

The Importance of Environment European Funds Implementation towards Ensuring Durable Economic Development in Romania

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Protecting and safeguarding the environment has an important role in close connection with Romania's sustainable development, which is seriously conditioned by environmental protection. Sustainable development cannot be achieved without protecting the environment. The environment should be one of the population's top priorities, because it is the result of the interference between natural elements - earth, air, water, climate, and biosphere - and the elements created by human activity. The interaction between natural and man-made elements has a big influence on favorable conditions and the possibilities of future generations' development. Another important part in the implementation of the European Union's environmental policy is represented by the financial elements created in order to enhance environmental performances.

Keywords: environmental protection; structural funds; sustainable development; environmental economics.

1. Introduction

Considering the latest damages to the environment, a considerable increase in involvement and responsibility of international players was imperative for quite some time. The first concerns towards the environment appeared in the European Union in the early 1970s, when the EU's environmental policy was created through the Treaty of the European Community, with the main purpose of ensuring the sustainability of environmental protection measures.

Through the Maastricht Treaty, environmental protection becomes one of the European Union's key priorities, signaling the necessity of integrating and implementing the environmental policy in some of the sectorial policies such as agriculture, energy, industry, transportation. At the same time, the sustainable development concept is brought to light, representing the environmental policy's main pillar that was intended to be a transversal policy that included all the other community's policies. This underlined the need of integrating the requests of environmental protection in defining and implementing all the European policies.

The concept of sustainable development, promoted worldwide by the European Union, and thus becoming a global promoter of sustainable development, has implemented mechanisms and policies which allow both economic development and environment conservation. This was done by simultaneously increasing the degree of responsibility and economic efficiency towards minimizing environment damage reduction costs due to human consumption. The policy of the EU in this field has gradually evolved, from minimal environmental protection measures to taking on greater environmental problems, through complex and specific solutions. Thus, in 1972, as a result of environmental Conference held by the United Nations, the first stages in achieving an environmental policy for the EU area have been outlined, an environmental policy framework being created through the first "Environmental Action Program" (EAP 1), when the "sustainable development" concept substantiates.

Environmental Action Program 1 (EAP 1) had the following objectives: preventing, reducing and limiting environmental damage; ecological balance preservation; sensible use of natural resources, by

taking into consideration the following general principles, which sit even now at the base of environmental policy, these being *prevention, action at the source* and *polluter pays*¹⁴².

The following Environmental Action Programs brought several contributions to attain environmental policies:

- Environmental Action Program 2 (1978 - 1982) brings back into focus EAP 1's objectives;
- Environmental Action Program 3 (1982 - 1986) changes the approach, the program evaluates how environmental policies have an influence on the Internal Market, pollutant emissions standards, emission limit values are suggested¹⁴³;

- Environmental Action Program 4 (1987 - 1992) was interested in coordinating environmental objectives with Internal Market development, environmental protection was seen as an integrated activity into the production process, new instruments appear (taxes, subventions, environmental permit commerce), and the sustainable development becomes a normative reference for the environmental policy;

- Environmental Action Program 5 (1993 – 1990), sustainable development becomes a strategy for the environmental policy, fiscal and economic instruments are introduced and partner consulting arises, replacing the approach based on command and control;

- Environmental Action Program 6 (2001 - 2012), four priority areas for the environmental policy's next 10 years have been highlighted: climate change, nature and biodiversity protection environment and health, natural resources conservation and waste management¹⁴⁴;

- Environmental Action Program 7 (2013 - 2020) created a general framework for all EU's environmental policies, from now on until 2020. The program is consistent with the current strategy Europe 2020 and has nine priority objectives; three of them cover the main action domains: protecting the nature; a more efficient use of resources and creating a low carbon emission economy; protecting human health against environmental issues. Other four objectives focus on measures that EU and member states can take in order to accomplish these desires. The last two objectives aim for urban environment improvement and global cooperation¹⁴⁵.

Art. 174 of the European Community Treaty set the objectives which form the base of environmental policy construction. Thus, it is established that the environmental European policy objectives are: conservation, protecting and improving environmental quality; human health protection; cautious and sensible use of human resources; nationally promoting measures to solving regional environmental issues and not only.

Some financial instruments have been used for the implementation of EU's environmental policy's objectives: The Life Program, Life+, Eco-innovation program, Sectorial Operational Environmental Program 2007-2013, etc.

2. Romania's Sectorial Environmental Program during the funding period, 2007 – 2013

As a member state of the European Union, Romania benefited, before and after joining the EU, from European funds during its development process, this being Romania's chance of catching up with other member states' socio-economical development and becoming competitive among member states.

Being implemented using own contribution principle (EU offers a percentage of the total costs and the member state commits to sustaining its own contribution from these costs), European funds represent a net gain for Romania - development objectives can have relatively lower costs than if done outside the European funding.

Within the financing stage of 2007 - 2013, the European Union funded Romania with over 19 billion euro, to which the national contribution of about 5 billion euro has been added so, the total budget was up to over 24 billion euro.

National Development Plan (NDP) was created to adjust the national development policy to the European development priorities which are found in the EU's Cohesion Policy. More precisely, through the National Development Plan, public investments have been prioritized, being brought up to date

¹⁴² Lenschow, A., Environmental Policy In: H. Wallace, W. Wallace und M. Pollack (Hg.), *Policy Making in the European Union*, 5th edition, Oxford: Oxford University Press, 2005, p. 305-327.

¹⁴³ Hey, Ch., *EU Environmental Policies: A short history of the policy strategies*, in Scheuer, Stefan (ed.), *EU Environmental Policy Handbook. A Critical Analysis of EU Environmental Legislation. Making it accessible to environmentalists and decision makers*, Brussels: European Environmental Bureau, 2005.

¹⁴⁴ Decision No 1600/2002/EC of the European Parliament and of the Council of 22 July 2002 laying down the Sixth Community Environment Action Programme.

¹⁴⁵ Decision No 1386/2013/EU of the European Parliament and of the Council of 20 November 2013 on a General Union Environment Action Programme to 2020, *Living well, within the limits of our planet*, Text with EEA relevance.

with the Structural and Cohesion Funds intervention domains. The National Strategic Reference Framework was created based on the National Development Plan - the document which established the strategic intervention domains of structural instruments and of Operational Programs designed for administrating and implementing structural funding. The following Operational Programs through which the National Strategic Reference Framework's priorities were implemented are: Sectorial Operational Program (SOP) and the Regional Operational Program (ROP).

The Environmental Sectorial Operational Program¹⁴⁶ has been officially submitted to the European Commission by the Romanian authorities on the 31st of January, 2007 and it has been conducted in close connection with the national strategic objectives of the National Development Plan composed between 2007 – 2013 and the National Strategic Reference Framework, which was based on the principles, practices and objectives established at EU level. The Environmental Sectorial Operational Program was conceived to represent the base of a more competitive economy, a better environment and a balanced regional development. The Environmental Operational Program's aim was to fulfill the priorities of the EU's environmental and infrastructure development policies, taking into consideration not only Romania's international commitments but also its national interests. Through the program, national environmental infrastructure development programs were also continued and finalized which began during the EU pre-accession, such as PHARE and ISPA. The Environmental Sectorial Operational Program tried to establish efficient management structures for the relevant services considering environmental protection, there were

The protection and improvement of environment quality and Romania's life standards were prioritized through the global objective of the Environmental Sectorial Operational Program's, trying to get in line with the environmental acquis stipulations by reducing the existing gap between EU and Romania regarding environmental infrastructure, quantity wise, as well as quality wise, developing efficient public services, by taking into consideration the principle of sustainable development and "the polluter pays" principle.

Besides the global principle, the Environmental Sectorial Operational Program has established the following specific objectives:

- a. Quality improvement and access to the potable and waste water infrastructure, by providing water supply services and sewage services, in the majority of urban areas and establishing efficient regional structures for potable and waste water management.
- b. Creating premises to facilitate adequate implementation for investment projects in the potable water/waste water, related to the next financial programming period.
- c. Developing durable waste management systems by improving waste management and reduction of the number of historically polluted areas in at least 30 counties, objective which should have been accomplished by 2015.
- d. Reducing the negative impact towards the environment and diminishing climate changes caused by urban heating systems in the most polluted urban areas, also due by 2015.
- e. Preserving biodiversity and natural heritage by supporting the management of protected areas, also through Nature 2000 network implementation.
- f. Reducing the risk of natural disasters that affect the population by implementing prevention measures in the most vulnerable areas, by 2015.

In order to achieve the afore-mentioned objectives, the following priority axis were identified:

- ✚ Priority axis 1: Extension and modernization of potable water and waste water systems.
- ✚ Priority axis 1A: Support for the infrastructure development in the potable water/waste water sector related to the next period of financial programming.
- ✚ Priority axis 2: Development of integrated waste management systems and rehabilitation of historically contaminated sites.
- ✚ Priority axis 3: Reduction pollution and diminishing climate change by restructuring and rehabilitating urban heating systems, in view of reaching energy efficiency targets in the identified local environmental hotspots.
- ✚ Priority axis 4: Implementation of adequate management systems for nature protection.
- ✚ Priority axis 5: Implementation of adequate infrastructure of natural risk prevention in the most vulnerable areas.
- ✚ Priority axis 6: Technical Assistance.

The general strategy of the SOP Environment was created so that it could respond to the following three main strategic directions:

¹⁴⁶ The Environmental Sectorial Operational Program 2007 – 2013, August 2015 version.

• Access improvement to public utilities in Romania and supporting regional economic development: the aim was to improve the integrated water systems and waste management through a regional approach (priority axis 1 and 2), with the most costly investments (a total of 4.150.629.473 euro with a share of 75.95% of the entire financial cost).

• Improving protection of the environment as a prerequisite for sustainable development; the program focused on preventing pollution and damage to the biodiversity (in particular priority axis 2, 4 and 5) on one hand and, on the other hand, the SOP Environment approached reduction of environmental pollution/damages in the most sensitive areas (urban heating – priority axis 3, prevention of natural risks – priority axis 5) as part of long-term investment strategies (after 2013).

• Strengthening institutional capacity and governance as a key priority, with the purpose of developing an efficient management structure for environmental services, the SOP Environment addressed requests for a better quality and efficiency within the public sector, essential for enhancing reforms and a better governance in the environment sector. Governance is a key element which integrates all actions with the interest of a better management, a more efficient the SOP Environment and for improving the quality of environmental policy-making process. This will contribute not only to the enhancement of EU cohesion policy implementation, but also of overall economic performance.

In this context, the financial allocation (see table no. 1) of the SOP Environment for the period between 2007-2013 focused on collective investments and services, which were necessary for long-term competitive growth, creating new jobs and sustainable development. Creating an efficient water and environmental infrastructure developed favorable environment for new jobs (construction, services, SME, etc.), reducing labor migration, thus offering the local population the possibility of developing businesses or attracting other investors by offering competitive local advantages (cheaper resources, valuable natural areas, etc.), public services quality growth, etc.

Table no. 1 – The SOP Environment financial plan, programming period 2007 – 2013, for each priority axis¹⁴⁷

Priority axis	Community financing (Euro)	National contribution (Euro)	Total financing (Euro)	Co-financing rate %	Share within the program	
					UE%	BS%
Priority axis 1	2.776.532.160	372.891.796	3.149.423.956	88,16	62,92	47,89
Priority axis 1A	100.000.000	22.728.555	122.728.555	81,48	2,27	2,92
Priority axis 2	734.223.079	144.253.883	878.476.962	83,58	16,64	18,53
Priority axis 3	229.268.644	159.371.487	388.640.131	58,99	5,20	20,47
Priority axis 4	171.988.693	19.109.855	191.098.548	90,00	3,90	2,45
Priority axis 5	270.017.139	45.822.236	315.839.375	85,49	6,12	5,88
Priority axis 6	130.440.423	14.493.381	144.933.804	90,00	2,95	1,86
Total	4.412.470.138	778.671.193	5.191.141.331	85,00	100	100

In comparison to the 2007 – 2013 financing stage, when environmental investments were found in an Operational Program, based on 6 priority axis, during the 2014 – 2020 financial stage there will be a continuation and completion of environmental investments that have been previously started. New investments will be made through a general program – The Large Infrastructure Operational Program (LIOP) composed of only three priority axis. The Large Infrastructure Operational Program (LIOP) addresses the developing needs of four sectors: transport infrastructure, environmental protection, risk management and adaptation to climate change, energy and energetic efficiency, contributing to the EU's strategy for an intelligent, sustainable and inclusive growth, by financing 4 of the 11 thematic objectives (TO) set in the Regulation no. 1303 from 2013. Only one strategic objective has environmental protection financing as priority: Thematic Objective – TO6, which will be promoting investments in potable water and waste water systems, waste integrated management, biodiversity protection and air quality monitoring.

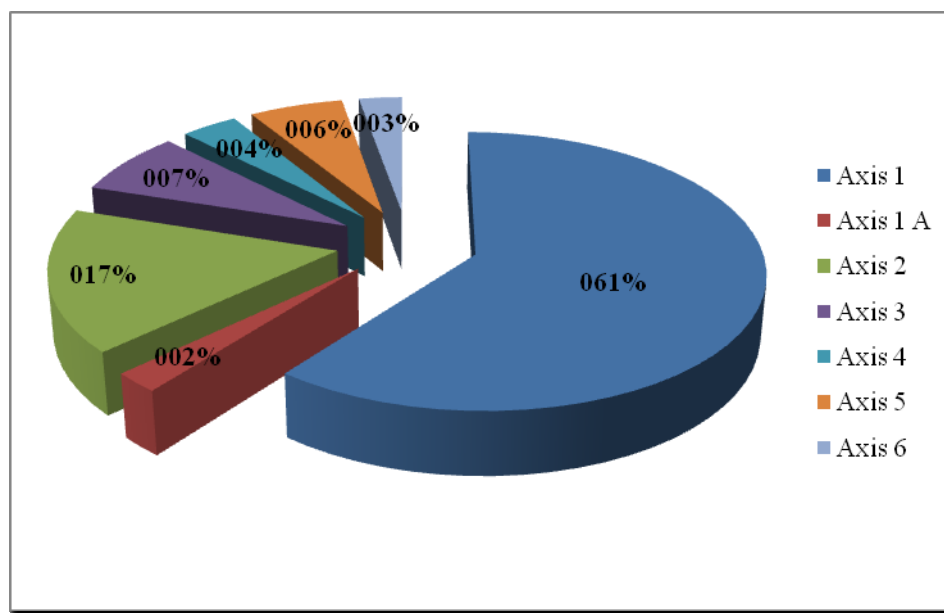
The total financial allocation for the environment in the 2014 – 2020 financial stage, in The Large Infrastructure Operational Program (LIOP), for the three priority axis dedicated to the environment, will be of 4.466.704.830 euro, of which the Community financing will consist of 3.796.699.104 euro and the national financing will consist of 670.005.726 euro.

The allocation of environmental financial resources is made from the Cohesion Fund and the European Fund for Regional Development/Thematic Objective 6, which covers part of investment needs for the compliance with waste, water/wastewater and biodiversity European directives, being

¹⁴⁷ Data extracted from the Environmental Sectorial Operational Program, 2007 – 2013, August 2015.

also focused on finalizing projects that began in 2007 – 2013 and also for covering the investment needs for prevention and defense against phenomena generated by climate change.

Figure no. 1 – The total value of financial allocations per priority axis (%)



3. The Environmental Sectorial Operational Program: Achievements and Implementation in Romania

After Romania's EU accession in 2007, structural funds have been an extraordinary chance towards the development and recovery of functional gaps and environmental infrastructure. The extent to which our country has succeeded or not to seize this historic opportunity is defined by the absorption rate, the institutional capacity of putting to these financial instruments work for the benefit of each citizen and every community, in the 2007-2013 programming period. From the beginning of the program until the 31st March 2016, 776 projects were submitted, with a total value of 8.665.635.568,95 euro out of which, the EU contribution of 5.476.068.395,88 euro represented 124,1% of EU allocation for 2007-2013 period. Of the total 776 projects until 31st March 2016, 594 projects were approved with the total value of 8.236.697.496, 48 euro of which, 326 projects for public beneficiaries, a share of 54,88% of the total approved projects and 268 projects for private beneficiaries.

Related to the counties (Table no. 2), a large number of projects have been approved for Bucharest – 200 projects, representing 33, 67% of the total of 594 approved projects, most of which were public beneficiaries' projects with a total of 184 projects and, on the second place, very far behind, Cluj with a total of 23 projects. Brăila, Călărași and Teleorman were the counties with the least approved projects, 3 for each of them. At the region level (Table no. 6), Bucharest-Ilfov region took a comfortable 1st place with a total of 207 approved projects, representing 34, 84 % of the total of 594 approved projects. The Muntenia-South region registered the lowest number of only 37 approved projects.

Related to the total value of the Environmental Sectorial Operational Program projects (Table no. 3), in the amount of 8.236.697.496,48 euro, private beneficiaries have manifested greater interest in the program implementation than public beneficiaries. Even though they had a smaller number of approved projects, their share of the total value was larger, in the amount of 5.534.359.980, 35 euro, meaning 67,19% of the total amount. The highest total value approved at the county level was Bucharest's, with a total amount of 762.176.192,46 euro, representing 9,25% of the total amount, followed by Constanța with a value of 478.425.702,03 euro, representing 5,8% of the total amount. The last place goes to Sălaj with a value of 30.632.974,29 euro, representing 0,37% of the total amount. On the other hand, at the region level (Table no. 6), the North-East region had the largest total number of approved projects in the amount of 1.311.010.429,91 euro, representing 15,91% of the total amount. The lowest rate went to West-Oltenia region with a total value of 849.170.287, 42 euro, representing 10, 3% of the total value.

The total payment value by 31st of March 2016 from EU and state financing towards the program's beneficiaries was 3.528.937.833,67 euro (Table no. 5), of which 2.961.933.303,25 euro EU financing (Table no. 4), representing 83,93% of the total payment value and 567.004.530,42 euro state financing (Table no. 5), representing 16,07% of the total payment value.

The largest share of the EU financing payments went towards the private beneficiaries, in the amount of 2.065.714.555,96 euro, representing 69,74% of the value of EU financing, share value that was also kept regarding national financing, in the amount of 306.973.588,53 euro, representing 54,14% of the total payments of the national financing.

At county level, EU financing payments related, Constanta county was ranked first with a level of revenue of 246.738.977,60 euro, last place going to Salaj County, with only EUR 15.386.096,88 received; and regarding payments to beneficiaries of funding from the state budget, the first place was occupied by Constanța with a revenue of EUR 39.083.943,54; assuming the last place with only 3,385,153,54 euro in payments related to financing from state budget, is also Sălaj County.

Table no. 2 - Number of approved projects SOP Environment programming period 2007-2013 for each county until the reporting date 31.03.2016

No.	County	Number of projects			No. Crt.	County	Number of projects		
		Public	Private	Total			Public	Private	Total
1	Alba	2	8	10	22	Harghita	3	9	12
2	Arad	2	11	13	23	Hunedoara	1	8	9
3	Argeș	3	6	9	24	Iași	3	8	11
4	Bacău	6	8	14	25	Ilfov	2	5	7
5	Bihor	8	6	14	26	Maramureș	6	4	10
6	Bistrița-Năsăud	3	7	10	27	Mehedinti	4	8	12
7	Botoșani	2	4	6	28	Mureș	5	5	10
8	Brașov	0	8	8	29	Neamț	6	6	12
9	Brăila	1	2	3	30	Olt	3	3	6
10	București	184	16	200	31	Prahova	5	2	7
11	Buzău	4	4	8	32	Sălaj	4	0	4
12	Călărași	1	2	3	33	Satu Mare	0	4	4
13	Caraș-Severin	3	5	8	34	Sibiu	2	3	5
14	Cluj	12	11	23	35	Suceava	2	8	10
15	Constanța	3	11	14	36	Teleorman	0	3	3
16	Covasna	4	5	9	37	Timiș	7	3	10
17	Dambovita	3	6	9	38	Tulcea	9	9	18
18	Dolj	5	22	27	39	Vâlcea	3	9	12
19	Galati	3	5	8	40	Vaslui	2	6	8
20	Giurgiu	2	4	6	41	Vrancea	4	7	11
21	Gorj	4	7	11		Total	326	268	594

Table no. 3 - The value of projects approved SOP Environment programming period 2007-2013 for each county until the reporting date 31.03.2016

No.	County	Value of projects (euro)		
		Value of public projects (euro)	Value of private projects (euro)	Total value of projects (euro)
1	Alba	60.411.757,82	116.461.600,38	176.873.358,20
2	Arad	33.536.947,32	141.377.849,57	174.914.796,88
3	Argeș	24.869.325,32	126.199.979,01	151.069.304,33
4	Bacău	131.974.961,48	148.279.700,52	280.254.661,99
5	Bihor	155.701.256,45	124.090.031,27	279.791.287,71
6	Bistrița-Năsăud	43.484.307,57	111.186.347,68	154.670.655,25
7	Botoșani	16.877.162,61	170.608.633,67	187.485.796,28
8	Brașov	-	170.802.287,78	170.802.287,78
9	Brăila	26.243.391,25	95.026.457,78	121.269.849,03
10	București	442.613.094,00	319.563.098,47	762.176.192,46
11	Buzău	1.560.465,86	122.450.882,60	124.011.348,46
12	Călărași	37.763.561,87	99.853.656,79	137.617.218,66
13	Caraș-Severin	42.296.873,62	127.352.283,54	169.649.157,16
14	Cluj	106.569.820,89	259.532.032,29	366.101.853,18
15	Constanța	188.992.780,00	289.432.922,04	478.425.702,03
16	Covasna	31.849.155,15	82.800.147,40	114.649.302,54
17	Dambovita	10.368.177,86	153.832.852,80	164.201.030,66
18	Dolj	65.909.395,67	221.322.544,16	287.231.939,84

No.	County	Value of projects (euro)		
		Value of public projects (euro)	Value of private projects (euro)	Total value of projects (euro)
19	Galati	2.713.460,04	154.863.332,51	157.576.792,55
20	Giurgiu	22.846.132,61	61.600.149,41	84.446.282,02
21	Gorj	6.711.837,55	76.834.159,95	83.545.997,50
22	Harghita	50.802.988,59	93.854.879,07	144.657.867,66
23	Hunedoara	70.526.139,76	182.065.660,72	252.591.800,48
24	Iasi	186.407.784,13	157.630.290,33	344.038.074,46
25	Ilfov	97.970.140,70	2.159.202,27	100.129.342,97
26	Maramures	92.636.790,99	153.315.951,94	245.952.742,93
27	Mehedinti	27.250.813,81	88.691.444,27	115.942.258,08
28	Mures	89.924.460,33	123.546.455,10	213.470.915,43
29	Neamt	42.001.713,16	129.541.953,68	171.543.666,84
30	Olt	40.297.211,74	76.362.137,03	116.659.348,77
31	Prahova	44.032.838,51	183.768.792,01	227.801.630,52
32	Sălaj	30.632.974,29	-	30.632.974,29
33	Satu Mare	-	95.584.059,67	95.584.059,67
34	Sibiu	22.310.522,81	206.993.602,74	229.304.125,56
35	Suceava	52.365.269,22	110.543.307,05	162.908.576,28
36	Teleorman	-	113.690.444,20	113.690.444,20
37	Timiş	110.679.427,61	156.033.115,44	266.712.543,05
38	Tulcea	73.748.568,91	119.890.006,48	193.638.575,38
39	Vâlcea	112.659.601,58	133.131.141,66	245.790.743,24
40	Vaslui	26.524.303,33	138.255.350,74	164.779.654,06
41	Vrancea	78.272.101,75	95.831.236,35	174.103.338,10
	Total	2.702.337.516,13	5.534.359.980,35	8.236.697.496,48

Table no. 4 - The amount of payments to beneficiaries of EU funding SOP Environment programming period 2007-2013 for each county until the reporting date 03.31.2016

No.	County	Value payments to beneficiaries - Community financing (euro)		
		The value of public projects (euro)	The value of private projects (euro)	The total project value (euro)
1	Alba	11.000.265,71	59.128.380,16	70.128.645,86
2	Arad	16.285.739,73	42.534.596,05	58.820.335,78
3	Argeş	8.907.867,03	40.142.771,67	49.050.638,70
4	Bacău	32.756.630,64	67.941.306,74	100.697.937,37
5	Bihor	42.448.204,34	28.688.395,21	71.136.599,54
6	Bistriţa-Năsăud	22.455.191,21	41.708.641,10	64.163.832,31
7	Botoşani	28.933.541,45	20.967.946,59	49.901.488,04
8	Braşov	0,00	61.931.789,42	61.931.789,42
9	Brăila	10.521.329,55	48.609.432,79	59.130.762,34
10	Bucureşti	131.818.577,84	12.696.068,88	144.514.646,72
11	Buzău	1.107.939,23	63.234.889,89	64.342.829,11
12	Călăraşi	11.290.797,91	52.501.126,55	63.791.924,45
13	Caraş-Severin	12.514.480,43	21.547.462,31	34.061.942,74
14	Cluj	27.299.955,33	135.051.476,65	162.351.431,99
15	Constanţa	100.796.135,52	145.942.842,08	246.738.977,60
16	Covasna	11.834.065,03	35.576.851,51	47.410.916,54
17	Dambovită	5.939.217,15	54.327.629,29	60.266.846,44
18	Dolj	29.418.573,50	69.516.625,82	98.935.199,32
19	Galati	275.823,30	75.520.204,57	75.796.027,87
20	Giurgiu	12.255.340,69	34.020.552,07	46.275.892,76
21	Gorj	2.486.282,91	34.314.660,43	36.800.943,34
22	Harghita	9.630.501,15	34.178.299,13	43.808.800,28
23	Hunedoara	29.903.043,36	88.911.499,07	118.814.542,43
24	Iasi	62.534.083,57	57.059.263,24	119.593.346,81
25	Ilfov	232.561,58	48.504.341,96	48.736.903,54
26	Maramures	24.954.428,84	55.474.124,66	80.428.553,50
27	Mehedinti	8.373.820,14	9.689.288,11	18.063.108,25
28	Mures	28.305.452,58	50.213.182,88	78.518.635,46
29	Neamt	18.767.634,05	46.940.497,58	65.708.131,63
30	Olt	16.690.381,67	33.631.553,25	50.321.934,92
31	Prahova	10.698.465,73	43.045.681,71	53.744.147,44
32	Sălaj	15.386.096,88	-	15.386.096,88
33	Satu Mare	0,00	37.751.963,28	37.751.963,28
34	Sibiu	10.878.818,59	102.240.216,18	113.119.034,77
35	Suceava	20.457.483,87	54.707.735,58	75.165.219,45

No.	County	Value payments to beneficiaries - Community financing (euro)		
		The value of public projects (euro)	The value of private projects (euro)	The total project value (euro)
36	Teleorman	0,00	52.628.728,81	52.628.728,81
37	Timiș	43.815.366,50	44.972.478,22	88.787.844,72
38	Tulcea	16.356.488,68	59.376.204,58	75.732.693,26
39	Vâlcea	24.842.332,74	37.422.315,31	62.264.648,05
40	Vaslui	12.270.019,21	10.747.317,60	23.017.336,80
41	Vrancea	21.775.809,68	52.316.215,02	74.092.024,70
	Total	896.218.747,29	2.065.714.555,96	2.961.933.303,25

Table no. 5 - The amount of payments to beneficiaries of funding from the state budget and total amount of payments of Community funding and the state budget the SOP Environment programming period 2007-2013 for each county until the reporting date 03.31.2016

No.	County	Value payments to beneficiaries - State budget (euro)			Payments Community financing + state budget
		The value of public projects (euro)	The value of private projects (euro)	The total project value (euro)	
1	Alba	2.495.541,55	9.118.398,46	11.613.940,01	81.742.585,88
2	Arad	2.763.023,85	5.925.717,96	8.688.741,82	67.509.077,59
3	Argeș	2.143.633,24	6.077.543,23	8.221.176,47	57.271.815,17
4	Bacău	23.385.478,86	7.331.962,86	30.717.441,72	131.415.379,09
5	Bihor	27.331.702,99	3.900.615,13	31.232.318,12	102.368.917,66
6	Bistrita-Năsăud	5.035.074,16	6.238.468,15	11.273.542,31	75.437.374,62
7	Botoșani	15.001.215,05	3.167.153,32	18.168.368,37	68.069.856,41
8	Brașov	0,00	9.595.385,82	9.595.385,82	71.527.175,25
9	Brăila	2.113.454,84	7.618.017,87	9.731.472,71	68.862.235,05
10	București	24.383.201,03	1.687.405,55	26.070.606,58	170.585.253,30
11	Buzău	161.589,51	9.260.853,78	9.422.443,28	73.765.272,39
12	Calarasi	2.540.429,53	8.029.584,07	10.570.013,60	74.361.938,06
13	Caras-Severin	2.808.942,31	2.050.018,09	4.858.960,40	38.920.903,14
14	Cluj	5.318.088,30	19.903.215,71	25.221.304,02	187.572.736,00
15	Constanta	16.967.922,37	22.116.021,17	39.083.943,54	285.822.921,14
16	Covasna	2.287.324,74	5.511.887,58	7.799.212,32	55.210.128,86
17	Dambovita	1.320.090,16	8.219.593,14	9.539.683,30	69.806.529,74
18	Dolj	5.471.794,14	9.365.868,95	14.837.663,09	113.772.862,41
19	Galati	47.992,05	11.397.201,47	11.445.193,51	87.241.221,39
20	Giurgiu	2.751.565,31	5.146.032,11	7.897.597,43	54.173.490,18
21	Gorj	276.253,66	4.728.116,44	5.004.370,10	41.805.313,44
22	Harghita	5.388.171,16	1.935.760,32	7.323.931,48	51.132.731,76
23	Hunedoara	5.592.936,92	11.701.495,04	17.294.431,97	136.108.974,40
24	Iasi	9.696.793,05	16.550.845,02	26.247.638,07	145.840.984,88
25	Ilfov	25.840,28	6.927.143,62	6.952.983,90	55.689.887,44
26	Maramures	3.918.649,75	8.353.422,74	12.272.072,49	92.700.625,99
27	Mehedinti	1.460.638,07	1.509.911,90	2.970.549,97	21.033.658,22
28	Mures	6.295.280,02	7.165.662,34	13.460.942,36	91.979.577,82
29	Neamt	4.169.999,33	6.893.214,37	11.063.213,70	76.771.345,33
30	Olt	3.886.828,06	5.125.661,39	9.012.489,45	59.334.424,37
31	Prahova	2.175.725,71	6.556.140,21	8.731.865,91	62.476.013,36
32	Sălaj	3.385.153,54	-	3.385.153,54	18.771.250,42
33	Satu Mare	0,00	5.657.388,84	5.657.388,84	43.409.352,12
34	Sibiu	2.433.334,30	15.525.595,51	17.958.929,81	131.077.964,58
35	Suceava	3.975.428,68	8.211.860,60	12.187.289,29	87.352.508,74
36	Teleorman	0,00	8.012.649,80	8.012.649,80	60.641.378,61
37	Timiș	22.447.680,29	6.505.590,58	28.953.270,87	117.741.115,59
38	Tulcea	3.761.423,82	9.264.859,22	13.026.283,04	88.758.976,30
39	Vâlcea	20.770.018,18	5.422.930,85	26.192.949,03	88.457.597,08
40	Vaslui	2.756.023,40	1.232.624,56	3.988.647,97	27.005.984,77
41	Vrancea	13.286.699,64	8.031.770,78	21.318.470,42	95.410.495,12
	Total	260.030.941,89	306.973.588,53	567.004.530,42	3.528.937.833,67

Table no. 6 - Projects approved by the SOP Environment programming period 2007-2013 for each region up to the reporting date 31.03.2016

Region	Number of projects			The value of the projects (euro)		
	Public	Private	Total	Value of public projects (euro)	Value of private projects (euro)	Total value of projects (euro)
Center	16	38	54	255.298.884,70	794.458.972,46	1.049.757.857,16
West	13	27	40	257.039.388,30	606.828.909,26	863.868.297,56
South-Muntenia	14	23	37	139.880.036,18	738.945.874,22	878.825.910,40
North-East	21	40	61	456.151.193,92	854.859.235,99	1.311.010.429,91
North-West	33	32	65	429.025.150,19	743.708.422,85	1.172.733.573,04
South-East	24	38	62	371.530.767,80	877.494.837,75	1.249.025.605,56
Bucharest-Ilfov	186	21	207	540.583.234,70	321.722.300,73	862.305.535,43
South-West Oltenia	19	49	68	252.828.860,35	596.341.427,07	849.170.287,42
Total	326	268	594	2.702.337.516,14	5.534.359.980,35	8.236.697.496,48

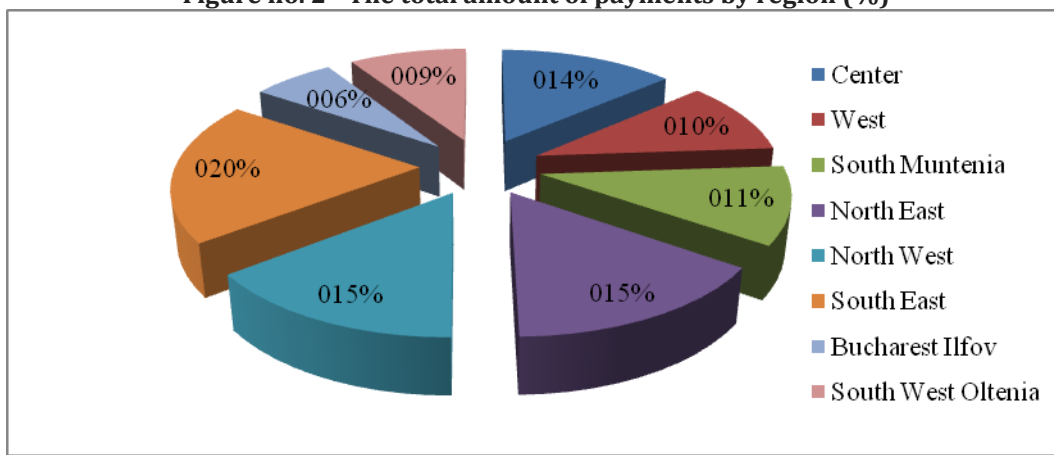
At region level, related to the community financing payments (Table no. 7), South-East region came in first with a level of revenue of 595.833.314,88 euro, a percentage of 20,11% of the community funding payments; last place went to Bucharest - Ilfov region, with only 193.251.550,27 euro received, a percentage of 6,52 % of the payments of Community financing; regarding payments to beneficiaries of funding from the state budget (Table no. 8), the first place was occupied by the South-East region, with a revenue of 104.027.806,51 euro, a percentage of 18,34 % of the payments related to financing from state budget, last place going to the Bucharest - Ilfov region, in the amount of just 33.023.590,48 euro, representing a percentage of 5,82 % of payments financing from state budget.

Table no. 7 - The amount of payments to beneficiaries of EU funding under the SOP Environment, the 2007-2013 programming period for each region up to the reporting date 03.31.2016

Region	Payments value to beneficiaries - Community financing (euro)		
	Value of public projects (euro)	Value of private projects (euro)	Total value of projects (euro)
Center	71.649.103,06	343.268.719,28	414.917.822,34
West	102.518.630,01	197.966.035,65	300.484.665,66
South Muntenia	49.091.688,51	276.666.490,10	325.758.178,61
North East	175.719.392,79	258.364.067,32	434.083.460,11
North West	132.543.876,60	298.674.600,90	431.218.477,50
South East	150.833.525,95	444.999.788,93	595.833.314,88
Bucharest Ilfov	132.051.139,42	61.200.410,84	193.251.550,27
South West Oltenia	81.811.390,96	184.574.442,92	266.385.833,88
Total	896.218.747,29	2.065.714.555,96	2.961.933.303,25

Table no. 8 - The amount of payments to beneficiaries of funding from the state budget and total amount of payments of Community funding and the state budget the SOP Environment 2007-2013 programming period for each region up to the reporting date 31.03.2016

Region	Value payments to beneficiaries - State budget (euro)			Total payments Community financing + state budget
	Value of public (euro)	Value of private projects (euro)	Total value of projects (euro)	
Center	18.899.651,78	48.852.690,03	67.752.341,81	482.670.164,15
West	33.612.583,38	26.182.821,68	59.795.405,06	360.280.070,72
South Muntenia	10.931.443,95	42.041.542,56	52.972.986,51	378.731.165,12
North East	58.984.938,38	43.387.660,73	102.372.599,12	536.456.059,23
North West	44.988.668,75	44.053.110,57	89.041.779,31	520.260.256,81
South East	36.339.082,23	67.688.724,28	104.027.806,51	699.861.121,39
Bucharest Ilfov	24.409.041,31	8.614.549,17	33.023.590,48	226.275.140,75
South West Oltenia	31.865.532,11	26.152.489,52	58.018.021,63	324.403.855,51
Total	260.030.941,89	306.973.588,53	567.004.530,42	3.528.937.833,67

Figure no. 2 - The total amount of payments by region (%)

Related to the priority areas, funding was achieved on target areas, represented by funding allocation to each Priority Axis of the SOP Environment.

Analyzing the implementation of SOP Environment from the priority axis perspective, we find that there are still discrepancies between the priorities, particularly with regard to the employment of amounts available under the financing agreements and the different degree of difficulty of project implementation.

Thus, the contracting rate for the Priority Axes, at the end of 31.03.2016 (Table no. 9), belonged to Priority Axis 1, accounted for 64,37%, only by private beneficiaries in the amount of 5.301.960.519,91 euro.

Regarding payments done based on financing contracts, the highest payment value was recorded for Priority Axis 1, both in terms of payments to beneficiaries of EU funding (Table no. 10) and payments to beneficiaries of funding from the state budget (Table no. 11), the highest amount of payments being recorded for Priority Axis 1, with a value of 1.991.829.163,68 euro in payments, accounting for 67,42% of the total payments to beneficiaries of EU funding, and EUR 293.048.342,30, accounting for 51,68% of the total payments to beneficiaries of funding from the state budget.

Table no. 9 - The number and value of projects approved the SOP Environment 2007-2013 programming period for each priority to the reporting date 31.03.2016

Axis	Number of projects			Value of the projects (euro)		
	Public	Private	Total	Value of public projects (euro)	Value of private projects (euro)	Total value of projects (euro)
Priority axis 1	0	94	94	-	5.301.960.519,91	5.301.960.519,91
Priority axis 1A	0	24	24	-	121.538.913,06	121.538.913,06
Priority axis 2.1	32	0	32	1.318.337.555,89	-	1.318.337.555,89
Priority axis 2.2	6	0	6	196.199.836,52	-	196.199.836,52
Priority axis 3	7	0	7	417.313.812,45	-	417.313.812,45
Priority axis 4	70	150	220	116.422.048,60	110.860.547,38	227.282.595,98
Priority axis 5.1	39	0	39	363.275.387,36	-	363.275.387,36
Priority axis 5.2	3	0	3	142.267.775,20	-	142.267.775,20
Priority axis 6.1	145	0	145	116.662.634,16	-	116.662.634,16
Priority axis 6.2	24	0	24	31.858.465,95	-	31.858.465,95
Total	326	268	594	2.702.337.516,14	5.534.359.980,35	8.236.697.496,48

Table no. 10 - The amount of payments to beneficiaries of EU funding under the SOP Environment, the 2007-2013 programming period, Community for each axis until the reporting date 31.03.2016

Axis	Value of payments to beneficiaries - Community financing (euro)		
	Value of public projects (euro)	Value of private projects (euro)	Total value of projects (euro)
Priority axis 1	1.991.829.163,68	-	1.991.829.163,68
Priority axis 1A	11.368.646,70	-	11.368.646,70
Priority axis 2.1	-	425.383.093,34	425.383.093,34
Priority axis 2.2	-	44.690.993,93	44.690.993,93
Priority axis 3	-	128.207.099,74	128.207.099,74

Axis	Value of payments to beneficiaries - Community financing (euro)		
	Value of public projects (euro)	Value of private projects (euro)	Total value of projects (euro)
Priority axis 4	62.516.745,57	50.922.257,93	113.439.003,50
Priority axis 5.1	-	141.839.677,56	141.839.677,56
Priority axis 5.2	-	85.860.290,72	85.860.290,72
Priority axis 6.1	-	17.135.419,66	17.135.419,66
Priority axis 6.2	-	2.179.914,42	2.179.914,42
Total	2.065.714.555,96	896.218.747,29	2.961.933.303,25

Table no. 11 - The amount of payments to beneficiaries of funding from the state budget and total amount of payments of Community funding and the state budget SOP Environment 2007-2013 programming period for each axis Community to the reporting date 31.03.2016

Axis	Value of payments to beneficiaries - State budget (euro)			Total payments Community financing + state budget
	Value of public projects (euro)	Value of private projects (euro)	Total value of projects (euro)	
Priority axis 1	293.048.342,30	-	293.048.342,30	2.284.877.505,98
Priority axis 1A	2.378.935,84	-	2.378.935,84	13.747.582,54
Priority axis 2.1	-	88.569.237,27	88.569.237,27	513.952.330,61
Priority axis 2.2	-	7.484.462,96	7.484.462,96	52.175.456,89
Priority axis 3	-	110.552.610,00	110.552.610,00	238.759.709,74
Priority axis 4	11.546.310,39	10.919.601,55	22.465.911,94	135.904.915,44
Priority axis 5.1	-	23.606.879,71	23.606.879,71	165.446.557,27
Priority axis 5.2	-	14.600.818,55	14.600.818,55	100.461.109,27
Priority axis 6.1	-	3.577.371,50	3.577.371,50	20.712.791,16
Priority axis 6.2	-	719.960,36	719.960,36	2.899.874,77
Total	306.973.588,53	260.030.941,89	567.004.530,42	3.528.937.833,67

Analyzing the previously mentioned tables in comparison to the situation of financial allocations, a relatively improper use of financial allocations related to the environmental sector can be appreciated.

Absorption capacity "is the degree to which a country is able to spend the financial resources allocated from the Structural Funds in an effective and efficient way"¹⁴⁸. Absorption capacity depends on administrative and institutional capacity, namely the existence of institutional structure able to develop and implement projects, and the capacity for coordination and correlation between the institutions involved.

Within the priority axes, the funds absorption rate was low, therefore the community financing (Table no. 12) was only 67,13% of the funding from the state budget (Table no. 13) to 72,82% and 67,98% of total funding (Table no. 14), due to non-completion of contracted projects, and in some cases the necessary expenses for finalizing the projects would be covered from own sources in accordance with the decisions/financing contracts and different issues encountered in implementing the program.

The problems encountered in implementing the operational program were related primarily to: relatively long duration of the evaluation process of the projects, the poor quality of the documents/ materials developed by consultants, long analysis of technical assistance projects for preparation of project portfolio problems of an institutional nature (late completion for lists of primary investment, agreements for the investments proposed by County Counsel/Local that were obtained late), poor quality of the documents, late response time from beneficiaries. Difficulties were encountered in contracting components of the projects, these being the main problems that incurred during project implementation, as well as overall layout and long durations of procurement procedures, diverging views of the responsible authorities for public procurement, lack of documentation for the awarded project contracts from the date of signing the contract, the difficulties in adapting to standardized documentation.

¹⁴⁸ Oprescu, Gh., (coordinator), *Analysis of the absorption capacity of the EU funds in Romania*, European Institute of Romania – Pre-accession impact studies III, 2006, p. 9.

Table no. 12 - The rate of absorption of funds from the Community financing

Axis	Community financial allocation (euro)	Payments to beneficiaries of EU funding (euro)	The rate of absorption of funds from the Community financing
Priority axis 1	2.776.532.160	1.991.829.163,68	71,74%
Priority axis 1A	100.000.000	11.368.646,70	11,37%
Priority axis 2	734.223.079	470.074.087,27	64,02%
Priority axis 3	229.268.644	128.207.099,74	55,92%
Priority axis 4	171.988.693	113.439.003,50	65,96%
Priority axis 5	270.017.139	227.699.968,28	84,33%
Priority axis 6	130.440.423	19.315.334,08	14,81%
Total	4.412.470.138	2.961.933.303,25	67,13%

Table no. 13 - The rate of absorption of funds from national funding

Axis	National financial allocation(euro)	Payments to beneficiaries of national funding(euro)	The rate of absorption of funds from the national financing
Priority axis 1	372.891.796	293.048.342,30	78,59%
Priority axis 1A	22.728.555	2.378.935,84	10,47%
Priority axis 2	144.253.883	96.053.700,23	66,59%
Priority axis 3	159.371.487	110.552.610,00	69,37%
Priority axis 4	19.109.855	22.465.911,94	117,56%
Priority axis 5	45.822.236	38.207.698,26	83,38%
Priority axis 6	14.493.381	4.297.331,86	29,65%
Total	778.671.193	567.004.530,42	72,82%

Table no. 14 - The rate of absorption of funds from Community funds and the state budget

Axis	Total financial allocation (euro)	Payments to beneficiaries of Community + national funding(euro)	The rate of absorption of funds from the Community + national financing
Priority axis 1	3.149.423.956	2.284.877.505,98	72,55%
Priority axis 1A	122.728.555	13.747.582,54	11,20%
Priority axis 2	878.476.962	566.127.787,50	64,44%
Priority axis 3	388.640.131	238.759.709,74	61,43%
Priority axis 4	191.098.548	135.904.915,44	71,12%
Priority axis 5	315.839.375	265.907.666,54	84,19%
Priority axis 6	144.933.804	23.612.665,94	16,29%
Total	5.191.141.331	3.528.937.833,67	67,98%

Besides the problems listed above, financial mismanagement of projects existed in some circumstances, in terms of failure by beneficiaries, planning and financial forecasts, the deficit of cash flow as a result of identifying irregularities in implementation, the difficulty of implementing the legislation on public procurement, the inability of financially insolvent entrepreneurs to complete the work related to contracts, financial crisis related issues.

These problems determined, by partial use of European funds, a low absorption rate of all structural funds, placing the country among the last Member States regarding the degree of absorption. The low absorption rate of European funds is linked to the inability of the institutions responsible for administering these funds to have effective mechanisms and management systems, suited for engaging in the implementation of a budget, the size of which is unprecedented in the history of fund management by Romania.

4. Conclusion

The end of the 2007 - 2013 funding period, is a moment of evaluation of the impact of projects implemented with the support of Structural Instruments SOP Environment they had nationally by creating opportunities and by financing projects that were able to be implemented through co-financing coming from the European Union.

After the experience with the first round of funding, the use of structural and cohesion funds can be encouraged in the next stage of funding (2014 – 2020), by establishing clearer and simplified procedures, by creating an institutional framework more effective for the next programming period, by bringing to the fore the added value produced in the Romanian economy and society since the implementation of these projects creates prospects for the development and modernization of Romania.

By implementing projects with the support of Structural Instruments SOP, the slogan "a cleaner world" is no longer only a slogan but a goal that each of us conceive and to which we can contribute, thus achieving a crucial intervention by implementing solutions that targeted prevention and

remedying of environmental degradation, which ensure the balance between the need for economic and technological progress of the country and the impact this has on its resources. Therefore, systems of biodiversity development and safeguarding, greening and green areas' increase, community and industrial waste management have been implemented and, not in the least, informing and educating the public related to environmental issues and the measures to be taken.

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