

## STRUCTURAL FUNDS CONTRIBUTION TO THE ROMANIAN SUSTAINABLE DEVELOPMENT – BARRIERS FOR EFFICIENT IMPLEMENTATION

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*ABSTRACT: Sustainable development is the development that is corresponding to present needs without compromising the future generations' possibilities in satisfying their own needs. Together with Romania adhering to the European Union the concept of sustainable development is a priority no matter the area of the investments, this one being one of the criteria for financing through European funds.*

*Romania is one of the countries in which the funds absorption rate is low. This thing is being determined by a number of factors one of them being the reticence of the possible beneficiaries in writing projects, reticence determined by the obstacles in implementing the projects. For improving this situation and for surpassing these barriers raised during the implementation of a project together with the success factors (respecting the principle of partnership, assuring the transparency, prices stability, consolidated balances and so on), their existence being a sine qua non condition for successful implementing a project, there is the possibility of taking measures, some of them being proposed by the beneficiaries of the European funds projects.*

*Key words: structural funds, efficient implementation, barriers in implementations, measures for improving the absorption*

*JEL Codes: D02, F60, F63*

### Introduction

The cooperation relations between European Community and Romania are dating since 1967 when were signed the first technical-sector agreements. The official adhering request of Romania to the European Union was sent on June 22<sup>nd</sup> 1995 and the adhering negotiations started in 1998. These were officially closed at the European Council of Bruxelles in December 2004 and Romania signed the Adhering Process in April 2005 (Brundtland Commission, 1987). After closing the ratification process of this treatise Romania became together with Bulgaria a state member of European Union starting with January 1<sup>st</sup> 2007 (Matei, 2007).

Together with Romania adhering process to the European Union the priority policies at community level are becoming also national priorities. Romania is facing new challenges that are coming from the discrepancies in relations with the other member states and, on the other hand from the existing problems at national level, such as low competition and low administrative capacity, insufficient physical and human capital and low innovation capacity.

One of the ways of facing these challenges is accessing the finances allocated by the European Commission through structural funds, Romania having the responsibility of assuring an integer framework in administrating these funds.

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The structural instruments are a shape of non-reimbursement financing that is functioning based on the co-financing principle. The projects are being financed specially from public funds of the member state but there can be attracted also private funds (Ciocan et al., 2007).

For the period of 2007-2013 the cohesion policy of European Union will have three instruments: European Fund for Regional Development, Cohesion Fund and Social European Fund. The three instruments will be used as they were used until now for reducing the discrepancies in economic development in different regions of European Union insisting on innovation and knowledge, in creating more and better working places, in cooperating between regions and transforming regions in attractive places for investments and work.

The cohesion policy has three objectives: convergence, regional competition and occupation of labor force and European territorial cooperation. For Romania the total amount of the structural and cohesion funds allocated for this period is 19,668 milliard Euro from which 12,661 milliard Euro will be allocated for the objective convergence, 6,552 milliard Euro through the Cohesion Fund and 0,455 milliard Euro will be allocated for the objective of European territorial cooperation (European Commission, 2012). These funds are allocated for improving directly and indirectly different areas, such as: research and technical development, transportation, energy, environment protection, tourism, culture, urban and rural development, supporting the companies and entrepreneurs, access to stable working places, social inclusion for non-favorite, development of human capital and investment in social infrastructure, improvement that has to respect the sustainable development.

In all area of implementing investments there has to be considered and taken care the sustainable development of that area, this being one of the criteria in selecting the projects that will receive financing. Sustainable development is a very complex concept that started from environment preoccupation, the idea being richer in time and considering also the economic development and also the social development. The concept of sustainable development is including all shape and methods of social and economic development for short, medium and long term based on the assurance of equilibrium between these systems and the natural capital elements (Ministry of Internal Affairs, 2012).

Together with Romania adhering process to the European Union in 2007, Romania has the possibility of accessing European funds, but the first project implementation started only in the autumn of 2008 because in Romania there was no legal frame for implementing and accessing structural funds earlier.

Regarding the European funds that Romania has absorbed during the period of February 2009 until February 2010, Romania attracted 480 million Euro from which approximately 10.8 million Euro came from the state budget. These were the amounts that got to the beneficiaries in a year compared to 6.1 milliard Euro for the entire period, respectively 871 million Euro per year. Until present day, October 2012, Romania absorbed approximately 10% of the total amount available for the period of 2007-2013.

Romania is one of the countries with the lowest rate of absorption European funds. To this situation is contributing also the administrative system and the corruption but there has to be considered also the unknowing of the base rules that are blocking the access to the structural funds.

According to the studies realized, regarding the absorption capacity, we can use the results obtained by the European Institute in Romania. Considering the evaluation of the administrative capacity for absorption, Romania is still in an incipient stage of organizing its implementing structure. The indicators used by the researchers for their study are presented below as absolute figures and relative levels (Oprescu, 2012).

Table no. 1.

**Results of the administrative absorption capacity for Romania**

	Design			Total
	Structure (Maximum 19)	Human Resources (Maximum 17)	Systems and instruments (Maximum 10)	
<b>Management</b> (Maximum 18)	<b>7.6</b> (8)	<b>3.8</b> (7)	<b>1.5</b> (3)	<b>12.9</b>
<b>Planning</b> (Maximum 10)	<b>2.0</b> (4)	<b>2.0</b> (4)	<b>1.2</b> (2)	<b>5.2</b>
<b>Implementation</b> (maximum 18)	<b>4.8</b> (7)	<b>2.9</b> (6)	<b>1.8</b> (5)	<b>9.5</b>
<b>Total</b>	<b>14.4</b>	<b>8.7</b>	<b>4.5</b>	

Source: European Institute for Romania, Impact Study III, *Study nr. 1 Analyzing absorption capacity of the structural funds in Romania*, Gheorghe Oprescu, Daniela Luminita Constantin, Florinel Ilie, Dragos Pislaru, 2012.

Although these data have their relevance, still the relative levels of the indicators are offering a relevant image regarding the absorption capacity for the Romanian economy.

Table no. 2.

**Results of the administrative absorption capacity for Romania**

	Design			Total
	Structure	Human Resources	Systems and instruments	
<b>Management</b>	<b>A</b> (95%)	<b>C</b> (54%)	<b>C</b> (50%)	<b>C</b> (72%)
<b>Planning</b>	<b>C</b> (50%)	<b>C</b> (50%)	<b>C</b> (60%)	<b>C</b> (52%)
<b>Implementation</b>	<b>C</b> (69%)	<b>D</b> (49%)	<b>D</b> (36%)	<b>C</b> (53%)
<b>Total</b>	<b>B</b> (76%)	<b>C</b> (51%)	<b>D</b> (45%)	

Note:

- A: Strong capacity: system ready to implement Structural Funds (at least 90%);
- B: Sufficient capacity, but the weak points have to be approached (between 75-90% from the maximum score);
- C: Low capacity, with serious weaknesses that have to be solved (50-75%);
- D: Insufficient capacity, there is no base for administrating Structural Funds.

Source: European Institute for Romania, Impact Study III, *Study nr. 1 Analyzing absorption capacity of the structural funds in Romania*, Gheorghe Oprescu, Daniela Luminita Constantin, Florinel Ilie, Dragos Pislaru, 2012.

Table no. 3.

**Results of the administrative absorption – country comparison**

	Ro	Hu	Cz	Sk	Ee	Slo
<b>Horizontal evaluation</b>						
Management	<b>C</b> (72%)	<b>B</b> (87%)	<b>B</b> (75%)	<b>C</b> (63%)	<b>B</b> (87%)	<b>C</b> (71%)
Planning	<b>C</b> (52%)	<b>B</b> (80%)	<b>B</b> (80%)	<b>D</b> (40%)	<b>B</b> (87%)	<b>B</b> (80%)
Implementing	<b>C</b> (53%)	<b>C</b> (72%)	<b>C</b> (56%)	<b>C</b> (52%)	<b>C</b> (68%)	<b>C</b> (52%)
<b>Vertical evaluation</b>						
Structure	<b>B</b> (76%)	<b>B</b> (84%)	<b>B</b> (79%)	<b>B</b> (79%)	<b>A</b> (95%)	<b>B</b> (74%)
Human resources	<b>C</b> (51%)	<b>C</b> (74%)	<b>C</b> (71%)	<b>D</b> (41%)	<b>B</b> (82%)	<b>C</b> (59%)
Systems and instruments	<b>D</b> (45%)	<b>C</b> (60%)	<b>C</b> (50%)	<b>D</b> (40%)	<b>C</b> (60%)	<b>C</b> (50%)

Source: European Institute for Romania, Impact Study III, *Study nr. 1 Analyzing absorption capacity of the structural funds in Romania*, Gheorghe Oprescu, Daniela Luminita Constantin, Florinel Ilie, Dragos Pislaru, 2012.

The table presented above is representing some comparisons between different formal candidate countries, considered at reasonable and comparable time period. The evaluations

presented above were realized by different teams, but, all researches are showing that Romania is situating at the end of the line, although not the last. Still, we have to consider that in four situations (planning, implementing, structure and human resources) the score obtained is situating our country on the last positions; considering the fact that evaluation involves certain subjectivity; no expert can guarantee that this evaluation would not have considered an inferior level. The same observation has to be analyzed, but for this time in a positive sense, for the management, where the score is situating towards the superior level. We have to observe, for all countries that the difficult stage is the implementation, followed by the designing of the systems and instruments used (Oprescu, 2012).

### **Research Methodology**

In the present study the objective is to present the main obstacles to the effective implementation of European projects and the development of measures proposed by the beneficiaries and consultants, leading to their reduction. Towards achieving this objective in terms of typology investigative approach we used the qualitative research methods, and finally we can draw conclusions of the research. Therefore, techniques and procedures used in this research were: field study that legislative acts of Regulation (EC) no. 1083/2006, Regulation (EC) no. 1260/1999, Regulation of the European Community no. 2988/1995 of the European Council, December 18th 1995, Euratom and Convention regarding the Protection of the Financial Interests of the European Communities, July 26th 1995; bibliographic documentation by studying the works of authors in the field of European funds, documentation of projects implemented or under implementation (in number of over 50 such projects); classification / sorting consisted of placing information in a particular order, well-established criteria and not least descriptive analysis used in the present relationship between beneficiaries and authorities coordinating and managing the public financial resources in terms of a fair and efficient management of EU funds.

### **Successful factors in implementing structural funds**

The role of cohesion policy is that through its financial instruments to stimulate the economic and social development of the member states and to accomplish this objective there are some essential pillars to be used in sustaining the demarches: capacity and quality of the public administration responsible for the management of the structural funds implementation; respecting the partnership principle; assuring the information and transparency during the entire process of implementation; capacity of identifying society's real needs.

Along with these factors, European Commission identified other factors with a general character that are influencing the stimulation of regional development and convergence, which are related to a stabile economy (prices stability, consolidated budgets) that are stimulating investments and capital accumulation, with the efficiency and efficacy of the regional administration at regional and local level and also with the physical infrastructure and know-how (Transparency International Romania, 2008).

A very important role in implementing with success the structural funds in supporting integrity and fighting corruption is belonging to the civil society because it has the possibility of promoting positive changes in society and influencing the level of civic implication of the citizen and public institutions.

European funds allocated to our country represent a very important support in accomplishing the objectives imposed by the European Union adhering process, that is why the management process of the structural funds has to be a public, transparent and monitories process not only by the supervisors of the institutions involved but also by the direct and indirect beneficiaries of these projects. This is the argument for involving the civil society because it is

functioning as a connection between public administration and citizen, in observing the way in which the public funds, mainly the structural instruments are administrated.

In Romania we can observe that the role of public society continues to be insignificant at regional and local level considering the capacity of the civil society in influencing the political, economical and public decisions. Still fragile results have been obtained in the attempt of determining positive changes in community but the capacity of the nongovernmental organizations in addressing some problems to the civil society opinion due to the social influences that can be valorized (Alistar, 2008).

The essential role that civil society has in the process of administrating the structural funds is underlined in the Regulations of the European Union (European Social Fund in Romania, 2012) regarding the management of the structural funds. Considering the financial assistance, one of the base principles has to be partnership promotion, this referring to tight cooperation between authorities and regional and local entities involving also social and economic partners and the representative figures of the civil society along with nongovernmental organizations. Partnership has to be the base for elaborating, implementing, monitoring and evaluating operational programs.

It is very important to involve the civil society in the monitoring process of the administration of structural funds because it has the role of responsibly the institutions with attributions in European funds management, the beneficiaries of the financing and also the wide opinion regarding an efficient policy and corresponding to the integrity criteria in managing the structural funds.

Successfully implementing the European funds is strongly related to the solid institutional capacity of the public administration. In this way we can observe that there two sides of the European funds flux: first we are referring to the contribution of the suppliers of funds in a successful management which is directly determined by the quality of the public administration and second, regarding the demand, the need of structural funds, the public benefices are depending on the manner in which the funds are implemented (Băleanu, 2007).

European Commission in its fourth report regarding the cohesion policy from 2007 specified that “a healthy institutional framework in the member states and in European regions are conditions for assuring the successful of cohesion policy” (European Commission, 2012).

### **Obstacles in an efficient implementation of projects**

One of Romania’s challenges as a member state is resulting from an efficient and correct administration of the European funds, considering also the perspective of public authorities which will assure the management of these financial resources as well the perspective of the beneficiaries of these funds.

It is very important to draw the line between fraud and irregularities. An irregularity is referring to any crossing of European Union regulations by any economic agent that would produce or could produce effects on the financial interests of European Union (European Community, 1995). Fraud is an irregularity produced intentionally and that represent a penal act (European Community, 1995). Each member state has to identify the irregularities that are representing penal acts. The real financial impact of fraud can not be measured until the closing of the juridical procedure.

Table nr. 4.

**Statistics of the Reported Irregularities for 2008-2009**

Area	Number of the reported irregularities		Estimated financial impact of the irregularities, including fraud suspicions (million Euro)		Estimated financial impact of the irregularities, excluding fraud suspicions (million Euro)	
	2008	2009	2008	2009	2008	2009
<b>Agriculture</b>	1 133	1 621	102,3 (0,24% of allocated funds)	125 (0,24% of allocated funds)	4 (0,01% of allocated funds)	13,3 (0,03% of allocated funds)
<b>Cohesion policy</b>	4007	4931	585,2 (~0,11% of allocated funds)	1 223 (2,53% of allocated funds)	57 (~0,11% of allocated funds)	109 (~0,23% of allocated funds)
<b>Preadhering funds</b>	523	706	61(~0,9% of allocated funds)	117 (~0,78% of allocated funds)	13 (~0,9% of allocated funds)	57 (~0,38% of allocated funds)
<b>Direct expenses</b>	932	705	34,7 (~0,17% of allocated funds)	27,5 (~0,17% of allocated funds)	3,2 (~0,02% of allocated funds)	1,5 (~0,01% of allocated funds)
<b>Total expenses</b>	6595	7963	783,2(~0,07% of expenses from the four areas)	1 492,5 (1,13% of expenses from the four areas)	77,2 (~0,07% of expenses from the four areas)	180,8 (0,13% of expenses from the four areas)
<b>Own resources</b>	6075	4648	375 (~0,46% of the total value of own resources)	343 (~0,23% of the total value of own resources)	75 (~0,46% of the total value of own resources)	99 (~0,68% of the total value of own resources)

**Source:** European Commission, Bruxelles, 14.7.2010, COM(2010) 382 final, *European Commission Report for the European Council and Parliament, Protecting the financial interests of the European Union – Fighting against Fraud – Yearly Report 2009*, SEC(2010) 897, SEC(2010) 898.

The main obstacles that are interfering in the projects implemented through the European funds are:

1. Delays in expenses reimbursement on the project until 90-150 days compared to 45 days as it is specific in the standard contract. These delays are determining a series of new expenses that are not covered by European funds. In these situations the beneficiaries have to complete the documentation with additional papers that are modifying the activities that could not be implemented in time or that are being delayed. These delays had and will lead to situations of not being able to reimburse the loans contracted for project implementation, with all negative aspects that are coming from this situation including for the European Union's budget and also for the state budget.

2. The impossibility of the nongovernmental organizations of contracting a banking loan, excepting the situation in which they are having at their disposal properties for guaranties. The present banking system has no instruments for measuring the risk level for the nongovernmental organizations and as a consequence there are no banking products for crediting these organizations. So, if there is no way of establishing the cash flow of the organization it is very risky to cooperate with a bank.

3. Impossibility of recovering the value added tax of the project. There are some aspects that are stipulated in the regulations for beneficiaries and in the instructions regarding the value added tax but the instructions are just general references and not norms for recovering the value added tax. In return it is mentioned in the beneficiary manual that the Management Authority will reimburse the expenses with the value added tax in 15 days from the date in which the Management Authority is authorizing the payment. Instead there is no information regarding the period of time in which the value added tax request for reimbursement has to be processed by the Management Authority since the date of beneficiary transmission. In this situation there is the possibility of obtaining the value added reimbursement at the end of the project implementation.

4. The lack of an official notification regarding the expenses approved in the report sent by the beneficiary. In the moment in which such a notification is missing the beneficiary cannot send a contestation if he considers that there are misunderstandings in the situation in which the amount in the banking account is smaller than his request.

5. Modifying the forms for periodically reports during the project implementation, recording the situation in which the forms were changed after the reports were submitted to the Management Authority without notifying in writing these modifications as it is stipulated in the financing contract point B, article 1.

6. Missing the position of a person that monitory the financial and technical part of the project. The European funds projects' beneficiaries are requesting a special person allocated for each project that will evaluate both the technical and financial parts during the project's implementation period.

7. Impossibility of directly contacting the personnel of the Management Authority. There are situations in which the beneficiary needs certain information but he is in situation of being impossible to find this information because the personnel from the Management Authority cannot be directly contacted.

8. The lack of data contact in the e-mails that beneficiaries are receiving. There are a lot of situations in which the beneficiaries are receiving e-mails related to the implementation of the projects from the personnel of the Management Authority without any contact data or person.

9. The lack of responses to the official addresses. There are a lot of situations in which there are no answers or these answers are coming to late for the official requests of information from the beneficiaries, situation in which is not respected point B, article 9 from the financing contract according to which the Management Authority has to answer to an official request of information no later than 15 days since its receiving.

10. At the meetings or information sessions organized by the Management Authorities are participating speakers that are not prepared to answer to concrete questions regarding the implementation. There are a lot of situations in which the speakers in these meetings have no information to be delivered to the beneficiaries or the persons that are well prepared for these questions are leaving the meetings before the session with questions and discussions is beginning. Also, the beneficiaries are requesting meetings with specialist in monitoring the projects (acquisitions, visibility and so on) for getting concrete answers regarding their real problems in the projects.

11. On the official site of the European Social Fund in Romania at the section of Projects Implementation <http://www.fseromania.ro/> there are no information regarding last actualization. So, the beneficiaries cannot observe if on this site the beneficiary manual and its annexes have been modified since the last visualization. This thing is leading to omissions or mistakes in implementing because there is no possibility in observing the modifications, modifications that are not notified through e-mail either.

12. On the European Social Fund site in Romania generally the manual of the beneficiaries appears as reviewed <http://www.fseromania.ro/images/downdocs/> without having the mentioned approved and final. So, the beneficiaries of the project with European financing do not have sure information regarding the credibility of the information contained in the documents are final and can be applied. The confusion appears also due to the fact that there were a few sketches for beneficiary manual before 2008 and after.

13. The existence of abusive clauses in the financing contract. In the financing contract at the article 17, point 3 is stipulated that *The Management Authority is reserving the right of reducing partially or entirely the financing if this diminishing is determined by difficulties inside the public budget.* Beneficiaries are aware that this clause can be invocated anytime, especially in this period of crisis and in this way the funds will not be allocated. Delays in reimbursing the financing rates and the value added tax increase the debt level of the beneficiary according to the delays days for not blocking the project implementation and risking not to recover the funds advanced.

14. The lack of transparency in the relation with internal procedures organized by the intermediary organisms for administrating verification of the eligibility and evaluation observing that these internal procedures applied by the experts of these organisms appear information, conditions and documents new that the beneficiary did not know until then.

15. For the private beneficiaries there are just a few common procedures without considering the operational programs or the nature of acquisitions being a lot of differences regarding the procedure name, value of the procedure, content of the procedure and also the steps that should be followed. These differences are completed by particularities of each intermediary organism that are verifying before or during the reimbursement requests following different internal manuals and control procedures specific to each intermediary organism.

As it follows we will present the information of a project beneficiary from the European Social Fund: *until the present day the organization that I am running is declaring itself "strategic investor" for the project implemented through European Social Fund and also "official sponsor of the state" considering the vicious circle in which we entered because we cannot implement all activities of the project, we cannot pay the taxes and salaries but the biggest difficulty is that until now we have created a functional structure and we have hired 15 young people HIV positive and we do not know if we will be able to assure the continuity of their work. We are speaking about European Social Fund as a fund specialized towards developing human resources and social inclusion but in fact we are not doing social inclusion when we are not able to assure projects continuity and we, organizations are fighting for survival at the limit of bankruptcy. It is sad that we are complaining that there is no funds absorption and that there is no interest in writing projects ... the problem is that we do not have an efficient monitoring system of the approved*

projects and the negative example referring the implementation difficulties is the most efficient advertise for not accessing structural funds.

Another example of the obstacles meet in projects implementation with European financing is coming from another beneficiary that point out as it follows: *I have an approved project of 500,000 Euro but I have received 400,000 Euro and I do not know where have disappeared 100,000 Euro. I understand that there are differences regarding the exchange rate but it is curiously how these differences are working always against us. If we, as beneficiaries are requesting that the results indicator should be diminished according to these deduction I think you know what answer you will receive – you cannot and do not ask stupid questions. We are working 7 days out of 7 days and we are losing a lot of time with controls, notifications, addresses instead of allocated the time to the project, we are supporting that big salaries that are not enough to pay the value added tax as promised but supported by us, we are paying also the contribution of 2% or 5%, because even if we are spending more money they are not taken in account. Even more, according to the practical model, beside the pre-financing period (which does not exist presently) we have to support all expenses from our budgets, we have to face the summations coming from the Financial Administration for the social contributions of the salaries that are not paid because the money are coming late, usually after 3 months not 45 days and more after that we have to explain why we are delaying the project activities and in the end to ask them nicely to give you the money you have already allocated for the project as these money are coming from their pocket. More they want to see acquisition files even for fuels although we are using our personal cars without requesting any amounts for maintenance.*

#### **Improving measures proposals**

For diminishing the obstacles faced out in implementing the projects with European financing, beneficiaries came with proposals that they are considering that will improve and facilitate projects' implementation:

1. Reducing the period of time in which the projects are approved at maximum 3 months, not one year as it is some times.
2. Financial supervision according to the Financial Administration should be realized only by the financial audit and accounting expertise, that will not exceed 10 days from the date of the reimbursement request, after this period payments being realized automatically because there is continuously control through the accounting expertise. There should not be 5 controls: accounting expertise, financial audit, financing monitoring, technical monitoring and physical control.
3. The value added tax should be included and paid together with reimbursement requests.
4. General expenses for administration have to be calculated as a percentage as it is stipulated in the contract and in instructions and if there are spend less money than the approved percentage the amount should not be allocated.
5. Simplifying all reports and reducing the excessive bureaucracy.
6. Electronic reports should be enough excepting fraud situations because originals documents are always verified by accounting expertise and financial audit.
7. There is the possibility that starting from common aspects of the acquisition procedures should be elaborated a general norms set available for all operational programs. Unification of the acquisitions procedures for the private beneficiaries could have as results the increase of efficiency of the funds absorption through: reducing the expenses of preparing the personnel for procedures development; diminishing the unconformities determined in developing the acquisitions procedures and corrections applied; reducing the volume and negative effects of the contestations.

Regarding the improvement of the structural funds Romania has to consider the following proposals for measure improvement:

1. Assuring a general framework for permanent consultancy between responsible organisms with administration and coordination of the operational programs, intermediary organisms and direct beneficiaries of the financing.

2. Assuring the respecting of the partnership principle. Each member state organizes according to the national regulations a partnership with the authorities and institutions such as: regional, local and urban authorities, economic and social partners, organisms that are representing the civil society, environment partners, nongovernmental organizations and organisms responsible with promotion of equity between men and women.

3. Establishing a unique framework that favors participation of the economic and social partners to the meetings of the evaluation and selection and the elaboration of reports regarding these meetings and publishing them on the specialized websites.

4. A national information and advertising system that will allow an unique interpretation of the public information concept regarding the operational programs and eligible projects from them. Assuring correct information regarding the operational programs can determine the reduction of corruption. It is very important that the information gets to the potential beneficiaries especially the information regarding the public acquisitions procedures, selected projects and decisions justification for selecting those projects.

5. Assuring a coherent framework for all beneficiaries.

6. Assuring an opened and transparent process of evaluation and selection of the projects for the entire period of the evaluation procedures that will allow communication with the beneficiaries.

7. Clarifying the selection modalities with the members of the Monitoring and Regional Committees for Correlation and Strategic Evaluation and assuring the advertising by these organisms of the members' personal declarations.

8. Assuring advertising in the institutions and responsible authorities for coordination, administrating and implementing the projects financed through structural funds of the legislation regarding the integrity (Transparency International Romania, 2012).

Along with these measures of reducing the obstacles faced out in implementing the projects with European financing there should be considered a series of measures for accomplishing a bigger absorption of the European funds.

Cristian Socol, vice-president of the General Association of Romanian Economists considers that in Romania there is the need more than ever for feasible solutions in absorbing more European funds that are allocated by the European Union as a pillar for redistributing the richness from center to periphery. As it follows there will be presented 12 solutions proposed by Cristian Socol for accessing more European funds:

1. A strategic agreement at political level that will establish as general objective the increase of the structural funds absorbing rate.

2. Equal and continuously information of all beneficiaries regarding the possibility of attracting European funds for eliminating the risk of unsymmetrical information distribution and concentration of the positive effects towards center.

3. Reimbursement of the value added tax for the projects financed through structural funds after each reimbursement request and not at the end of the project.

4. Eligibility for expenses determined by the differences of the exchange rate.

5. Finishing the evaluation period for the projects sent to the Economy, Commerce and Business Environment Ministry as urgent for the project with value between 200,000 and 1,500,000 Euro.

6. Externalizing the activity of administrating, eligibility and evaluation for the projects financed through European funds regarding the projects of the small and medium enterprises.

7. Establishing a special line for guarantees for the investment projects that can be accessed directly and only through the commercial banks system.

8. Accessing the funds offered by the European Bank for Investments for assuring the co-financing of the interregional European projects.

9. Establishing a correlation report of the budgetary financing of the public institutions involved in accessing the structural funds with their performances.

10. Declaring the ex-property procedure as irrevocable for speeding the infrastructure projects.

11. Encouraging the building of the partnerships between public institutions and private companies.

12. Using the expertise of the commercial banks for accessing the European funds (Cristian Socol, <http://standard.money.ro/macro/13-solutii-pentru-absorbti-fondurilor-europene-1684.html>, 2012) implementing the following measures: externalizing some activities developed presently by the management authorities by delegating through acquisition procedures these activities to a consortium of consultancy companies and commercial banks with the following advantages: diminishing the subjective interferences of the public administration in approving the projects, diminishing the terms for verification and evaluation and finally increasing the absorption level. One measure is referring also to the introduction of the grants revolving with a reimbursable component for some financing programs with the following structure: 10-15% from the eligible expenses for beneficiaries' contribution, 85-90% from the eligible expenses contribution from European funds from which: 20-25% reimbursement component, 60-70% non-reimbursable component (according to the aide for small and medium enterprises) and 24% from the eligible expenses as a loan for short term for covering the value added tax. We consider that these measures will record the following positive effects: facilitating the co-financing from the small and medium enterprises (the most difficult problem in this period) through the reimbursable component of the European financing; increasing the level of absorption followed by the selection of the projects based on the analyze of the solvability and economic efficiency of the project sent for selection; maintaining the condition of presenting the solvability letter at the projects proposal submissions for avoiding the projects approval that cannot obtain co-financing from the commercial banks.

As a conclusion we can say the Romania needs urgent solutions and feasible solutions for attracting as much as possible from the European funds available in this period through the European Union programs and in the same time to adopt a series of measures that will eliminate the obstacles in implementing efficiently the projects for attracting and involving as much as possible organizations and institutions in accessing projects.

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