

**STUDY ON THE METHODOLOGY AND MANAGEMENT OF PROJECTS
FINANCED FROM EUROPEAN FUNDS FOR ROMANIA,
IN THE PERIOD 2021-2027**

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ABSTRACT

IN THE PERIOD 2021-2027, THE MEMBER STATES OF THE EUROPEAN UNION WILL HAVE 1.8 TRILLION EURO AVAILABLE THROUGH THE MULTI-ANNUAL FINANCIAL FRAMEWORK AND THE NEXT GENERATION EU ECONOMIC RECOVERY PACKAGE. CREATING MORE AND BETTER JOBS AND AN INCLUSIVE SOCIETY ARE THE GOALS AT THE CORE OF THE EUROPE STRATEGY FOR GENERATING SMART, SUSTAINABLE AND INCLUSIVE GROWTH IN THE EU.

WITHIN THE PROGRAMS RELATED TO ROMANIA, INFORMATION IS AVAILABLE REGARDING THE MAIN CHALLENGES ADDRESSED (ECONOMIC, SOCIAL/TERRITORIAL DISPARITIES AND INEQUALITIES, MARKETS, INVESTMENT NEEDS AND SYNERGIES, COMPLEMENTARITIES WITH OTHER FORMS OF SUPPORT, ETC.), JUSTIFICATION OF THE OBJECTIVES OF SELECTED POLICIES, TYPES OF ACTIONS AND THEIR EXPECTED CONTRIBUTION, ACHIEVEMENT INDICATORS, WITH THE CORRESPONDING STAGE OBJECTIVES AND TARGETS, FINANCING PLAN, COMMUNICATION STRATEGY AND ENSURING VISIBILITY.

THE FINANCIAL MANAGEMENT OF EUROPEAN FUNDS IN ROMANIA, FOR THE PROGRAMMING PERIOD 2021-2027, IS DONE BY THE PROVISIONS OF THE EMERGENCY ORDINANCE OF THE ROMANIAN GOVERNMENT NUMBER 133/17.12.2021.

KEY WORDS: *Investment priorities, financial priorities, Multiannual Framework 2021-2027, available funds, European Resilience and Recovery Mechanism, methodology, EU funds.*

Introduction

In the Multiannual Framework 2021-2027, the member states of the European Union will have 1.8 trillion EURO available through the Multiannual Financial Framework and through the Next Generation EU Economic Recovery Package.

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The 5 investment priorities for European funds in this financial exercise are:

1. a smarter Europe, through innovation, digitalization, economic transformation and supporting SMEs;
2. a greener, carbon-free Europe, implementing the Paris Agreement and investing in the energy transition, renewable energy and combating climate change;
3. a more connected Europe with strategic transport and digital networks;
4. a more social Europe, for achieving the European pillar of social rights and supporting the quality of jobs, education, skills, social inclusion and equal access to healthcare;
5. a closer Europe to its citizens, by supporting development strategies.

1. Types of funds available for Romania

Programs to be managed by the Ministry of Investments and European Projects as Managing Authority, in descending order of the financial envelope allocated to them are the following:

1. Transport Program 2021-2027 (Romanian acronym: PT);
2. Health Program 2021-2027 (Romanian acronym: PS);
3. Education and Employment Program 2021-2027 (Romanian acronym: PEO);
4. Sustainable Development Program 2021-2027 (Romanian acronym: PDD);
5. Inclusion and Social Dignity Program 2021-2027 (Romanian acronym: PIDS);
6. Just Transition Program 2021-2027 (Romanian acronym: PTJ);
7. Intelligent Growth, Digitization and Financial Instruments Program 2021-2027 (PCIDIF);
8. Technical Assistance Program 2021-2027 (Romanian acronym: PAT).

NextGenerationEU is a temporary recovery tool, designed to help repairing the immediate economic and social damage caused by the corona virus crisis. It is based on three pillars:

1. instruments to support the efforts made by the member states to recover, to remedy the consequences of the crisis and to emerge stronger from this trial;
2. measures to stimulate private investments and support businesses in difficulty;
3. strengthening the main EU programs to capitalize on the lessons learned from the crisis, to increase the soundness and resilience and to accelerate the green and digital transitions.

The European Resilience and Recovery Mechanism is the centerpiece of the NextGenerationEU Instrument, with €672.5 billion available to support reforms and investments undertaken by EU countries. The aim is to mitigate the economic and social impact of the pandemic and to make European economies and societies more sustainable, more resilient and better prepared for the challenges and opportunities offered by the twin transition: green and digital.

The mechanism will have 6 priority funding directions:

1. Green transition;
2. Digital transformation;
3. Economic cohesion and competitiveness;
4. Social and territorial cohesion;
5. Reaction to the institutional crisis

6. Policies for the next generation

The Romanian National Resilience and Recovery Plan (NRRP) is a strategic document, developed within the Recovery and Resilience Mechanism, part of the Next Generation EU economic recovery package. It aims at 3 strategic objectives:

1. improvement of Romania's economic situation following the pandemic crisis;
2. strengthening the resilience capacity;
3. ensuring long-term economic growth.

NRRP particularities:

- represents a strategic plan complementary to the Cohesion Policy;
- promotes infrastructure investments;
- respects the vision of green transition and digitization;
- promotes investments in the business environment;
- allocate investments in crisis resilience capacity;
- is complementary to social cohesion measures and policies.

The National Recovery and Resilience Plan is structured on 3 pillars having 12 priority areas for the development of Romania:

Pillar 1. Transport and climate change - distributed in 5 priority areas:

- Sustainable transport, Climate change, Environment, Energy and green transition, Energy and thermal efficiency;

Pillar 2. Public services, urban development and capitalization of heritage - distributed in 3 priority areas:

- Mobility and urban regeneration, Health, Education

Pillar 3. Economic competitiveness, digitization and resilience - distributed in 4 priority areas:

- Business environment/Entrepreneurial ecosystems, Research and Innovation, Digitization and cyber security, Increasing resilience capacity.

2. General verification, evaluation and selection methodologies

The purpose of the Methodologies, that each funding line has, is to establish in an effective and efficient way the rules applicable to the project evaluation and selection process, at the level of the two possible mechanisms that exist: the competitive mechanism and the non-competitive mechanism. In order to ensure transparency in the decision-making process and to ensure an equal treatment given to all potential funding applicants/beneficiaries, this methodology supports them, by presenting the way of working and the criteria for verification, evaluation and selection of projects, in a transparent, non-discriminatory and simplified manner.

The verification, evaluation and selection criteria mentioned in the annexes to the methodology meet the requirements of art. 73 of Regulation (EU) 2021/1060 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and laying down the rules applicable to these funds, as well as to the Asylum, Migration and

Integration Fund, the Internal Security Fund and the Financial Support Instrument for Border Management and Visa Policy.

In the project evaluation and selection process, along with the provisions of the methodology, the information is provided in:

- Applicant's Guide – General Conditions;
- Applicant's guide – Specific conditions, related to each call for projects;
- AM instructions, decisions, procedures, as appropriate;
- Legislation applicable in the field of European funds management and the legislation applicable to the field of intervention specific to each call for projects, including the legislation on state aid/de minimis, as the case may be;
- Other documents, as appropriate.

There are two mechanisms for selecting the projects to be financed.

The competitive mechanism is used when a competition is launched for projects submitted by funding applicants. The non-competitive mechanism is used when projects are submitted by funding applicants who are previously known. Under the non-competitive mechanism, applicants will submit their applications in two phases: in a first stage, the applicant completes a Project Sheet (project idea), which will include the following main aspects: data on the applicant, including: legal form of incorporation; way of selecting the partner/partners (if applicable); description of the way in which the intervention for which it requests funding is subordinated to its specific function.

Also, calls for proposals can be with the submission deadline or with continuous submission. In addition, some calls propose a threshold of excellence.

Project data, which will provide information on:

- need/problem addressed by the project;
- project framing in the strategic documents of the field to which it is addressed, connection with other projects/programs and strategies;
- obligation for the activity to be implemented by a certain entity or a group of entities, an obligation arising from legal or strategic documents;
- provisions from which it follows that the operations can be implemented by applying the non-competitive procedure;
- project objectives, results and activities;
- achievement and result indicators indicating the targeted targets;
- target group targeted by the project, including the specification of its estimated size and structure;
- duration of the project;
- resources needed for the project, from which the applicant made available;
- type/category of each partner (if applicable), as well as their relevance and role in the project;
- budget and estimated expenses for carrying out the activities.

The members of the Monitoring Committee will be periodically informed about the project ideas submitted to the Management Authorities, through the non-competitive mechanism, as well as the stage of approval of funding requests and the implementation of approved projects.

3. Life stages of a project under UE funds

A standard project usually has the following four major phases: initiation, planning, implementation, and completion.

These phases represent the direction a project follows from start to finish and make up the "life cycle" of the project.

All projects usually comprise six major stages:

- 1) elaboration of the project;
- 2) proposing the project for financing, writing the financing application;
- 3) obtaining financing, signing the financing contract;
- 4) project management;
- 5) project implementation;
- 6) evaluation of results, final reporting and closure of the project.

Based on the implementation experience, the following characteristics can be reflected for successful community projects:

- active involvement of the community and all beneficiaries at all phases of project development, implementation and evaluation;
- realistic and achievable project objectives;
- clearly defined tasks and responsibilities for all the people involved;
- correctly developed logical and effective structure of the project design and management;
- effective monitoring system that measures project progress, identifies problems and provides a mechanism for necessary changes;
- appropriate methods for public information and involvement;
- suitable methodology for project management;
- effective communication, cooperation and mutual trust;
- continuous improvement of the staff employed in the project by acquiring new professional and managerial qualities regarding the novelties in the field.

In the 2021-2027 financial framework, for all phases of EU-funded projects there is an electronic data exchange system that allows the exchange of information between applicants, potential applicants, beneficiaries and the authorities responsible for the programs.

The MySMIS2021/SMIS2021+ application falls into the category of means that ensure the transmission of texts/documents and confirmation of their receipt and is the platform that is managed by the Ministry of Investments and European Projects, which interacts with the IT system of the European Commission SFC 2021. The system ensures an easy, transparent and non-discriminatory and simplified use of European funds, with the main objectives: reducing bureaucracy for beneficiaries, reducing the duration of evaluation, selection and contracting processes in order to comply with the terms and conditions stipulated by the legal regulations in the field and making the implementation process more efficient and project monitoring.

4. Ensuring sustainability and compliance with DNSH principle

The DNSH principle - *Do Not Significant Harm*, represents a new obligation at the European level, which, according to the European Regulation in force, the types of actions/investments proposed within the funding programs need to be evaluated according to their potential to cause harm significant to the six environmental objectives.

In this sense, only the economic activities that will be considered sustainable from the environmental point of view will be financed. These 6 environmental objectives taken in view, are:

1. significant reduction of the greenhouse gas (GHG) emissions;
2. significant reduction of the negative effect of the current and expected future climate;
3. significant reduction of the harmfulness of the activity for nature;
4. significant reduction in the generation, incineration or disposal of waste;
5. significant reduction of pollutant emissions into water, air or soil;
6. ensuring good condition and resilience of ecosystems, conservation of habitats and species.

Conclusion

The investment priorities for European funds in the financial exercise 2021-2027 are: *a smarter Europe*, through innovation, digitalization, economic transformation and supporting SMEs, *a greener*, carbon-free Europe, implementing the Paris Agreement and investing in the energy transition, renewable energy and combating climate change, *a more connected Europe* with strategic transport and digital networks, *a more social Europe*, for achieving the European pillar of social rights and supporting the quality of jobs, education, skills, social inclusion and equal access to healthcare, *a Europe closer to its citizens*, by supporting development strategies.

The MySMIS2021/SMIS2021+ information system manages all phases of projects financed by the EU in the period 2021-2027. Compared to the previous financial exercises, in the current period the mandatory principle DNSH principle - Do Not Significant Harm was elaborated, defined and introduced for all the beneficiaries.

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