

CHARACTERISTICS REGARDING THE IMPLEMENTATION OF EU ENVIRONMENTAL POLICY IN ROMANIA

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Abstract:

This article brings together environmental problems common to both public (EU, national government, regional or local) and private sector (beneficiaries etc.) of European Structural Funds to finance projects with major relevance in the development of new strategic investments. Article envisages the introduction of theoretical and practical application of models and analysis of a case study, being put into relief the main positive and negative aspects that contribute to the absorption and accessing European structural funds in Romania, for financing of investments for the development and improvement of the environment in Romania.

The main objective of this research is to study the theoretical and practical aspects of the mechanism to finance investment projects of European structural funds for the environment.

Key words: structural funds, environmental policy, European integration

JEL classification: F15, O13, Q01

1. INTRODUCTION

Almost three decades have passed since the European Union has implemented the first environmental action program. Beginning with the sector, the Europeans went in the design of sustainable development, including the environment into all Community policies components. U.E. has implemented about 200 legislative acts, has developed a more effective tools to promote research and technological innovation to identify new clean technologies, has developed eco-markets acted on the behaviors of consumption and production, to involved in global economic policy towards reorientation towards sustainable development in all countries.

The broad scope of the study European Structural Funds main topics proposed to approach this research paper are: identifying funding programs for key environmental at European level, analyzing the factors that influence the absorption capacity of funds and also structural funds for environmental adopted by Romania .

2. ENVIRONMENTAL POLICY IN THE EU TREATIES

Environmental protection has become a priority in the agenda of the European Communities in 1971, with the first Commission Communication to the Council regarding the need for a European environmental policy (PEM). In 1972, leaders of states and governments of member countries under the stimulus given by the UN Conference on Environment, suggested the Commission to establish an environmental program and implement the measures needed to achieve it. The result was the creation of a specialized service for environmental protection and implementation in 1973 of the First Environment Action Programme (EAP) for the period 1973-1977. The following three programs (1978-1982, 1983-1986 or 1987/1992) with a predominantly sectoral approach to environmental issues, the success of this first stage being the major components of the structure of Community environmental policy: principles, objectives, instruments and institutional structures.

The main causes tripped for a long time developing an effective environmental policy at European level were obvious discrepancies between the environmental standards of member countries; limits treaties and the principle of subsidiarity which did not involve the Community management of environmental issues in member countries, only to the extent permitted functioning

internal market; the absence of studies on environmental issues and long-term impact of environmental degradation, the intensive use of resources and loss of biodiversity; frequent opposition between economic and environmental objectives; low level of environmental research results and development of eco-technologies.

The decisive moment to move towards shaping a European environmental policy was made only in the second half of the decade new Single European Act (SEA). He added the Treaty of Rome by Title VII, environmental policy, applying the principle of subsidiarity, the key objectives are conservation, protection and improvement of environment, health and proper use of natural resources. EU secures also that environmental protection lies in its integration into other EU policies and that Member States must implement specific measures for the environment.

EU environment policy is the culmination decision procedures established by the EC Treaties. Community institutions act under the principle of subsidiarity and helps them on a broad advisory member governments, nongovernmental organizations, interest groups, experts, various specialized organizations and the studies and reports from the European Environment Agency (EEA).(1)

European Union's policies have failed to reduce environmental pollution and clearly, improve air and water quality in Europe. However ecosystem degradation continues and threatens economic output (2).

European Environment Agency (EEA) is a European Union institution whose mission is to support sustainable development and significantly improve the environmental situation in Europe through acquisition of accurate, specific, relevant and accurate both policy makers and the public. AEM is aided in its work by the European Environment Information and Observation Network (Eionet), is composed of 39 European countries (3).

Nature fresh water has improved in recent years but even so, about half of the freshwater bodies in Europe will not be in a favorable environmental status in the future. Marine and Coastal Biodiversity is a concern, because these subjects is to extreme pressures such as marine sediment degradation, pollution, invasive alien species and acidification, these factors may result in significant degradation of biodiversity. Fishing made excessively decreased in the Atlantic Ocean and the Baltic Sea, but the Mediterranean Sea is more worryingly, 91% of researched stocks are overexploited in 2014. About 6% of the cultivated area of Europe has been used for organic farming 2012 înregistându the major differences between countries (4).

3. THE SOP ENVIRONMENT OBJECTIVES

The overall objective of SOP is to improve living standards. Given that the needs for direct environmental investments to comply with the EU acquis are particularly high, Romanian authorities have chosen to create a specific OP focused on environmental infrastructure, but dealing with other environmental issues. In order to achieve the overall strategy of the SOP general is developed to meet the following three main strategic directions

a) improving access to public utilities in Romania and supporting the conditions for economic development in the regions. In this regard, the most important part of SOP provides support for the improvement of integrated water and waste management, through a regional approach (Priority Axes 1 and 2) that will generate significant results at the end of the program (estimated a population of over 10 mil.). These priorities will also make a significant contribution in compliance with relevant EU acquis in the environmental sector, which bears the most expensive investment (estimated at around 29 billion euros by 2018).

b) Improving the environment as a prerequisite for sustainable development. In this respect, the SOP will concentrate on the one hand, the prevention of pollution and deterioration of biodiversity (in particular Priority Axes 2, 4 and 5). On the other view, SOP will address reducing environmental pollution / damage in the most sensitive areas (heating - Priority Axis 3, prevention of natural disasters - Priority 5) as part of investment strategies long-term (beyond 2013) .

c) Strengthening institutional capacity and governance as a key priority, with the aim of developing an effective management for environmental services SOP will address the need for better quality and efficiency in the public sector, essential to embrace reforms and good governance in the environmental sector. Governance is a key element underpinning all actions in the interest of better and more efficient management of SOP and improving the quality of public policy on the environment. This will help not only to improve the implementation of EU cohesion policy, but also to raise economic performance overall.

Specific objectives SOP:

1. Improving the quality and access to water and wastewater infrastructure, by providing water supply and sanitation in most urban areas by 2015 and by setting efficient regional structures for the management of water / wastewater.

2. Development of sustainable waste management systems by improving waste management and reducing the number of historically contaminated sites in minimum 30 counties by 2015

3. Reduce the negative environmental impact and reducing climate change caused by urban heating systems in most polluted localities by 2015.

4. Protection and improvement of biodiversity and natural heritage by supporting the protected areas management, including the implementation of Natura 2000.

5. Reduction of natural disasters affecting the population, by implementing preventive measures in most vulnerable areas by 2015.

Because of its complexity, the full impact of SOP can not be measured with only one indicator. However, population benefiting from improved environmental services and protected from the effects of natural hazards due to SOP ENV development can be selected as program level indicator as it covers most of the activities included in SOP. The beneficiary population of SOP is estimated at 10 million citizens (5).

The priority axes

To achieve the above objectives, we have identified the following priorities:

- Priority Axis 1 "Extension and modernization of water and wastewater"
- Priority 2 "Development of integrated waste management systems and rehabilitation of historically contaminated sites"
- Priority Axis 3 "Reduction of pollution and mitigation of climate change by restructuring and renovating urban heating systems to achieve energy efficiency targets in the identified local environmental hotspots"
- Priority Axis 4 "Implementation of adequate management systems for nature protection"
- Priority 5 "Implementation of adequate infrastructure of natural risk prevention in the most vulnerable"
- Priority Axis 6 "Technical Assistance" (6).

The overall absorption rate of grants allocated Environment Sectoral Operational Programme (SOP) is 45%, equivalent to 1,989,940,965 euros (including the advance of the European Commission). From 2007 to now, the European Commission has repaid EUR 1,249,838,501, representing 28.33%. Even more, other 173 189 679 million are processing Commission (raising the absorption rate at 32.25%), while declarations of expenditure, amounting to 46,136,844 euros, are processing Payment and Certification Authority, increasing the absorption rate at 33.3%. Advances from the European Commission for the period 2007-2010, it amounts to 520,775,941 euros, or 11.8% of EU funds allocated to SOP. A total of 486 projects were approved for financing from SOP, totaling 35,911,943,060 lei, and for 463 of them were signed financing contracts, the total amount of 34,673,944,958 lei their being, according to the ministry (7).

4. ASSESSMENT OF THE ENVIRONMENTAL NEEDS OF ROMANIA

The total investment necessary environment expected during 2007 -2013 totals 18 billion. €, of which approximately 6.4 billion € have been provided from EU funds. The total estimated cost

for compliance with EU environmental directives is 29.3 bn. Euro 2018, out of which 5.4 bn. Euro for budget of state and local budget (18%), 9.9 bn. Euro - EU funds (34%), 7.8 bn. Euro for the private sector (27%) - 6.2 bn. Euro - other sources. The biggest problem of investment is planned for the next seven years, taking into account: a variety of transition periods for various EU directives were achieved by 2013; small investments are required in the first phase of long-term investment plans in water and wastewater sector to ensure sustainable development.

WATER PROTECTION. For the entire sector is allocated a sum of around 12 billion. € Estimated total value during 2007-2013; approx. € 5.4 billion provided from EU funds.

Highlights:

- Wastewater treatment: approx 9.5 billion. € would be required to collect and treat wastewater, of which 4.8 billion. € estimated during 2007-2013.
 - 71% of wastewater is untreated or insufficiently treated and flows directly into natural
 - Only 52% of the population gets the water supply services and to the sewer system.
 - Throughout Romania was declared a sensitive area, it is necessary that 10 000 agglomerations them to ensure proper treatment of wastewater
- Drinking water - about 5.6 bn. € are needed for investment in drinking water, which 3,8 mld. € are estimated for the period 2007-2013.
 - Only 65% of the population receive water and indoor plumbing.

Transitional periods - until 2015 - to comply with the acquis in the field of wastewater collection, treatment and discharge to a number of 263 agglomerations of more than 10,000 pe and 2018 to 2,346 agglomerations between 2,000 and 10,000; Most deadlines met by 2013.

- Gradually until 2015, to comply with Directive 98/83 / EC on drinking water quality for different parameters (for 1774 agglomerations of more than 10,000 and 134 agglomerations of more than 10,000), but most deadlines are 2013.

• The investment necessary for flood prevention measures - approx. 237 mil. € are provided from

Waste management - the whole sector has been allocated about 2.4 billion. € estimated the 2007 -2013 period, of which 750 mil. € foreseen from EU funds.

Important issues

Municipal waste management is generally incorrect - only 0.25% of total municipal waste collected is reused, while over 99% is stored. There are a large number of non-compliant landfills, most of them illegal; A total of 236 municipal landfills the 251 registered in urban areas do not comply with environmental standards.

- Not organized waste management services in most rural areas, leading to a large number of unauthorized landfills (approx. 2,700 small sites)
- The main method of waste disposal remains landfilling; only a small part is used as a secondary raw material and recycled.

Transitional periods - until 2017 - to comply with Directive 1999/31 / EC on the landfill, for certain types of landfill: municipal landfills - transition periods until 2017; temporary storage of industrial hazardous waste - 2009; hazardous industrial waste landfills - transition periods until 2013 (8).

A total of 177 municipal landfills (about 490 hectares) which are located in urban areas, should end gradually its storage in the 2007 -2013 period. However, the closure of 101 landfills "Class B" inadequate from urban areas were obtained during the phase-transition period 16 July 2009 - July 16, 2017.

Other transitions were agreed for certain targets in waste management by 2013, aiming to considerably reduce the amount of waste to be stored.

Other provisions of Directive 1999/31 / EC on the landfill - amount of biodegradable municipal waste that is stored must be reduced to 50% of the total amount of biodegradable municipal waste produced in 1995 by 2013 (9).

Air protection - approx. € 400 million EU funds foreseen for large combustion plants directive - IMA (SOP and SOP Economic Competitiveness)

Important issues

- For implementation of LCP Directive, approx. 2.1 mld. € are estimated between 2007 - 2013.

- In various urban concentrations, IMA, and especially district heating systems are the main source of pollution due to old technologies and the lack of long-term investments. These are highly polluting the environment and pose a threat to human health.

- Energy Efficiency Investments foreseen in the OP Competitiveness, coordinated by the Ministry of Economy

The transition period. Romania has been granted transition periods until 2013 or 2017 for certain emissions (sulfur dioxide, nitrogen oxides and particulates) and certain installations covered by the large combustion plant directive (10).

Biodiversity - approx. € 150m. provided from EU funds

Important issues

- Among the 25 countries of the EU and candidate countries, Romania is among the countries that has the largest number of threatened species.

- From the EU perspective, up to accession, Romania must ensure the implementation of Natura 2000 under the European Birds and Habitats Directives and to prepare relevant protection measures for sites of Community importance.

- Strengthening the institutional system to ensure control, law enforcement and sufficient capacity to prepare and implement management plans for protected areas is a necessity. The objective is to ensure effective management of protected areas, and thus to halt the degradation of biodiversity and natural resources and the associated risk environment and sustainable development (11).

National Development Plan (NDP) is the document that was the basis of allocations for 2007-2013 containing an analysis of the macroeconomic impact of structural and cohesion funds, provided that the capital injection to be started in this period through the Operational Programmes will to change important in GDP and its growth, in 2020, more than 25%. The recitals take on the one hand, the environment in which menus OPs: the economic crisis, lack of continuity and consistency of policy, the political crisis in the year 2012, on the other hand, a number of factors resulted in a reduced capacity to absorb EU funds:

1. The institutional system of implementation of operational programs suffered, from the outset, a major drawback regarding internal procedures and their adaptation to structural funds requirements. The political changes that occurred after 2007 have affected each time, human resources and caused fluctuations too large staff, either because of politicization of public administration is due to the instability and lack of guarantees in terms of motivational packages for civil servants involved in the application programs.

2. Failure to secured data on launches calls for proposals or, in the case of projects submitted to government delays in preparing the documentation required for investment and development projects.

3. Lack of training of assessors and the extremely low level of expert technical assistance projects, determined by populist approach on the part of management, the principle of lowest price. Therefore, economic considerations have been removed human resources experienced foreign specialists or Romanian and were introduced into a system pseudo-experts who preferred simplistic approach of the evaluation, which often led to the elimination of complex projects or they were inițiatcu traffic speed networks of influence, helping ease the conscientious selection of projects recommended by policy makers.

4. legislative and regulatory framework of public procurement is deficient, dominated by a strong trait: lack of accountability, amid conflicting instructions and a deficient system for resolving

disputes. This led to major delays in implementing projects lasting 24 months being in a position to implement their effective after 18 to 20 months after signing the contracts, because of mandatory procurement procedures.

5. Attitude permanent government rejecting criticism regarding administrative inability to manage programs and projects. First rans were guilty beneficiaries for the low rate of absorption then guilty salary system in the public sector, too low to ensure quality public service and eventually were charged consultants who write bad projects nor help their application. Clearly, given that these projects were selected by evaluators of AM, that the government proved that it can not meet the deadline for approving applications for reimbursement obviously all due wages too low.

6. For a majority of beneficiaries, the difficulties arising from lack of cash flow, under a co-financing contribution from own funds or bank loans and frequent delays in the reimbursement applications (12).

The factors listed above are not entirely conclusive. There has been until now an analysis elaborated on these factors, moreover interim evaluations and studies requested by ACIS were quite superficial, even if completed by consulting firms with prestigious safest because the same method selection the share price factor is more important than the work methodology proposed or composition of the team of key experts (13).

2010 has accentuated the negative absorption capacity of Romania that occurred two events equally harmful: VAT increase, which increased the price of European money and money from co-financing and reducing the salaries of officials, including those of experts European funds. Also, there was a destabilization of the management of European funds that have been eliminated from this system experts. The solutions are still needed at that time, aimed at training programs that should be offered both those working in public administration in general and those managing EU funds in particular. It was also necessary inter-institutional cooperation and coordination, and economic incentives spur able to all who manage projects funded by the European Union (14).

Romania ended 2012 with an absorption rate of structural and cohesion funds 11.47%, or over 2.204 billion euros – repayments from the European Commission, according to official data presented by the Authority for Coordination of Structural Instruments (ACIS). From this rate, 5.92 percentage points were accumulated during 2012, ie 1.138 billion euros, which means more than half of the total amount raised in 2007-2011. Between 1 January 2007 - 31 December 2012, the highest rate of absorption of structural and cohesion funds was recorded in the Regional Operational Programme (ROP) – 24.70% or 920.3 million euros. Operational Programme Administrative Capacity Development (OP ACD) registered a 24.63% absorption rate, ie 51.2 million euros. The OPTA, the absorption rate was 18.23%, or 31.02 million euros, while the Sectorial Operational Programme Environment absorption rate reached 10.3%, or 464.5 million of euros, according to Agerpres. Sectorial Operational Programme Human Resources Development reached an absorption rate of 7.73%, or 268.8 million euros, Economic Competitiveness Operational Programme came to an absorption rate of 6.77%, or by 192.9 million euro and Transport Sectorial Operational Programme reached a rate of 6.46%, or 295.18 million euros (15).

Development projects in both public and private, as was made by the National Development Plan would have had a strong socio-economic impact. Moreover, low absorption manner and even paradoxical situation where the objective of achieving a 50% absorption rate is considered ambitious raises questions about public policy guidance and accountability of decision makers (16).

At the end of 2013, the absorption rate of structural and cohesion funds reached was 33%. The absorption rate of structural and cohesion funds reached 33.47% at December 30, 2013. Amount requested the European Commission to be reimbursed Romania reached about 6.43 billion euros at the end of 2013. Also, Romania rate reimbursements by the EC is approximately 26.5%, 3.5 times higher than that recorded in May 2012. Romania has received about 5.1 billion euros in structural and cohesion funds allocated in the current programming period. Only in 2013 they have been repaid Rominiei about 2.9 billion euros, higher than that levied in all the years of 2007-2012. In the first ten months of 2013, Romania recorded the greatest increase in repayments by the

European Commission to all Member States: structural and cohesion funds amount received by our country was 115% higher than in 2007-2012.

The major projects LIOP 2014-2020

The Large Infrastructure Operational Programme (LIOP) 2014-2020 involves a series of investments in the entire national territory. By now it is known the identity of a number of 159 projects and project types that belong to the three major areas of development (transport, environment and risk management, energy). About 2/3 of these are major projects 110, and the others are projects that will focus on financing instrument for the interconnection of Europe (Connecting Europe Facility - EFC) - 6 projects, projects to be promoted through alternative funding sources - 2 Road projects in the field, and 41 are non-major projects or types / categories of projects. It should also be said that, for the transport sector were examined following types of projects: phased whose implementation was planned for 2007-2013 and will continue in 2014-2020, these projects with EIA procedure achieved; new projects that will begin during 2015-2018 and will be completed during the implementation of LIOP (2014-2023), and projects that will be started during 2019-2023 will be finalized in the coming years to offset the impact Projects proposed for Natura 2000 sites complementary European funding programs (for the shipping and rail) or alternative sources. Phased projects will be promoted in the environmental sector. LIOP projects can be structured depending on their location in following categories: projects for which a specified location provided by the recipient: 95 projects, ie a rate of approximately 59.7% of the proposed projects; of these 75 projects (79%) to transport, 19 (20%) environmental domain, and one project (1%) is in the field of energy; localization is relative projects, 41 projects, ie a rate of approximately 25.8% of the number of proposed projects; of these 40 (97.6%) and environmental domain 1 (2.4%) is in the field of energy; projects for which the exact location is not known: 12 projects (7.6%) of all proposed projects; of which two (16.7%) to transport 8 (66.6%) to the average field and two (16.7%) to the energy field; Projects not subject to this study the appropriate assessment (not by their nature could be a negative impact on Natura 2000 sites): 11 projects (6.9%) of all proposed projects; of which 5 (45.4%) to transport domain, two (18.2%) and 4 environmental domain (36.4%) to the energy field. It should be noted that the number of projects and their weights are approximate and reflect only known situation at the moment. The number and share projects areas may change significantly, but it is important to stress that at this moment most major projects are included (except those whose location is unknown).

CONCLUSIONS

European integration has brought new challenges for the entire Romanian society, especially for those who implement investment projects: private companies and local authorities, regional and central. Major opportunities for companies that were candidates come from the European Community market operation on the freedom and opportunity to access European structural funds. Such private companies and local authorities from other Member States, companies and public authorities in Romania have been rectified idea of adapting to the requirements of new European legislation and the idea of successfully access European funding programs specifically designed for them.

Lack of experience in the field of structural funds to the applicants, at the level of management and the banking system that are used for financing creates serious obstacles in terms of achieving optimal absorption capacity of European funds for Romania.

Also it can be seen in the existence of a methodology for implementing funding programs adapted to Romanian society. Another problem as big is the correlation of economic and financial indicators required by the European Commission with the bank, so the beneficiaries of grant contracts European structural arrive where unable to access bank loans which to secure co-financing or to fund the cash flows required to implement investments financed.

ENDNOTES

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- (2) European Environment Agency, European environment - state and forecast 2015
- (3) <http://www.eea.europa.eu/ro>
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- (7) <http://www.mediafax.ro/social/korodi-rata-de-absorbție-a-fondurilor-europene-pentru-mediu-a-crescut-cu-5-5-in-ultimele-trei-luni-12769713>
- (8) Note The data presented in this statement have been provided in the context of negotiations for environment and dates from the end of 2004. c are given constant downstream and not as current prices and so figures for estimated contributions from EU funds can not be directly compared financial plan presented in SOP
- (9) http://www.fonduri-structurale.ro/Document_Files//mediu/00000029/g71qf_POS_Mediu_RO.pdf
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