

The European Structural Funds (2000-2006)

Romania

Pre-accession and cohesion

Enlargement of the European Union is both a historic opportunity for Europe and a challenge for cohesion policy. With the arrival of ten new States in 2004, regional disparities have doubled. At the same time, the other countries which are to join the European Union in 2007 have a lower level of wealth than the least prosperous of the new Member States. European regional policy, which has proved its value in reducing disparities in the past, now has more of a reason for being than ever. Allocated more than a third of the Union's budget, it gives practical shape to European solidarity for the benefit of economic and social cohesion and the exploitation of Europe's competitive advantages, which are essential for growth and employment. More than a policy of wealth redistribution, it aims rather to create new wealth. Largely decentralised, it is based on the initiative and responsibility of all the regional development actors, bringing to their

action the coefficient of the sharing of experiences and common objectives among Europeans.

European Cohesion Policy covers countries which are preparing to join the European Union and no less than EUR 4 397 million were spent between 2004 and 2006. Aiming to become an EU member in 2007, Romania is receiving pre-adhesion aid for the period 2004-2006 of approximately EUR 3 078 million of European funding. This information sheet provides an overview of the wide range of actions implemented.

As to the future, the challenge will be to further strengthen European solidarity through consolidated resources and their most efficient possible use in the service of all the Union's citizens and territories, beginning with the most disadvantaged and adapting aid in line with specific situations.

For further information, please consult the European Commission's Internet site:

http://europa.eu.int/comm/regional_policy/index_en.htm

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European aid for Romania (2004-2006)

The structural instruments for pre-accession

Adopted by the European Council at Copenhagen in December 2002, the roadmap for EU membership for Romania envisaged an annual increase of pre-accession aid of 20%, 30% and 40% respectively for the years 2004, 2005 and 2006. During this period, Romania will benefit from EUR 3 078 million of European pre-accession aid. This aid is divided between three instruments: PHARE (half of the aid), ISPA (a third of the aid) and SAPARD (one sixth of the aid). Their implementation forms part of the National Programme for the Adoption of the Acquis and the Accession Partnership for Romania.

PHARE

Originally created in 1989 for Poland and Hungary, the PHARE programme (*"Pologne, Hongrie, Aide à la Restructuration Economique"*) was very soon extended to all the Central and Eastern European candidate countries, including Romania. Since 2000, PHARE activities have focused on two priorities:

- helping the administrations in candidate countries to build up the requisite capacities to implement the community acquis and set up regulatory and control bodies, whilst becoming familiar with the Community's objectives and procedures;
- bringing industries and basic infrastructures into line with community standards by providing for the necessary investments. This effort mainly deals with areas such as the environment, transport, industry, quality of products, working conditions, etc., for which community standards are becoming increasingly strict.

The PHARE allocation for Romania amounts to EUR 1 539 million between 2004 and 2006.

ISPA


The Structural Instrument for Pre-Accession (*"Instrument Structurel de PréAdhésion"/ISPA*) supports large-scale investments in transport and environmental infrastructures. Romania will receive 1 026 million euro under ISPA between 2004 and 2006.

In the transport sector, priorities cover the improvement of road, rail and waterways networks, along with the modernisation of trans-European corridors which cross the country.

In environmental terms, Romania is having to deal with serious air, water and soil pollution problems, which require significant public and private investments. ISPA is contributing to these, focusing in particular its funding on waste water treatment and waste management.

SAPARD

The SAPARD programme (*"Special Accession Programme for Agriculture and Rural Development"*) was launched in 2000 to facilitate the adaptation of agricultural structures and rural areas in the candidate countries of Central and Eastern Europe. In Romania, SAPARD programming (EUR 513 million in 2004-2006) is mainly aimed at improving the competitiveness of the agri-food sector and rural infrastructures, the development and diversification of the rural economy and training human resources.

	Population (2001, in thousands)	Inhab./km ² (2001)	GDP/inhab. (2001, EU25=100)	Rate of employment (2002, 15-64 years of age)	Rate of employment (2002)
Romania	22 408	94.0	26.8	57.6	8.4
Nord-Est	3 836	104.1	18.9	56.1	7.8
Sud-Est	2 935	82.1	23.4	54.7	10.6
Sud	3 463	100.5	22.6	57.9	9.8
Sud-Vest	2 397	82.0	23.7	61.3	6.7
Vest	2 032	63.4	29.0	57.5	7.2
Nord-Vest	2 839	83.1	23.7	57.8	7.6
Centru	2 640	77.4	25.8	55.8	8.4
Bucureşti	2 269	1 245.7	57.3	56.9	8.8

The Community Initiatives

Other programmes are being implemented in Romania with the assistance of the Structural Funds in the context of the INTERREG III Community Initiative:

- The INTERREG IIIB "CADSES" cross-border cooperation programme (Centre, Adriatic, Danube and South-West Europe area). CADSES aims to support: land development activities and actions promoting economic and social cohesion; the establishment of efficient, sustainable transport systems and access to the information society; developing the potential of natural and cultural heritage; environmental protection, management of natural resources and risk prevention. A total budget of 237 million euro, 128.7 million of which is from ERDF funding, has been allocated to the entire programme.

Integrated waste management at Ramnicu Valcea



Total eligible costs: EUR 14 673 100
EU contribution: EUR 11 004 825

"In Central Southern Romania, Ramnicu Valcea (120 000 inhab.) does not yet have a comprehensive waste collection system. Rubbish is placed in an open dump, about twelve kilometres from the city centre, near the River Olt. At least 20% of the inhabitants do not benefit from a household waste collection service. An integrated waste management programme was consequently launched by the municipality in 1997 with the help of the GTZ, the German Agency for Technical Assistance. As part of this project, in November 2001 the European Union awarded an ISPA grant aimed at further improving the waste collection system, shutting down the current landfill, the construction of an ecological landfill and modern composting facilities."

Diana Dumitru, PIU Manager, City of Ramnicu Valcea
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Waste water treatment in Craiova



Total cost: EUR 70 378 000
EU contribution: EUR 52 783 500

«Craiova (population 320 000), one of the biggest towns in Romania, has no water purification station and the sewage network is incomplete. Untreated waste water is evacuated either into a streamway which runs through the town or into a lake located in a leisure area, from where it enters the Jiu, a tributary of the Danube. The waste water treatment project is divided into three parts: restoration and modernisation of the purification plant, extension of the sewage network, technical assistance and administrative reinforcement.»

Daniela Beuran, ISPA Environmental Infrastructures Unit,
 Romanian Ministry of Finance
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Pre-accession aid in Romania (2004-2006, in millions of euros, 2004 prices)			
PHARE	ISPA	SAPARD	Total
1 539	1 026	513	3 078

The Structural Funds in Europe

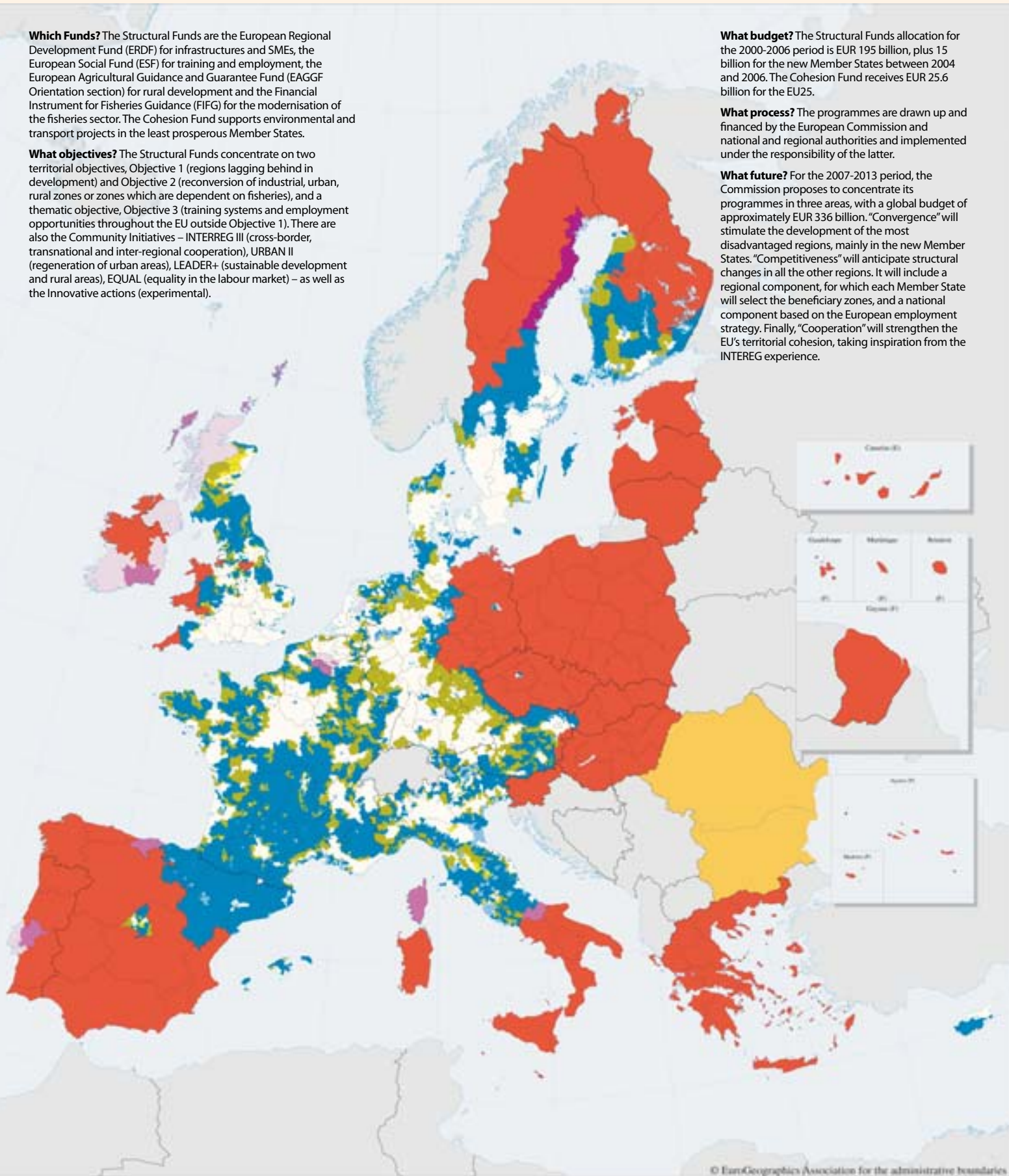
Which Funds? The Structural Funds are the European Regional Development Fund (ERDF) for infrastructures and SMEs, the European Social Fund (ESF) for training and employment, the European Agricultural Guidance and Guarantee Fund (EAGGF Orientation section) for rural development and the Financial Instrument for Fisheries Guidance (FIFG) for the modernisation of the fisheries sector. The Cohesion Fund supports environmental and transport projects in the least prosperous Member States.

What objectives? The Structural Funds concentrate on two territorial objectives, Objective 1 (regions lagging behind in development) and Objective 2 (reconversion of industrial, urban, rural zones or zones which are dependent on fisheries), and a thematic objective, Objective 3 (training systems and employment opportunities throughout the EU outside Objective 1). There are also the Community Initiatives – INTERREG III (cross-border, transnational and inter-regional cooperation), URBAN II (regeneration of urban areas), LEADER+ (sustainable development and rural areas), EQUAL (equality in the labour market) – as well as the Innovative actions (experimental).

What budget? The Structural Funds allocation for the 2000-2006 period is EUR 195 billion, plus 15 billion for the new Member States between 2004 and 2006. The Cohesion Fund receives EUR 25.6 billion for the EU25.

What process? The programmes are drawn up and financed by the European Commission and national and regional authorities and implemented under the responsibility of the latter.

What future? For the 2007-2013 period, the Commission proposes to concentrate its programmes in three areas, with a global budget of approximately EUR 336 billion. "Convergence" will stimulate the development of the most disadvantaged regions, mainly in the new Member States. "Competitiveness" will anticipate structural changes in all the other regions. It will include a regional component, for which each Member State will select the beneficiary zones, and a national component based on the European employment strategy. Finally, "Cooperation" will strengthen the EU's territorial cohesion, taking inspiration from the INTERREG experience.



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