

## THE SOCIO-ECONOMIC IMPORTANCE OF PROGRAMS FOR THE FINANCING OF CROSS-BORDER COOPERATION

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*The topic of European funding shows a great interest for present and, especially, for the future. The common problems of areas implied in the cross-border programs are correlated to socio-economic development of communities. By this paper we propose an analysis, by inventory type, descriptive and qualitative, of implemented projects and of the perspectives for projects in 2014-2020 period. The results of paper consist in identification of solid arguments about the importance and necessity of these programmes and projects.*

**Keywords:** *European funds, cross-border, cooperation, necessity, importance.*

*Subiectul finanțării din fonduri europene prezintă un interes ridicat în prezent și, mai ales, pentru viitor. Problemele comune ale zonelor implicate în programele transfrontaliere sunt corelate cu dezvoltarea socio-economică a comunităților. Prin lucrarea de față propunem analiză, de tip inventar, descriptiv-calitativ, a proiectelor implementate și a perspectivelor de proiecte din perioada 2014-2020. Rezultatele lucrării constau în identificarea argumentelor privind importanța și necesitatea unor astfel de programe și proiecte.*

**Cuvinte-cheie:** *fonduri europene, transfrontalier, cooperare, necesitate, importanță.*

2014-2020

**JEL Classification:** E02, F35, F43, F6, O11.

**Introduction.** The grants obtained from European funds or other sources, represent a major stake of current socio-economic development, especially of the European countries recently integrated in EU or the acceding countries. The funding sources are numerous, and their typology is very wide. Among the most popular funding programs designed to support the international cooperation and the development of European Union border areas, we note the cross-border cooperation programs, which aim to achieve a high level of socio-economic development, and also, the growth, improvement, diversification of activities in all areas of interest: economic, social, cultural, educational, environmental, etc.

By this paper we propose to realize an incursion in the chronology of borders collaborations funding programs, with aim to demonstrate that the development of an economy only through internal efforts and actions is not sufficient, in conditions which the good cooperation and forces of neighbour countries reunification is, certainly, an impulse and a necessity. Starting from the results of previous funding programs developed to support the cross-border cooperation (2007-2013), concretized in varied and numerous projects, we will refer to the funding programs of the next period: 2014-2020. Thus, it can be shown that the need and importance of cross-border cooperation are circumscribed to a long-term approach. The main

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references will be made for Romania, based on official data that we had available; also, we will focus on the past and future partnerships between Romania, Moldavia and Ukraine.

**Incursion in the cross-border cooperation funding programs.** The most representative recent financing program for the projects of cross-border cooperation for Romania-Ukraine-Moldavia area is the Joint Operational Programme Romania-Ukraine-Moldavia (2007-2013). The Funder is the European Union through the European Neighbourhood and Partnership Instrument. The value of program was about 138 M € of which 126.72 M € European contribution [20]. The functionality and necessity of the program are supported by concrete arguments such as: full amount allocated was absorbed, all funding lines were closed, and full financial allocation was contracted. In this context, we consider that it has proved a remarkably successful program, based on real and appropriate needs. The total number of projects implemented was 140, of which: 67 finalized (with a total value over 9 mil. Euro), 12 technical finalized, but the final payments were to be held at the end of 2015 (totalling over 12 mil. Euro) and 61 still in the implementation stage. In terms of territorial coverage, direct and adjacent (for these can be implemented only projects that do not involve investments), the regions included in this program are:

*Romania:* Suceava, Boto ani, Ia i, Vaslui, Gala i, Tulcea counties / adjacent: Br ila;

*Ukraine:* Odessa and Chernivetska oblasts / adjacent: Ivano-Frankivska and Vinniytska oblasts, 10 districts from Khmelnytska, 12 districts from Ternopilska;

*Republic of Moldova* – entire territory.

We consider that for understanding the programs' objectives, very attractive and suggestive is the slogan: *Joint borders. Joint solutions*, from which we deduce that the program aims to create a bridge between three partner states. The main goal is to support the communities of border areas in order to identify efficient solutions to the common or similar faced problems. Moreover, it aims to increase the local economy, to solve the environmental problems, to strength the emergency preparedness, to have a better interaction between communities in the border areas etc.

**The specific of projects implemented in the framework of analyzed programs.** The main types of projects that were implemented in the cross-borders cooperation programs, as well the results obtained is the subject of hereinafter analysis. Given that the number of funding programs is rather large and the number of projects is impressive, we decide to analyze some key issues specific for Joint Operational Program Romania – Ukraine – Moldavia (for 2007-2013 funding period).

According to the Funding Program Guide, the priorities of this program are 3 in number, plus the Technical Assistance component [20]. The priorities are grouped into measures or specific key domains, as follows:

*Priority 1. Towards a more competitive economy of border area* aims: to improve the productivity and competitiveness in the urban and rural areas; to develop the cooperation initiatives in transport, border infrastructure and energy networks;

*Priority 2. Environment and preparedness for emergencies* aims: the common solving of environmental issues; preparing for the emergencies situations; the management of water and wastes;

*Priority 3. Promoting the activities of type „people to people”* aims: promoting the good interaction between communities from border area; sustain the local and regional administration and civil society; cultural, social and educational exchanges;

*Technical Assistance* aims the efficient implementation of program from technically and administrative point of view and the widest possible participation of the public.

The results of the program are concretized in investment projects implemented with aim to support a mutually advantageous collaboration for the 3 involved countries. The initiatives (solid, various and sustainable) have economic, financial and socio-cultural high value. The projects were conducted on specific priorities, like:

- improvement of border cooperation;
- arranging and reconfiguring the routes for gas and electricity;
- creation and improvement of communications and transport infrastructure;
- inventory, assessment and remediation of anthropogenic sources of pollution;
- prevention and flood protection and waste management;
- development of tourism and historical/ethnographical heritage conservation;
- supporting the entrepreneurship and create a favorable investment climate;
- ensuring the human security, as well as the human resources development.

Priority 1 was focused on the increase of economic competitiveness of the border area of Romania, Moldavia and Ukraine. The major investment projects for this priority were implemented by various entities of the three countries: ministries, customs, agencies - all interested by a better functionality of cross-border cooperation in vital areas: petroleum products, food, natural resources, electricity, transport and communications. Given the specificity of the projects, their implementation period was quite large, the most of the projects being for approximately 2 years. The values were significant, totaling over 24 mil. Euros, of which over 75% European funds. On the first call of this priority, 15 projects were contracted. The organizations involved in implementation are various and numerous: NGOs, municipalities, universities, county development agencies, county councils etc. Project's value range from 241,000 to 2,700,000 Euro.

The major investment projects implemented into Priority 2, with respect to protection of the environment, prevention and solving the problems appears in emergency situations, were another essential support in cross-border cooperation under this program. Financing line has been exhausted and the implementation of the three high value projects (over 5 mil. Euros each, or a total of about 20 million Euro), denote that the necessity of cross-border cooperation in this direction was a priority. The partnerships were mainly trilateral. The applicants were ministries of the three countries, and the cover of projects' value was done of about 90% by European funds. For the first call of the second program priority related to environmental protection and emergencies situations, were implemented 5 valuable projects in the fields of: health and life safety, water and waste management, biodiversity conservation. The institutions involved as applicants are: universities, district councils, public health institutions. The coverage of projects' value was about 90% and the lowest value was 131,200 Euro, while the highest value project was amounted to about 3 million Euro.

For Priority 3, which was aimed to promote a sustainable interaction between citizens, civil society and local communities through intercultural exchanges, the social and cultural-educative sustainability, the number of implemented projects was over 60. We note the diversity of fields of project implementation. The most accessed financed domains were: protection of children and vulnerable persons, combating the persons trafficking, health services, waste management, promotion of culture through reading, art, theater etc., improvement of conditions at work, promoting the sportive education, the organic agriculture and a healthy lifestyle, promoting volunteerism and cultural diversity etc. The most numerous applicant organizations were non-profit associations and NGOs, followed by municipalities, universities, hospitals, government units. Although the unit value of the projects was not very high (about 45,000 Euro to 150,000 Euro / project), the large number of these produce multiple results, diverse and expected. The most projects were conducted during one year. Almost all accessed and contracted projects for this funding line, were supported with European contribution in percentage of 90%.

**Programs for cross-border cooperation in 2014-2020 period.** Concerning the continuation of initiatives started in the 2007-2013 period, these will be supported by new funding programs in 2014-2020, by which the European Union will support financially the Joint Operational Program Romania-Ukraine, through the European Neighborhood Instrument (ENI). The counties from Romania, targeted by this program are: Satu Mare, Maramure , Boto ani, Suceava, Tulcea, and from Ukraine the oblasts: Ivano-Frankivsk, Zakarpatska, Chernivtsi, Odessa. The financial allocation is 60 Million Euro.

Another program designed to continue the initiatives from 2007-2013 period and to capitalize the results achieved through implemented projects, is the Joint Operational Program Romania-Moldavia, funded by European Union for the period 2014-2020, through ENI and which addresses to area from the border between Romania and Republic of Moldavia. The counties participants from Romania are: Boto ani, Iasi, Vaslui, Gala i and entire territory of Republic of Moldavia. The financial allocation from the European Union is 81 million Euro. The projects with priority financing are from economic and social area, environment and, also, culture. Overall, in the funding period 2014-2020, the Ministry of Regional Development and Public Administration from Romania manages 12 European territorial cooperation programs, that take place both at the internal and the external borders of the European Union. Other cross-border cooperation programs for 2014-2020 period are: V-A Interreg Program Romania-Bulgaria, IPA Cross-Border Cooperation Program Romania-Serbia, Romania-Hungary Interreg V-A Program, The Joint Operational Program "Black Sea basin", Hungary-Slovakia-Romania-Ukraine Program, Interregional cooperation program Inter-Reg-Europe, Cooperation Program Interact III, Operational Program Urbact III, Transnational Program "Danube", Cooperation Program ESPON 2020 [19].

The most consistent activities supported in the 2014-2020 funding period, in the framework of cross-border cooperation projects are: investments, acquisition of equipment, studies, strategies, exchange of

experience, joint actions to support the disadvantaged groups, development of partnerships and networks between universities for common development of theoretical research, awareness campaigns, investments in customs infrastructure, etc. [19].

**Conclusions.** The general objectives of the cross-border cooperation programs are considering the economic growth and development of areas covered by funding programs, to improve the quality of life, to increase the volume of investments in culture and education, in infrastructure and health, transport and communications, ensuring the basic utilities, guaranteeing the safety and security of the citizens from countries involved in the programs. Other objectives derived from the necessities identified from specialized studies and researches are: technological development and innovation (with a budgetary allocation over 7 million Euro), promoting the culture and preserving the historical heritage (a budget over 12 million Euro).

The contribution of funding programs from 2007-2013 and 2014-2020 periods is significant and essential for development of good cooperation relations between communities of countries involved, and the efforts of management structures was materialized in, and still aims, the successful results. Overall, the financing by cross-border cooperation programs from 2007-2013 period is considered with positive impact, and for 2014-2020 it is hoped in a high degree of success. We consider that the strategic-partnership orientation promoted by specific of these programs is beneficial for economies and societies of all countries and regions participating in program and contributes significantly to social welfare and providing the conditions to sustain a healthy, equitable and prosperous economy.

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