

THE COHESION POLICY POST 2020 IN ROMANIA: PROPOSED PROGRAMS AND SIMPLIFICATION MEASURES IN THE PROCESS OF ACCESSING EU FUNDING

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Abstract. *Romania has been a net beneficiary of the Cohesion Policy, one of the main EU policies, since joining the European Union in 2007. Nowadays, Romania is still facing problems in the use and absorption of structural and cohesion funds, generated by the complex bureaucratic procedures, that are not imposed by the European Union. Simplification measures have been discussed and agreed between the European Commission and the European Parliament, inclusively for the 2014-2020 programming period. At the national level, the simplification measures proposed, in general, can lead to the reducing of bureaucracy, to facilitating the access of the beneficiaries to the non-reimbursable funds allocated to Romania, as well as to the balanced progress of the development regions.*

Keywords: *Cohesion policy, simplification, absorption, European funds, ERDF, ESF+, 2021-2027*

Romania has been a net beneficiary of the Cohesion Policy, one of the main EU policies, since joining the European Union. For all this, both in the 2007-2013 programming period and in the 2014-2020 programming period, the absorption rate of the European structural and cohesion funds has been and is a low one, being generated both by the lack of training of the authorities in charge with administering the allocated funds, as well as the difficult procedures imposed, on the one hand by the European Union and, on the other hand, by the Management Authorities.

The financial allocations granted by means of the Cohesion Policy have a major impact on Romania, representing approximately 60% of the public investments and generating notable results (results for the 2007-2013 programming period): 14,000 SMEs supported, that generated the creation of 51,000 jobs, 2,000 research projects supported, 299 closed landfills, 100 polyclinics and modernized hospitals. (*"Accesarea fondurilor europene, o slăbiciune pe care România a avut-o de la intrarea în Uniunea Europeană"*, Corina Crețu...).

During the programming period 2007 - 2013, Romania benefited from a financial allocation of 19 billion Euros, the absorption rate being 90 - 91% and during the programming period 2014 - 2020, it benefits from a financial allocation of 23 billion Euros (*"Absorbția de fonduri europene trebuie accelerată în 2017, întârzierile costă"*, Corina Crețu).

At present, Romania is still facing problems in the use and absorption of structural and cohesion funds, generated by the complex bureaucratic procedures, that are not imposed by the European Union, fact acknowledged by European Commissioner Corina

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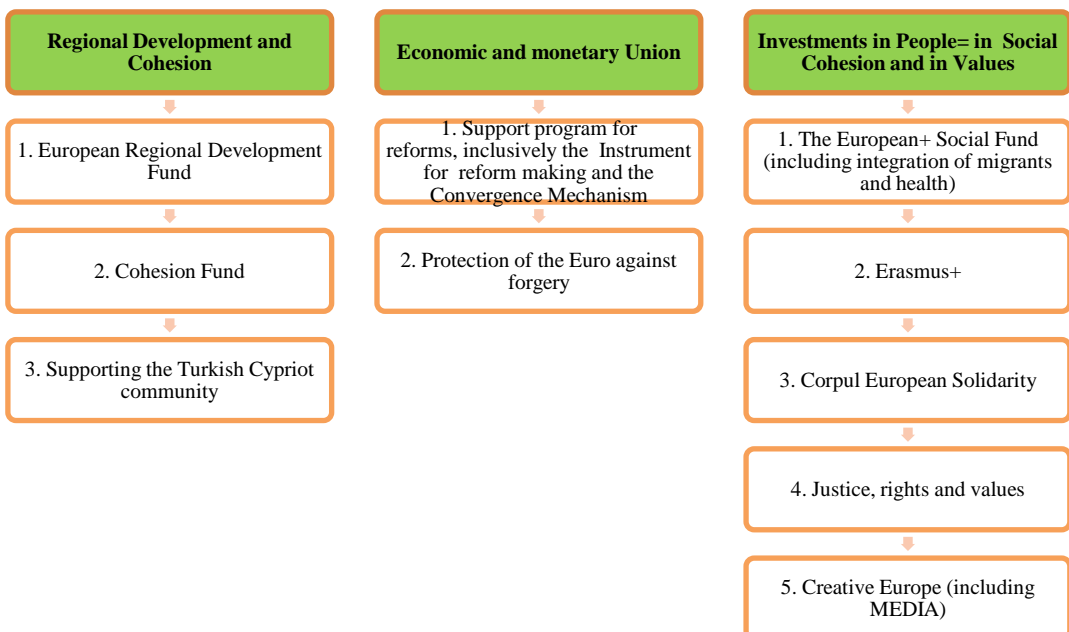
Crețu, who also emphasized the fact that the regions that are most successful in attracting non-reimbursable funds are those that have implemented simplified measures and support beneficiaries in accessing projects funded from non-reimbursable funds. (*"Corina Crețu despre accesarea fondurilor UE..."*).

Simplification measures have been discussed and agreed between the European Commission and the European Parliament, inclusively for the 2014-2020 programming period, with a series of regulation changes (*Corina Crețu a reprezentat Comisia Europeană ...*) being adopted, such as the use of estimates for certain cost categories, which generates an efficiency of the project implementation process and the reducing of bureaucracy.

In order to determine the causes that lead to delays in the implementation of the programs, both *ex post* and impact assessments were carried out, as well as a public consultation on the funds allocated by the EU through the Cohesion Policy (between January 10th - March 9th, 2018), the main simplification proposals being as follows:

- Reduction of the administrative burden, as it has been found that the administration and control mechanisms of the programs financed through the Cohesion Policy (especially the ERDF and the CF) are complex, generating administrative uncertainty, delays in the implementation of the programs and, implicitly, a low degree of absorption.
- Flexibility in the use of funds allocated to the programs;
- Reducing the administrative costs by simplifying the procedures and norms.

To reduce bureaucracy and make more efficient the use of post-2020 European structural and cohesion funds, a series of simplification measures have been proposed, as well as a unique regulatory framework for 7 funds, with shared administration.



The purpose of the present research aims on the one hand, at identifying the programs/financing lines proposed for the programming period 2021 - 2027 and, on the

other hand, at analysing the simplification measures proposed for the efficiency of the European structural and cohesion funds.

The proposed simplification measures are the subject of the present research, which aims at analysing them and determining the impact generated on Romania and on the potential beneficiaries regarding the use of the non-reimbursable funds allocated for the programming period 2021 - 2027, being known, on the one hand, the problems encountered so far, such as excessive bureaucracy, and on the other hand the fact that Romania will benefit from an increase of the allocated funds, compared to the programming period 2014 – 2020.

Irrespective of which category the simplification measures are destined to (managing authorities of the non-reimbursable funds or final beneficiaries), their purpose is to facilitate their use by the final beneficiaries, at the same time with the efficient development of the regions.

1. The Architecture of the Cohesion Policy in the Programming Period 2021 – 2027

1.1. Introduction

Generally speaking, the European Commission sets forth that the budget for the period 2021 - 2027 be simplified and be more transparent, result-oriented and leading to a reduction of bureaucracy, with a great emphasis as well on respecting the rule of law by all Member States.

From the point of view of architecture, the new programming period has a section of *Cohesion and Values* defined, that includes the following (*Communication from the Commission ...*):

Within this article the focus will be on the **Regional Development and Cohesion**, specifically on the *European Regional Development Fund* and the *Cohesion Fund*, respectively on the **Investments in people, social cohesion and values**, specifically on the *European Social Fund +*, these being at present the main programs of financing from Romania that contribute to reducing the economic, social and territorial disparities.

It is important to mention the fact that the Cohesion Policy of the European Union is the main investments policy of the EU aimed at reducing the gaps between the Member States.

1.2. The European Regional Development Fund (ERDF) and the Cohesion Fund (CF)

During the programming period 2021 - 2027, the ERDF and FC will have 5 objectives, defined as follows (*Annex to the Commission communication ...*):

Although at present the financing programs for the programming period 2021 - 2027 are not defined, out of the objectives set, the domains that the Cohesion Policy will finance can be identified, and these are listed below (*EU Regions Week - Cohesion policy for 2021-2027 – PPT presentation*):

The European Fund for Regional Development shall have a financial allocation (*Annex to the Commission ...*) of 226,308 million de Euro, divided as follows:

- 215.172 million Euro for Investments for economic growth and work force occupancy;
- 9.500 million Euro for European territorial Cooperation;
- 1.637 million Euro for the ultra perriferal regiond and the areas with reduced density of population.

The Cohesion Fund shall have a financial allocation (*ibidem*) of 46,692 million Euro.

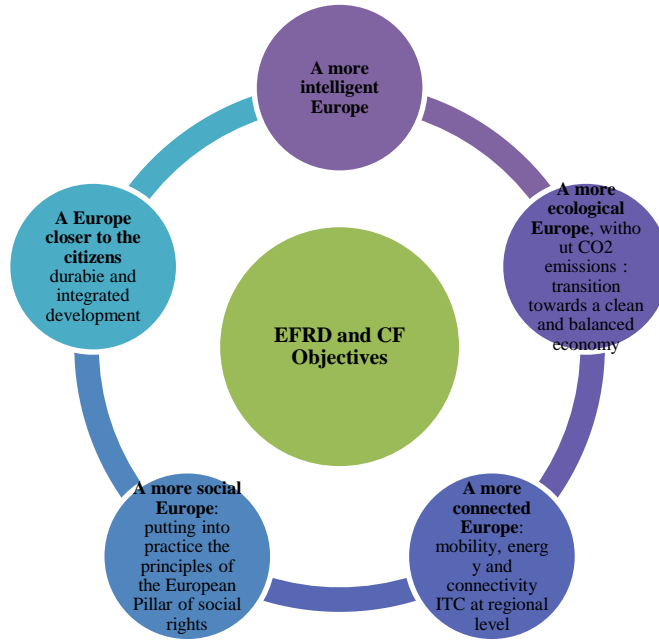


Table no. 1: Objectives of the Cohesion Policy post 2020

Smart Europe						
1. Research	2. Digital Services		3. SME competitiveness		4. Skills for RIS3	
Green, Low Carbon Europe						
5. Energy Efficiency	6. Renewable Energy	7. Smart energy grids	8. Climate Change + risks	9. Sustainable Water Mgmt	10. Circular Economy	11. Biodiversity, green Infra.
Connected Europe						
12. Digital networks		13. TEN-T (road, rail, +)		14. Other Transport		15. Sustainable multimodal urban mobility
Social Europe						
16. Labour Market Infra.		17. Education infra.		18. Housing + Social Infra.		19. Health infra.
Europe Closer to the people (Integrated development initiatives)						
20. integrated dev. in urban areas			21. integrated dev. in rural and coastal areas			

1.3 The European+ Social Fund

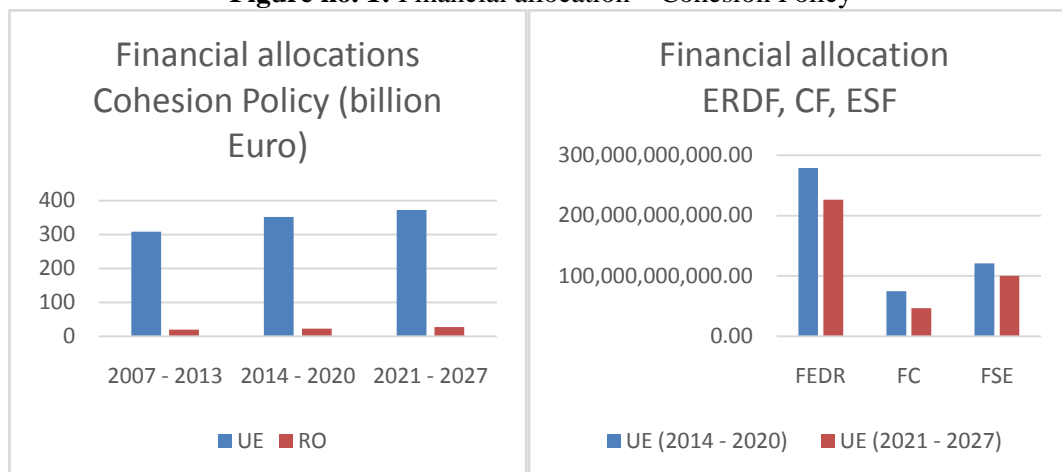
The objectives (*ibidem*) of the ESF+ in the programming period 2021 – 2027 are the following:



From a financial point of view, the ESF+ shall benefit from a financial allocation (*ibidem*) of 100,000 million Euros.

Upon a closer analysis, compared to the 2014-2020 programming period, the Cohesion Policy will have a higher allocation during the 2014-2020 programming period, but the funds allocated to the ERDF, ESF + and CF will decrease.

Figure no. 1: Financial allocation – Cohesion Policy



The author's own data processing, with data taken from <https://cohesiondata.ec.europa.eu/>.

With regard to the financial allocation from the ERDF and the CF for the less developed regions, the regions in the transition period and the more developed regions, the situation is presented in the table below, comparatively between the two programming periods:

Table no. 2. – Continued concentration on less developed regions

	2014-2020	2021-2027
Cohesion Fund	22%	13%
ERDF Less developed regions	53%	62%
ERDF Transition	10%	14%
ERDF More developed	15%	11%
Total	100%	100%
<i>Share CF + ERDF less developed</i>	<i>74%</i>	<i>75%</i>

Thus, it is necessary to ensure an optimal implementation of the programs financed through the Cohesion Policy, to ensure the efficient access and use of the funds, while reducing the excessive bureaucracy. In this respect, a number of 80 simplification measures have been proposed, that are to be implemented during the programming period 2021 - 2027 to ensure the most efficient use of the funds, reducing the administrative costs regarding their implementation in the Member States, as well as and facilitating beneficiaries' access to them.

The following are the main simplification measures proposed by the European Commission, as well as their possible impact at national level.

2. Simplification Measures Proposed and Their Impact

2.1. Reducing the number of regulations and funds (*"Manual de simplificări - 80 măsuri de simplificare în politica de coeziune 2021-2027..."*):

- *A common regulation for the Cohesion Fund and the European Regional Development Fund*
- *The European Fund for the Support of the Disfavoured Persons (FEAD), Youth Employment Initiative (EYI) and the European Social Fund – merged in ESF+*

Reducing the number of regulations and simplifying their use is a positive element in approaching the new programming period, as well as increasing the visibility of the Cohesion Policy of the European Union.

An easier understanding of the Cohesion Policy and the pursuit of the legislative provisions, in parallel with its compliance, the reduction of the excessive bureaucracy level and the consultation of a multitude of regulations or the correlation of information within them are the results expected by the European authorities in the new programming period 2021 - 2027.

Merging more funds into one reduces the bureaucracy and facilitates access and understanding of funding programs, this simplification measure a strong point for both funding applicants and Management Authorities who will no longer need to consult more documents and regulations for funding that have the same objectives.

Clarity on the timing of operations and more certainty with regard to the transition (*"Manual de simplificări - 80 măsuri de simplificare în politica de coeziune 2021-2027..."*).

According to art. 111 of the *Regulation Proposal of the European Parliament and of the Council (Proposal for a Regulation of the European Parliament and of the Council...)* provide clear information on the possibility that the Management Authorities to be able to select an operation which, in fact, represents the second stage of an operation

selected for support and that was started during the programming period 2014 - 2020 (according to the (EC) Regulation No 1303/2013) under certain conditions such as: existence of 2 clearly identifiable stages, with a value of over 10 million Euros, clear identification of the expenses included in the Payment Applications and their non-overlapping, the eligibility of the operation in the new programming period and its operationalizing according to the European regulations.

Among the main **effects** generated by this proposal there are the opportunity to finalize the projects started in the programming period 2014 - 2020, in the next programming period, as well as the possibility to start projects towards the end of the programming period, being ensured their financing under the conditions mentioned, in the future programming period.

From the point of view of the **effects** generated by this simplification measure in the case of Romania, an advantage is represented by the fact that, for Romania, this proposal is very beneficial, the problems encountered in the implementation of the projects, especially the major infrastructure projects being well known. However, there is the possibility that the projects that comply with the conditions of the above-mentioned regulation will not be phased by the Romanian authorities, respectively that the conditions imposed will not be taken into consideration, thus losing the opportunity to finalize them in the future programming period.

2.2. Flexibility, administrative capacity integrated with simpler sectoral and simpler objectives (*"Manual de simplificări - 80 măsuri de simplificare în politica de coeziune 2021-2027"* ...).



Through the DRC, 5 policy (*Propunere de Regulament al Parlamentului European și al Consiliului* ...) objectives are proposed, compared to the programming period 2014 - 2020, which had 11 thematic (policy) objectives defined, thus being simplified, on the one hand, their understanding and application by the Member States,

and on the other hand by simplifying the reporting process and granting the possibility of a more flexible transfer of funds among established priorities.

The establishing of 5 thematic objectives also leads to the avoidance of long descriptions of the activities financed within them, providing, in fact, financing directions for the Member States.

A positive impact generated by this simplification measure, for **Romania**, is represented by the possibility to finance projects and activities that represent real needs for the population, which fall within the 5 policy objectives, without imposing predefined activities that, perhaps, do not fully reflect the existing needs.

From a negative point of view, however, there is a risk of over-bureaucratizing the process of accessing non-reimbursable European funds precisely because of the lack of predefined activities, thus making it difficult to access these funds on the one hand, and on the other hand, financing of activities that are not necessary for the communities from Romania to the detriment of other needs

2.3. Simplifying the norms for thematic concentration (*"Manual de simplificări - 80 măsuri de simplificare în politica de coeziune 2021-2027" ...*):

The ERDF and CF regulation (NB: the proposal for regulation) provides for the maintenance of the conditions regarding the thematic concentration and the majority directing of the budgetary resources allocated (60-65%) to two of the most important policy objectives: OP 1 and OP 2, described above.

However, certain criteria with regard to the thematic concentration were established, thus being given flexibility to each Member State:

Table no. 3 – Thematic concentrations

For countries with:	Minimum percentage „OP 1”	Minimum percentage „OP 2”
VNB below 75 %	35%	30%
VNB between 75-100%	45%	30%
VNB over 100 %	60%	Not applicable OP 1 and OP 2 min. 85 %

The simplification of the norms regarding the thematic concentration leads to a more focused approach of the existing needs at the level of the Member States, giving them the necessary flexibility to define and identify solutions adapted to them, the main criterion considered being that of the level of development for each MS.

At present, it is well known that the existing European structural and investment funds at the level of Romania are useful, but they are granted without taking into account the gaps and specific needs pertaining to each development region, financing activities that in some regions are more than necessary but in other regions they no longer represent current problems, a good example being the discrepancies in the North West or West region with those in the south of the country (e.g. South West Oltenia), reflected both in the standard of living of population, as well as degree of accessing European structural and cohesion funds.

Thus, a question that arises is whether all Member States have the same level of development (and the answer is, of course, no) and whether the thematic concentration of non-reimbursable European funds should not be achieved depending on the level of development of each state and its development needs.

Thus, the main thematic concentration for the first two policy objectives (a smarter Europe and a greener Europe) seen from the perspective of the less developed

Member States represents a channelling of funds to certain over-developed sectors, compared to the needs in the territory (e.g.: financing of smart specialization projects at the expense of financing basic infrastructure improvement projects - a necessity for small cities in Romania, as a support point in reducing the migration rate of the population to larger, more developed cities).

2.4. Simplification of programming documents (*"Manual de simplificări - 80 măsuri de simplificare în politica de coeziune 2021-2027" ...*):

In order to streamline the use of funds, the proposed Regulation (DRC) eliminates the **Common Strategic Framework**. Simplification measures have also been proposed regarding the **Partnership Agreement**¹, as follows:

- Transmitting it for the approval of the Commission before OR together with the first program sent for certifying;
- Simplified structure, objective oriented;
- Sending the observations by the Commission to the Member State, within maximum of 3 months from the receipt of the Partnership Agreement and / or its approval within maximum 4 months after receiving it in final / revised form. If the Partnership Agreement is transmitted with a program, the approval period is 6 months.

In what concerns the **programs proposed for the new programming period**, these will have a more concise structure, being clearly established, according to Art. 17 of the DRC. the information and the way to achieve these programs. Thus, each program is made up of priorities which must meet a policy objective mentioned above and which in [their] turn are made up of specific objectives.

Also, at the time of carrying out the program, certain aspects and recommendations should be taken into account, such as: social and economic disparities at the level of each MS, country-specific recommendations, experiences from previous programming periods, etc.

Moreover, the **indicators** will be set at the level of specific objectives, without being further broken down at the level of investment priorities, thus streamlining the programming process.

Regarding the **modification of the programs** during the programming period, the transfer of amounts up to maximum 5% from the initial allocation of an investment priority shall be allowed, but maximum 3% of the total budget of the proposed program will be allowed to be made to another investment priority from within the same program without the need for Commission approval².

NB: for the ERDF and ESF + - the above condition only applies if the transfer is made within the same category of regions.

The evaluation of the performance and the technical adjustment are made concomitantly, in the year 2025, based on the latest statistical data, thus it is possible to propose, by each MS, the modification of the programs initially proposed. In correlation with this condition, at the time of the proposal of the programs for the period 2021 - 2027, in the PA framework model the amounts related to the proposed programs are only until 2025.

According to article 88 din RDC, the Commission offers the possibility that the MS to use, as a **way of settlement**, the option of unit costs, lump sums and instalments.

¹ <http://ec.europa.eu/transparency/regdoc/rep/1/2018/RO/COM-2018-375-F1-RO-MAIN-PART-1.PDF>, art. 9

² <http://ec.europa.eu/transparency/regdoc/rep/1/2018/RO/COM-2018-375-F1-RO-MAIN-PART-1.PDF>, art. 19, alin 5

In the case of **Romania**, this simplification measure may, again, have a positive impact materialized in the increase of the absorption degree and the more efficient use of the funds, oriented towards results, the simplification of the procedures for accessing them by the final beneficiaries, provided they do not impose additional conditions to those imposed by the European Commission and to reduce bureaucracy.

Reducing bureaucracy and of the additional conditions to those imposed by European authorities is a necessity, being a problem identified in both the 2007-2013 programming period and the 2014-2020 programming period, confirmed by European Commissioner Corina Crețu.

2.5. Elimination of rules on major projects, those on state aid and cost independent financing (*"Manual de simplificări - 80 măsuri de simplificare în politica de coeziune 2021-2027"*...).

In the new programming period, major projects will no longer need the Commission's prior approval, thus being reduced the bureaucratic burden, on the one hand, and delays in project implementation, on the other hand.

The proposed measure may have a positive impact and may speed up their achieving and implementation, being eliminated a bureaucratic measure that, in some cases, would delay the implementation of projects.

Another measure aimed at reducing the bureaucratic burden is the elimination of the norms regarding the verification of income-generating projects, remaining only the state aid norms.

According to art. 61 of EU Regulation 1303/2013, the net revenues generated by the projects with non-reimbursable financing are defined as: *"net income" means the cash inflows paid directly by users for the goods or services within the operation, such as taxes directly borne by the users for the operation, the use of the infrastructure, the sale or rental of land or buildings or the payments for services, minus the possible costs of operating and replacing the equipment with short life, incurred during the corresponding period*³.

State aid is defined in accordance with Article 107 of the Treaty on the Functioning of the European Union as follows: *"State aid or through state resources, in any form, which distort or threaten to distort competition by favoring certain undertakings or, are incompatible with the internal market the production of certain goods, insofar as they affect trade between Member States"*⁴.

This simplification measure can lead to positive effects as a result of the reduction of bureaucratic verification processes, but it can also produce negative effects by generating discrepancies between the private and public ones.

Thus, a public beneficiary whose co-financing rate is 2% (the case of most UATs that, for example, request financing through the Regional Operational Program) is advantaged by this simplification measure which gives it the possibility to charge fees for using the built infrastructure per project (thing which is not possible in the current programming period only in a percentage of maximum 50% of the value of the expenses generated by the infrastructure created by the project) as compared to a private beneficiary whose project, income generator, has a co-financing rate between 10% -50%.

³ <https://eur-lex.europa.eu/legal-content/RO/TXT/PDF/?uri=CELEX:32013R1303&from=ro>, accessed on 14.05.2019

⁴ https://eur-lex.europa.eu/resource.html?uri=cellar:2bf140bf-a3f8-4ab2-b506-fd71826e6da6.0001.02/DOC_2&format=PDF, accessed on 14.05.2019

Thus, there is a possibility that a non-reimbursable financing will not be considered as state aid but will create inequalities between different types of beneficiaries.

With regard to the *contribution of the European Union*, this will be divided into 3 broad categories:

- Financing that is not related to costs - reimbursements based on meeting certain objectives or achieving results;
- Reimbursement of the amounts spent by the MS based on the supporting financial documents;
- Reimbursement on the basis of unit costs, lump sums and rates, based on pre-established and approved mechanisms in the PA or later, by a Commission decision

One of the great benefits of the proposed reimbursement method is, in addition to reducing the administrative burden, the result-oriented approach and the achievement of objectives at the expense of cost verification.

With regard to the funds allocated for Technical Assistance, these will be reimbursed by MS proportional to the progress of the implementation of the proposed programs, 2.5% being allocated to the ERDF and 4% to the ESF +.

Regarding the eligibility of expenses, the Value Added Tax (VAT)⁵ is eligible for projects with a value of below 5,000,000 Euros (maintaining the conditions for deductibility / non-deductibility of VAT). For all projects with a higher value than the above, VAT represents a non-deductible expense, being borne by the beneficiary.

The impact will be, from my perspective, more negative, especially for the beneficiaries of the public authorities because the amounts will be borne out of the local budget, creating pressure on it.

Viewed from another perspective, this simplification measure aims to make the use of European money more efficient. Thus, the Value Added Tax, according to the legislation in force, in the case of beneficiaries that do not pay VAT, is reimbursed to the Ministry of Finance. It is understandable why such a decision on the ineligibility of VAT is proposed as a measure to simplify and streamline non-refundable funds. The only question that arises is why the 5,000,000 Euro threshold is set.

2.6. Reducing the number of checkings (*"Manual de simplificări - 80 măsuri de simplificare în politica de coeziune 2021-2027"* ...).

The *ex-ante* evaluation has been simplified, the number of elements contained being reduced and, moreover there being the possibility of updating the existing *ex-ante* evaluations. The responsibility for carrying out this activity lies solely with the Management Authority.

With regard to the financial instruments, each Member State has the right to decide, at the time of concluding the Partnership Agreement or during the implementation of the proposed programs, through a request for revising the Partnership Agreement, the contribution to InvestEU of maximum 5% of the financial allocation of each fund. The contribution adds to reducing bureaucracy and ensuring a budgetary guarantee mechanism at European Union level.

⁵ <http://ec.europa.eu/transparency/regdoc/rep/1/2018/RO/COM-2018-375-F1-RO-MAIN-PART-1.PDF>, art. 58

In order to simplify the process as well, the financial instruments can be combined with the grants as a single operation and the norms on the reporting mechanisms have been simplified and are result oriented.

2.7. Streamlining the way of reporting and evaluation of the programs (*"Manual de simplificări - 80 măsuri de simplificare în politica de coeziune 2021-2027" ...*).

An important aspect to be mentioned in the simplification process is the elimination of annual reports by the Management Authorities to the Commission. In this respect, the open data platform will be used and the management authorities have the obligation to send data every two months (the first reporting being on January 31st). Thus, it is aimed at, on the one hand, reducing bureaucracy and, on the other hand, at paying more attention to the efficiency of project implementation.

It should be borne in mind that although during the 2014 - 2020 programming period, the beneficiaries and the Intermediate Bodies / Management Authorities had to carry out all projects financed through the Cohesion Policy by the MySms2014 platform, this, in November 2019, works only partially, only the modules intended for project submission and contracting can be used, without a workable module for project implementation. Thus, all the procedures for the implementation of projects, such as requests for reimbursement / payment, progress reports, submission of procurement files for approval are submitted in physical format.

Also, the performance reserve used in the previous programming period is eliminated. Moreover, the established indicators will be part of the performance evaluation without the need to establish some specific program indicators. They are set at the level of specific objectives.

2.8. Reintroducing the n + 2 rule, increasing national co-financing, maximizing the results, re-ensuring complementarity in the funds (*Anexă la Comunicarea Comisiei ..., 33*).

Reintroducing the n + 2 rule aims at a better financial administration by the Member States of the funds allocated through the Cohesion Policy and also at a faster beginning of the programming period, while ensuring a higher responsibility of the Member States in what concerns the funds allocated to them, by enhancing the national co-financing.

Also, in order to maximize the results obtained, a complementarity between the funds within the Cohesion Policy is proposed, according to their specificity.

Having in mind the proposed changes, the Romanian authorities must get mobilized in order to implement efficiently the Cohesion Policy 2021 - 2027 (having in mind the increase of the national co-financing), to start the implementation of the Cohesion Policy at the beginning of the new programming period (being known that Romania launched the calls for projects related to the programming period 2014 - 2020 rather late - after about 1-1.5 years) and to ensure a common implementation framework for complementary projects (more details in the case study in the next section).

However, it remains to be seen whether national co-financing will increase compared to the current programming period (this being one of the main topics currently negotiated between the Member States and the Brussels authorities). Viewed from a different perspective, increasing the share of co-financing may lead to a better and more careful use of EU funds, but the allocation of larger amounts from national budgets is not an available option to all Member States.

3. Case Study: Complementarity of Erdf – Esf (Social Services Meant for Elderly)

One of the measures of efficiency, of maximizing the impact of the Cohesion Policy and of putting into practice the new regulations for the programming period 2021 - 2027 is represented by the combination of the support provided by the European Social Fund+ with the one from the European Regional Development Fund.

This simplification and efficiency-making measure is more than welcome, having as a main purpose correlating the hard components of the projects (the infrastructure part) with the soft components (human capital), the expected result being that by the end of implementing the projects, persons being in different situations of vulnerability should benefit from them, but also to bring added value to investments in infrastructure.

In Romania, the operational programs financed by the ERDF during the programming period 2014 - 2020 are partially administered by the Ministry of European Funds (POIM, POCU, etc.) or by the Ministry of Regional Development and Public Administration (ROP).

Although the simplification measure proposed for the programming period 2021 - 2027 exists at the present time as a provision in the applicant's guides related to ROP and POCU, the Management Authorities of the two operational programs do not have a common methodology or agreement for their administration, each of the two programs implementing the projects according to their own calendar, without taking into account the complementarity of the 2 programs.

The following describes a concrete example of the non-correlation of the 2 operational programs regarding the complementarity of the projects.

The call for projects for the elderly **POR / 8 / 8.1 / 8.3 / A / 1** was opened in March 2017, with the objective of increasing the coverage of social services, in particular the financing of the rehabilitation / extension / modernization and endowment of the infrastructure of social services without a residential component, intended for the elderly. It was open until 04.09.2017.

According to the applicant's guide, the call for projects was complementary to projects financed through the Human Capital Operational Program, in order to "*ensure / improve / pay staff who will provide social services in the infrastructure of the project*" (*Applicant's Guide ...*, 26.).

Moreover, in the same applicant guide the following was stated: "From this perspective, the complementary POCU project for ensuring the human resource to the standards required to obtain the license is very important and offers additional support for ensuring the provision of social services in the building that is the object of the ROP project" (*Applicant's Guide ...*, 27), being also a scoring criterion (5 points were awarded for assuming the submission of a complementary project, financed through POCU).

The submitted projects have entered the evaluation phase and starting from the end of 2018 - the beginning of 2019, the Financing Contracts have been signed in order to implement them, respectively to ensure the necessary infrastructure for the provision of social services.

In July 2018, the call for projects AP 4 / PI 9.ii / OS 4.4 was launched - Grandparents of the Community - Social and socio-medical services for the elderly, financed through POCU, call complementary to the call for projects **POR / 8 / 8.1 / 8.3/A/1**, having as the deadline for submission of projects the month of October 2018.

The general objective of the call for projects was to support the provision of social services to the elderly, as well as facilitating their access to integrated services, financing

the human resources needed to provide them, as well as all the related expenses (e.g. supplies, sanitary materials, etc.).

Also, within this guide the mentioning appeared: "Within this call, complementarity with the *Regional Operational Program and with the National Rural Development Program*" is encouraged, being also a scoring criterion.

The projects submitted within this call were evaluated and the list of the winning projects was published in April 2019, thus starting the pre-contractual stage in order to sign the financing contracts.

Thus, the beneficiaries who have submitted projects for both financing the infrastructure and ensuring the functioning of day centers for the elderly and who have signed financing contracts for both can be declared themselves as the happy beneficiaries of both the hard component of the investment and the soft component. But things are not really like that.

The projects financed by the Regional Operational Programme for the insurance of the infrastructure were actually started at the end of 2018 - the beginning of 2019, the first stage being the acquisition of the design services for the elaboration of the technical execution project or (for the projects with technical project carried out), the actual acquisition of the execution works. This process takes approximately 3-6 months depending on the type of beneficiary (public / private). To this term must be added the effective period of completion of construction / rehabilitation / modernization works of at least 12 months. By a simple calculation, the infrastructure needed to provide social services to the elderly will be completed by June 2020 at the earliest.

On the other hand, the financing contracts for the projects financed by POCU began to be signed starting with June 2019, the beneficiaries being "obliged" by the financing contract to start the implementation of activities immediately after its signing (or, in exceptional cases, they have the possibility to suspend the implementation of the project with 3 months).

The questions that arise in this situation are the following:

1. In what infrastructure the social services, financed by the POCU, will be provided, since the POR-funded works for this purpose will be completed at the earliest in June 2020?
2. Why is there no correlation between the Management Authorities of the two operational programs, since in both the applicant's guides there is a great emphasis on the complementarity of the two operations?

In order to identify a solution regarding the situation mentioned above, a point of view request was sent to both Management Authorities. We present below the essence of the answers received, with the mentioning that the identity of the person who requested of the point of view will not be divulged:

Answer I AM POR (Management Authority for ROP): *"Given the particularities of the two projects, their sequence is important too, so that for carrying out the " soft" activities, we consider that it is absolutely necessary to achieve the correlation with the fulfilment of the ROP project objective, namely the completion of the rehabilitation of the social centre. To the same extent, achieving the objectives of the ROP project depends on the accomplishment of the POCU project"*.

ANSWER II AM POCU (Management Authority for Human Capital OP): *"... We cannot assume the responsibility for the implementation of a POR project, as long as we have not conditioned there is no way to grant the POCU funding from the funding received through the POR" and "We assure you that for every project in a similar situation, the conditions of implementation were analysed and together with the*

beneficiary of the financing there was identified the optimal solution for carrying out the grant agreement ... "

The lack of correlation between the two institutions leads to placing the beneficiary of the non-reimbursable financing into difficulty, the latter being forced, either to give up one of the non-reimbursable financing obtained, or the inefficient use of the funds by providing social services at a lower quality (due to a lack of optimal space for the provision of social services), neither of the two variants being beneficial to the target group aimed at, or to the beneficiary of non-reimbursable funds, nor to the Romanian authorities from the point of view of the results assumed within the Cohesion Policy.

Thus, although simplification measures are proposed, it is necessary to ensure their compliance by the European Commission or other relevant authorities, otherwise they do not produce the expected results.

4. Conclusion and Recommendations

Reducing the administrative burden is a desired goal set by the European Commission, a series of measures having been taken over time in this respect.

The majority of the simplification measures proposed over time as well as for the programming period 2021 - 2027, aim at making the procedures for accessing the non-reimbursable funds more efficient, both for the authorities with powers and attributions in managing them and for the beneficiaries

At European level, the simplification measures proposed and analysed above are aimed at reducing bureaucracy, being proposed based on best practice examples from the regions with the highest absorption [rate]and which have demonstrated a good management of the allocated funds.

At the national level, the simplification measures proposed, in general, can lead to the reducing of bureaucracy, to facilitating the access of the beneficiaries to the non-reimbursable funds allocated to Romania, as well as to the balanced progress of the development regions.

In order to benefit to the maximum by the simplification measures, Romania should take some measures, such as:

- Reducing the administrative burden by imposing only those conditions existing in the European regulations, without imposing additional conditions that are not required by the Commission;
- Use of settlement through options of simplified costs made available by the European Commission;
- Financing some activities that fall within the policy objectives adapted to the specific needs of the development regions without imposing predefined activities for all regions.

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