

PROPOSALS FOR ACTION AIMED TO IMPROVE THE MANAGEMENT PLANNING OF EUROPEAN FUNDS

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Abstract. *One of the key principles of cohesion policy is relating to the co financing, namely to ensure the beneficiaries own contribution, in addition to Community assistance grants. Financial support of the beneficiary, quantified as own contribution in the implementation of the project lies in the congregation by applying the fixed costs arising established for co-financing rate of eligible costs and expenses ineligible.*

Keywords: contribution, beneficiary, eligible

JEL Classification: M40, M41

1. Introduction

In 2007-2013, the EU invested EUR 346.5 billion in Cohesion Policy. It is expected that the multiplier effect of 2.74 euro 1 euro invested to produce additional Gross Domestic Product by 2023.

Thus, it is estimated that the amounts invested will generate about 1 billion Euros in additional GDP. In terms of jobs created (1 million), which represents one third of all new jobs created in the period.

2. Comparative analysis of investments made under the Cohesion Policy

The number of new jobs created as a result of investments made in the 2007-2013 programming, reported by the European Commission in September 2016 high values in Hungary and Poland and Hungary extremely low in proportion to the funds absorbed.

The following observations can be drawn:

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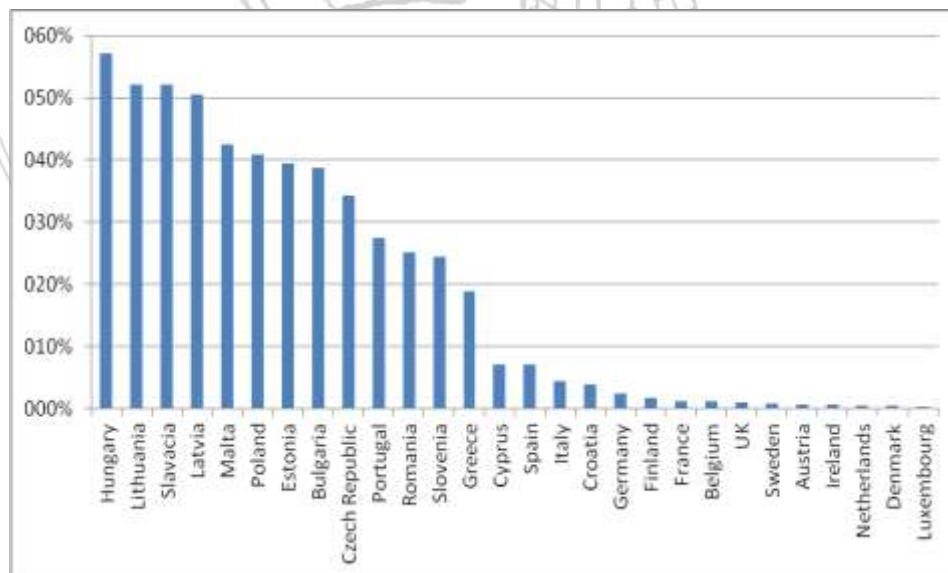
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- Poland has obtained the best results compared to other countries analyzed, claiming in particular private sector investment in road infrastructure, the impact on employment;
- Hungary's investment efforts have resulted in research and innovation, but also by the indicator on job creation;
- Romania recorded a good result in terms of jobs created in research and Bulgaria concentrated towards infrastructure projects.

Intermediate conclusions that stand out are:

- A small number of programs can lead to better coordination at the central management system for the structural and cohesion. Also the use of Regional Development Agencies, with adequate administrative capacity and proven by the performance achieved as IBs for different programs can increase the efficiency of EU funds. Thus, a high efficiency of structural funds is conditional on the quality of governance in general and public administration in particular so that economic and social benefits from the Structural Funds to record positive results (see Chart 1).
- The concern shown for investments in research and innovation in order to achieve technical progress and positive effects on economic development.

Chart 1 Reporting of the Cohesion Policy in total government capital investments



[Data source: developed by the author based on the results of Cohesion Policy information available online

http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp1_ro_factsheet_en.pdf]

Among the countries examined in this scientific approach, Hungary recorded the highest value of the Cohesion Policy funds 57.1% of total government investment capital, followed by Poland (40.9%), Bulgaria (38, 7%) and Romania (25.1%). It may be noted that the European average in the amounts of Cohesion Policy in government capital investments is 6.5%, but that investments in these funds were a vital source of funding for many Member States, representing up to 57% of government capital investments. A summary report (see table 1) obtained in the analyzed indicators in the paper highlights the results achieved by specific allocations intervention program.

Table 1 Results for Cohesion Policy 2007-2013 in the analyzed countries

Indicator	Romania	Hungary	Bulgaria	Poland
Number of projects supported in the field of research and innovation	569	3.916	71	1.382
Number of projects supported cooperation between enterprises and research centers	41	640	37	1.057
Number of supported projects for SMEs	2.898	40.644	-	14.955
Number of projects for start-up backed	101	1.991	-	1.993
Km of roads rehabilitated	1.893	2.52	1.04	7.21
Km of new roads, of the roads in the TEN-T	368 314	502 135	175 173	1.88 6 1.05 6
Km of railways rehabilitated	122	216	234	482
Km of new railway	22	20	234	124
Number of jobs created	35.172	108.908	6.018	87.427
Number of permanent jobs	13.228	41.453	-	84.636
Number of jobs created in research	1.160	3.623	244	5.000
Funds absorbed (billions)	15,4	21,0	5,4	57,2

[Data source: developed by the author based on information the European Commission, Regional Policy, September 2016]

The information is taken from country reports submitted by the European Union in September 2016 for Romania, Hungary, Bulgaria and Poland. Croatia was synthesized statistics.

3. Summary of results

Regarding the first indicator, namely the number of projects supported in the field of research and innovation, it is noted that Hungary and Poland have paid

increased attention to the field of research and innovation, compared to Romania and Bulgaria.

The same trend is observed in the case of projects carried out between enterprises and research centers, assisted in getting European subsidies to develop new technologies and innovative products.

Indicator Analysis number of projects for small and medium enterprises and start-up reveals that in Hungary were supported by a number of 40 644, respectively 1,991 companies that fall into these categories.

In comparison, Poland has granted 14 955 European funds for small and medium enterprises and 1,995 new enterprises and Romania for 2898 projects related to small and medium enterprises and 101 start-up projects.

Regarding the indicators obtained in infrastructure can be noticed results achieved in Poland respectively 1886 km of new roads, of which 1056 km of roads linked to the network of European transport 7216 km of roads rehabilitated 482 kilometers of railways rehabilitated and 124 km railway us.

The number of new jobs created as a result of investments made in the 2007-2013 programming, reported by the European Commission in September 2016 high values in Hungary and Poland and Hungary extremely low in proportion to the funds absorbed.

To summarize, the following observations can be drawn:

- Poland has obtained the best results compared to other countries analyzed, claiming in particular private sector investment in road infrastructure, the impact on employment;
- Hungary's investment efforts have resulted in research and innovation, but also by the indicator on job creation;
- Romania recorded a good result in terms of jobs created in research and Bulgaria concentrated towards infrastructure projects.

Conclusions

Intermediate conclusions that stand out are:

- A small number of programs can lead to better coordination at the central management system for the structural and cohesion. Also the use of Regional Development Agencies, with adequate administrative capacity and proven by the performance achieved as IBs for different programs can increase the efficiency of EU funds. Thus, a high efficiency of structural funds is conditional on the quality of governance in general and

government institutions, particularly so that economic and social benefits from the Structural Funds to record positive results.

- The concern shown for investments in research and innovation in order to achieve technical progress and positive effects on economic development.

Proposals for improving central management:

- Increase the capacity for cooperation and coordination between central, regional and local authorities involved in the management of European funds. The relationship between local management at beneficiary level and central level Intermediate Body and Managing Authority must operate normally for the purposes of investment projects financed from European funds;
- Adopt measures aimed main policy tools usable in all stages of implementation of EU funds for public sector managers.

Proposals for improving local management involve planning (forecast) projects and Capacity building:

- Inclusion of investment projects in strategy / policy / plan / program of the institution. Prioritization of projects must take into account the specific social and economic factors in the region that would be implemented; the correlation with other investments made previously and forecast development nationally. It should also be anticipated and provided time to develop the necessary economic and technical documentation, so as to reduce the risk of design errors;
- Ensure co is an essential step in planning projects. This should be based on a correct forecast of revenues and expenditures on a medium-term horizon, depending on demographics and socioeconomic local and national;
- Develop procedures for all stages of implementation of investment projects, including circuit all documents and activities of the management team. These procedures should include including measures to be followed in case of risks that can disrupt the optimum implementation of projects and audit trails that can allow easy verification of the correctness actions;
- Identify "key structural points" in the institution, central to the implementation of investment projects. In these compartments should be ensured optimal number of specialized personnel, so that production of changes in their structure may not be reflected in ongoing projects.

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