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ANALYSIS OF THE STAGE OF ABSORPTION OF EUROPEAN FUNDS

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Abstract: The article presents an analysis on this topic, an important topic, because the European funds constitute the essential financial resource, part of the investment strategy, but also of the budgetary sustainability with multiple effects that contribute to the economic and social development of Romania. It should also be taken into account that anyone can become a beneficiary of a project financed from these funds, considered an important engine of growth, with positive consequences on the standard of living and the viable growth of the economy.

The general objective of the article is to analyze the level of absorption of these funds with impact on the economy, infrastructure and the reduction of regional disparities.

We can conclude that an efficient use of these funds is crucial for Romania's regional and economic development, to which is also added the increase in absorption capacity, which will ensure local public authorities an adequate level of funding sources

• Introduction

Romania was allocated European structural and cohesion funds within the Common Agricultural Policy. Coordinated through the EU's cohesion policy, the structural funds are intended to support the convergence of member countries, increasing competitiveness and employment.

• Material and method

The methods used to support the research consisted of documentary analysis, synthesis, graphical representation of observed processes and phenomena, classification, static and dynamic comparative analysis,

• Results and discussions

Table 1. The absorption situation of structural funds by operational programs (million euros) allocation 2014-2017

| | Total allocations 2007-2013 (cumulative) | Payments January 2014 | Payments January 2015 | Payments January 2016 | Payments March 2017 |
|--|--|-----------------------|-----------------------|-----------------------|---------------------|
| Regional development | 3,966.0 | 1,830.6 | 2,297.1 | 2,870.18 | 3,708.20 |
| environment | 4,412.5 | 1,434.9 | 1,986.5 | 3,076.71 | 3,983.81 |
| Transport | 4,425.9 | 1,064.1 | 2,009.3 | 3,146.48 | 3,725.70 |
| Competitiveness | 2,554.2 | 938.0 | 1,462.1 | 1,728.26 | 2,409.80 |
| HR | 3,476.1 | 1,622.3 | 2,015.1 | 2,164.24 | 2,799.72 |
| Development of administrative capacity | 208.0 | 104.9 | 152.9 | 197.60 | 197.60 |
| Technical support | 170.2 | 47.7 | 83.47 | 139.12 | 161.72 |
| Total | 19,213.0 | 7,042.4 | 10,006.66 | 13,322.59 | 16,986.55 |

Table 2. The evolution of the absorption rate of structural funds according to allocation programs 2014-2017

| | Absorption rate Jan 2014 | Absorption rate Jan 2015 | Absorption rate Jan 2016 | Absorption rate March 2017 |
|--|--------------------------|--------------------------|--------------------------|----------------------------|
| Regional development | 46.16% | 57.92% | 72.37% | 93.50% |
| environment | 32.52% | 45.02% | 69.73% | 90.29% |
| Transport | 24.04% | 45.40% | 73.38% | 86.88% |
| Competitiveness | 36.72% | 57.24% | 68.13% | 95.00% |
| HR | 46.67% | 57.97% | 62.26% | 87.49% |
| Development of administrative capacity | 50.45% | 73.52% | 95.00% | 95.00% |
| Technical support | 28.00% | 49.03% | 81.72% | 95.00% |
| Total | 36.65% | 52.08% | 69.91% | 90.44% |

Table 3. The situation of absorption of structural funds by operational programs for the programming period 2014-2020 (million euros)

| | Total allocations 2014-2020 (cumulative) | Payments April 2018 | Payments March 2019 | Payments February 2020 | Payments March 2021 | Payments March 2021 | Payments January 2022 | Payments May 2023 |
|--|--|---------------------|---------------------|------------------------|---------------------|---------------------|-----------------------|-------------------|
| Regional | 6,760.00 | 283.52 | 1,218.0 | 2,025.7 | 2,875.7 | 6,860.0 | 3,707.5 | 4,853.1 |
| Large Infrastructure | 9,218.52 | 1,212.30 | 2,066.6 | 2,756.3 | 3,942.4 | 9,338.6 | 5,253.5 | 7,872.0 |
| Competitiveness | 1,329.79 | 139.24 | 287.9 | 397.4 | 515.0 | 2,379.8 | 752.1 | 1,689.5 |
| Human Capital | 4,371.96 | 273.80 | 861.7 | 1,278.4 | 2,095.7 | 4,596.1 | 2,510.1 | 3,922.4 |
| Development of Administrative Capacity | 553.19 | 59.73 | 99.6 | 154.5 | 235.9 | 563.6 | 293.4 | 410.1 |
| Technical support | 252.77 | 57.14 | 100.3 | 151.7 | 212.6 | 332.8 | 242.3 | 270.3 |
| Initiative for IMM | 100.00 | 83.78 | - | - | - | - | - | - |
| Total | 22,586.23 | 2,109.51 | 4,634.0 | 6,764.0 | 9,877.3 | 24,070.8 | 12,758.9 | 19,017.3 |

Table 4. The evolution of the absorption rate of structural funds by programs, period 2014-2020

| | Absorption rate April 2018 | Absorption rate March 2019 | Absorption rate February 2020 | Absorption rate March 2021 | Absorption rate March 2022 | Absorption rate May 2023 |
|--|----------------------------|----------------------------|-------------------------------|----------------------------|----------------------------|--------------------------|
| Regional | 4.19% | 17.8% | 29.5% | 41.9% | 54.0% | 70.7% |
| Large Infrastructure | 13.15% | 22.4% | 29.9% | 45.6% | 56.3% | 84.3% |
| Competitiveness | 10.47% | 21.7% | 29.9% | 28.1% | 31.6% | 71.0% |
| Human Capital | 6.26% | 19.7% | 29.2% | 48.0% | 54.6% | 85.3% |
| Development of Administrative Capacity | 10.80% | 18.0% | 27.9% | 41.9% | 52.1% | 72.8% |
| Technical support | 22.61% | 39.7% | 60.0% | 63.9% | 72.8% | 81.2% |
| Initiative for IMM | 83.78% | - | - | - | - | - |
| Total | 9.34% | 20.5% | 29.9% | 43.7% | 53.0% | 79.0% |

Table 5. Absorption of structural funds for the programming period 2014-2020 – comparison with other EU member states at the level of May 2023

| | Total allocations 2014-2020 (billion euros) | Payments 2023 (billion euros) | Absorption rate 2023 (%) | Total allocations 2014-2020/inhabitant (euro) | Total payments/inhabitant 2023 (euro) |
|----------------|---|-------------------------------|--------------------------|---|---------------------------------------|
| Bulgaria | 8.0 | 6.0 | 75.2 | 1,098.4 | 825.7 |
| Czech Republic | 22.7 | 20.0 | 88.1 | 2,157.1 | 1,901.4 |
| Croatia | 9.1 | 6.0 | 65.7 | 2,146.3 | 1,409.4 |
| Estonia | 3.7 | 3.5 | 94.4 | 2,813.6 | 2,656.4 |
| Latvia | 4.6 | 3.6 | 78.5 | 2,318.6 | 1,819.6 |
| Lithuania | 7.0 | 6.6 | 94.0 | 2,389.5 | 2,245.3 |
| Poland | 78.8 | 72.6 | 92.2 | 2,072.6 | 1,910.0 |
| Romania | 24.1 | 19.0 | 79.0 | 1,206.7 | 953.4 |
| Slovakia | 14.3 | 10.7 | 74.8 | 2,638.2 | 1,973.4 |
| Slovenia | 3.3 | 3.0 | 89.4 | 1,619.0 | 1,446.6 |

• Conclusions

Romania, as a member state of the European Union (EU), benefits from sustained aid in the development process through European funds. From the creation of a viable transport infrastructure to the qualification of the workforce to standards comparable to those of other member states, all this can be achieved through European funds. Thus, the European funds constitute Romania's chance to recover the gaps in socio-economic development and to become competitive at the European level. In this sense, in what follows we will focus on the situation of the structural and cohesion funds.