Creaca, Jibou, Românaşi	implemented	102.697.090,61	84.727.812,89

Source: <http://www.nord-vest.ro>



Source: Own Processing

The total value of these projects is 629.230.535,48 lei and the grant amount: 508.995.622,13 lei.

### 3.2. Central Region

The surface area is about 34.100 square kilometers, representing 14,3% of Romanian territory. As surface, exceeds some European countries such as Luxembourg, Macedonia, Slovenia. At the beginning of 2010, the number of citizens was 2.524.000. The absorption rate at the end of 2015 for the road infrastructure was 85,17%.

Due to its geographical position, the central region has the advantage that can be made connections with the other development regions of the country, the distance between the central area and the country border being equal. This region is crossed by a network of roads with a total length of 10.714 km which provides access to all parts of the region by giving a good connection with other regions of Romania. There are 5 European roads of 951 km that crossing it, 4 of them forming a large ring road which link the southern, western, northern and eastern region and the fifth European road (E60) runs through the center region in the direction southeast-northwest. The most important roads in the region are DN1 and DN7. European road E60 crosses the region diagonally, linking Braşov and Cluj, Târgu Mureş and central/western European countries.

Southwestern of the region is crossed by Corridor IV Pan-European transport route that will provide a quick link between south-eastern Europe and central Europe (Dresden, Nuremberg).

The total of the railway network is about 1.420 km of which 47,4 % are electrified. In this region there are large isolated areas in terms of rail transport.

The Central Regional Development Agency is the Intermediate Body for Regional Operational Programme 2007-2013. In the period 2007-2013, the financial allocation for this region was about 440,37 million euros. The beneficiaries have managed to attract over 90% of this funding with 290 kilometers streets and county roads rehabilitated. The ongoing and implemented projects concerning the county roads are the following:

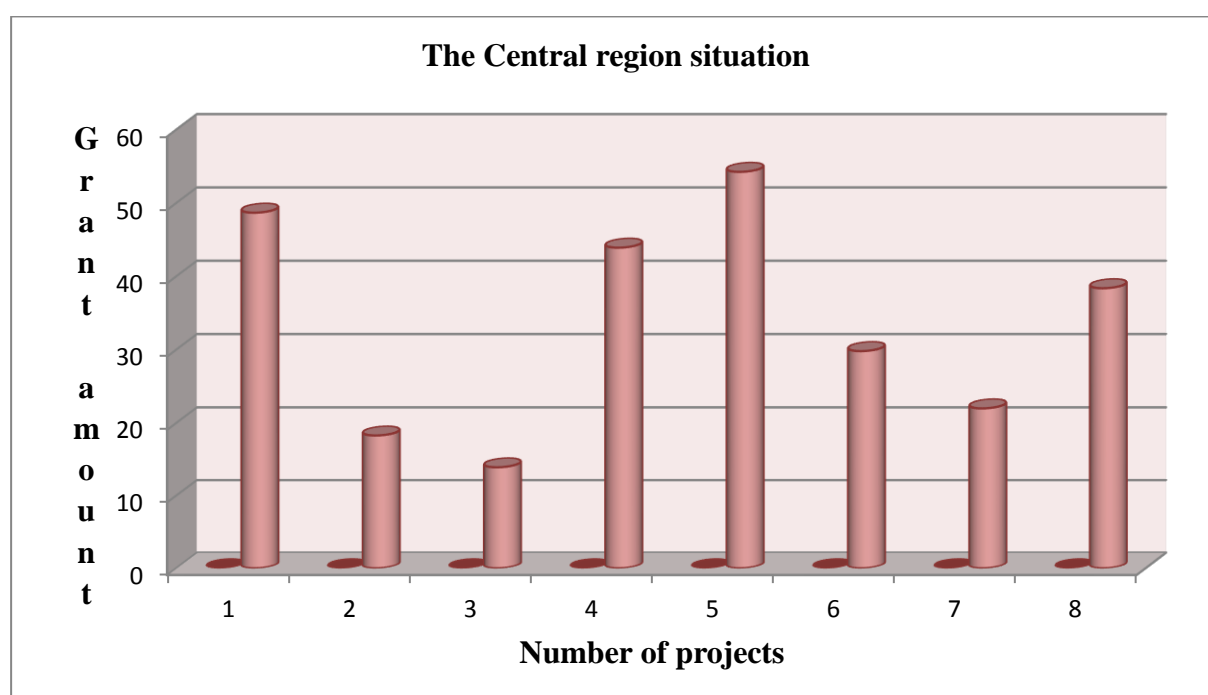
**Table 2. The projects of the Central region**

Project name	Localisation	Status	Total value	Grant amount (lei)
Modernisation of DJ 106 Sibiu-Cornăţel-Alţâna-Barghiş-Agnita	Sibiu, Agnita	implemented	59.224.993,68	48.690.923,68
Rehabilitation and modernisation of DJ 142C	Mureş, Coroisânmartin, Viişoara	implemented	23.089.675,08	18.289.722,67
Modernisation of DJ 106D Răşinari-Poplaca-Orlat km 14+143-km 31+340	Sibiu, Orlat, Răşinari	implemented	16.885.068,69	13.905.350,68
Rehabilitation and modernisation of DJ 135 Măgherani-Sărăţeni	Mureş, Măgherani	implemented	56.455.216,69	43.919.981,65
Rehabilitation of DJ 132	Harghita, Ocland, Vlăhiţa	ongoing	66.898.214	54.260.870
Modernisation of DJ 142E Dârlos (intersection DJ 142C)-Alma-Dumbrăveni-	Sibiu, Dârlos, Dumbrăveni	ongoing	34.154.237,30	29.813.856,18

Hoghilag-DN 14, km 0+000 – km 20+130				
Tourism potential and economic exploitation of Aiud Valley through rehabilitation of transport infrastructure of DJ 107M	Alba, Aiud, Rimetea	implemented	27.839.574	21.999.811,26
Rehabilitation of DJ 123A Tuşnad-Sâncrăieni, km 0+000 – km 14+600	Harghita, Tuşnad, Sâncrăieni	implemented	47.239.383,59	38.386.832,26

Source: <http://www.adrcentru.ro>

The total value of the projects is 331.786.363,03 lei and the grant amount: 269.267.348,38 lei.



Source: own processing.

#### 4. Conclusions

Following the comparative analysis of the data presented above, for each region, we can observe that although the North-West region has developed a smaller number of projects than the Central, the non-refundable value was higher. The absorption rate was 74,71% comparative with 85,17%. Each region has its own specificity but even that, the beneficiaries should choose an adequate portfolio of projects so that can be achieved and implemented using European funds. The development of the regions, the standard of living of the citizens depend on the successful implementation of these funds available to Romania from the EU.

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