# Chapter 11 The Architecture of the EU Structural Instruments in Romania: Public Administration Bodies Functioning, Econometric Modeling, and E-Solutions

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### ABSTRACT

The present chapter, after a short introduction presenting basic information about the European Union cohesion policy, presents the seven operational programmes that have been negotiated by Romania with the European Commission for the current programming period. The difficulties deriving from public procurement-acquisition procedures in Romania are identified; such difficulties are encountered during the implementation of European projects, thus questioning the effectiveness of the Electronic Public Procurement-Acquisition System. Although it was created with a view to securing the transparency of public funds distribution, it does not allow for tracking the concluded contracts compliance with procurement-acquisition terms. It is at this stage that the most serious problems related to public funds effective use arise. Emphasis is also placed on innovative tools used for submitting, evaluating, and monitoring projects, emphasizing the role of Management Authorities, as public bodies for managing this process. For each operational programme, an econometric model GARCH-like has been developed and applied for realizing this analysis at the level of NUTS2. Bucharest-Ilfov region has been chosen

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as a case study. Conclusions emphasize the beneficial role of such models especially for assessing the current status of absorbing the structural funds as well as for formulating suggestions for improvement as regards the next programming period. The chapter also pays special attention to the potential use of innovative tools in the application and implementing process as drivers for increasing the efficiency and effectiveness of the process.

## INTRODUCTION

During the 2007-2013 period, the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the Cohesion Fund will contribute to achieving the three objectives of the Cohesion policy: Convergence (ERDF; ESF and Cohesion Fund), Regional Competitiveness and Employment (ERDF; ESF) and European Territorial Co-operation (ERDF). Regions with a GDP below 75% of the EU average are eligible under the Convergence objective while the other regions eligible under the Regional Competitiveness and Employment objective. Geographic eligibility of regions under the European Territorial Cooperation objective concerns either cross-border regions or those belonging to trans-national cooperation areas. The objectives, eligible regions, and allocations are as follows:

- The rationale of the Convergence objective is to promote growth-enhancing conditions and factors leading to real convergence for the least-developed Member States and regions. In an EU-27, this objective concerns—within 17 Member States—84 regions with a population of 154 million, whose per capita GDP is less than 75% of the Community average, and—on a "phasing-out" basis—another 16 regions with 16.4 million inhabitants with a GDP only slightly above the threshold, due to the statistical effect of the larger EU.
- Outside the Convergence regions, the Regional Competitiveness and Employment objective aims at strengthening regions' competitiveness and attrac-

tiveness, as well as employment, through a two-fold approach. First, development programmes will help regions to anticipate and promote economic change through innovation and the promotion of the knowledge society, entrepreneurship, the protection of the environment, and the improvement of their accessibility. Second, more and better jobs will be supported by adapting the workforce and by investing in human resources. In an EU-27, a total of 168 regions will be eligible, representing 314 million inhabitants.

The European Territorial Co-operation objective will strengthen cross-border co-operation through joint local and regional initiatives, trans-national co-operation aiming at integrated territorial development, and interregional co-operation and exchange of experience. The population living in cross-border areas amounts to 181.7 million (37.5% of the total EU population), whereas all EU regions and citizens are covered by one of the existing 13 transnational co-operation areas. EUR 7.75 billion (2.5% of the total) available for this objective is split as follows: EUR 5.57 billion for cross-border, EUR 1.58 billion for transnational and EUR 392 million for inter-regional co-operation.

The Structural Funds are managed through a de-centralised system. This means that once the agreement on the financial allocation and the type of activities to be funded is signed between the European Commission and the Governments of the EU Member States, the national authorities have 25 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

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