

## Chapter 20

# Risks in Implementing EU– Funded Projects in Romanian Public Higher Education System: Measures for Better Institutional Response

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### **ABSTRACT**

*The current study, after shortly introducing the manner in which the National Strategic Reference Framework has been conceived for meeting the EU Regional and Cohesion objectives, presents in a concise manner the architecture of the Operational Programmes in Romania for the financing exercises 2007-2013 and 2014-2020. The first financing exercise has been critically analysed and a list of systemic risks is presented, in connection to the lessons learned for the new financing exercise. Further on, the paper presents the main directions under which the public higher education institutions accessed EU funds via various projects and identifies the main institutional risks for their implementation. The authors consider defining risk institutional profiles for a significant lot of public universities by introducing “soft” and “hard” sets of indicators. After assessing these profiles, recommendations for adapting the organizational structure will be depicted in order to help a softer implementation of the accessed projects.*

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## INTRODUCTION

Funding for regional and cohesion policy in 2007-13 amounted up to €347bn – 35.7% of the total EU budget for that period – or just over €49 billion a year. All cohesion policy programmes are co-financed by the member countries, bringing total available funding to almost €700bn (European Commission [EC], n.d.a.). This allocation was done under the umbrella of three main instruments, namely: The European Regional Development Fund (ERDF), The European Social Fund (ESF) and The Cohesion Fund. During the 2007-2013 period these funds will contribute to achieving the three objectives of the Cohesion policy: Convergence (ERDF; ESF and Cohesion Fund), Regional Competitiveness and Employment (ERDF; ESF) and European Territorial Co-operation (ERDF). Regions with a GDP below 75% of the EU average are eligible under the Convergence objective while the other regions eligible under the Regional Competitiveness and Employment objective. In Romania, the total allocated amount via these instruments for the period 2007-2013 was of 19213MEUR.

For the programming exercise 2014-2020, following the ex-ante, intermediate and ex-post evaluations, the structural instruments architecture suffered more or less consistent tunings according to various fields of action. In this sense it is important to offer a brief description of these instruments (EC, n.d.b.), as it is present in the next paragraphs.

The ERDF aims to strengthen economic and social cohesion in the European Union by correcting imbalances between its regions.

The ERDF focuses its investments on several key priority areas. This is known as thematic concentration: (i) Innovation and research, (ii) The digital agenda, (iii) Support for small and medium-sized enterprises (SMEs) and (iv) The low-carbon economy.

The ERDF resources allocated will depend on the category of region, as follows: (i) In more developed regions, at least 80% of funds must focus on at least two of these priorities, (ii) In transition regions, this focus is for 60% of the funds and (iii) 50% in less developed regions.

The Cohesion Fund is aimed at Member States whose Gross National Income (GNI) per inhabitant is less than 90% of the EU average. It aims to reduce economic and social disparities and to promote sustainable development.

It is now subject to the same rules of programming, management and monitoring as the ERDF and ESF though the Common Provisions Regulation.

For the 2014-2020 period, the Cohesion Fund concerns Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

The financial assistance of the Cohesion Fund can be suspended by a Council decision (taken by qualified majority) if a Member State shows excessive public deficit and if it has not resolved the situation or has not taken the appropriate action to do so.

The European Social Fund (ESF) invests in people, with a focus on improving employment and education opportunities across the European Union. It also aims to improve the situation of the most vulnerable people at risk of poverty.

The ESF investments cover all EU regions. More than € 80 billion is earmarked for human capital investment in Member States between 2014 and 2020, with an extra of at least € 3.2 billion allocated to the Youth Employment Initiative.

For the 2014-2020 period, the ESF will focus on four of the cohesion policy's thematic objectives: (i) Promoting employment and supporting labour mobility, (ii) Promoting social inclusion and combating poverty, (iii) Investing in education, skills and lifelong learning and (iv) Enhancing institutional capacity and an efficient public administration

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