

ANALYSIS OF THE ABSORPTION OF EUROPEAN FUNDS FOR TOURISM DEVELOPMENT

Ilea Marioara, Diana Reaboi*

*Faculty of Horticulture, University of Agricultural Sciences and Veterinary Medicine, 3-5 Mănăștur Street, Cluj-Napoca, 400372, Cluj, Romania; *corresponding author: reaboi.diana@yahoo.ro*

Abstract. By analyzing the European funds in the tourism field through the Regional Operational Program 2007-2013, was following the rate of realization and grade of absorption. In order to obtain the results used in this study, the analysis of data collected from the Annual Implementation Reports provided by the Ministry of Regional Development, Public Administration and European Funds was used as a research method. After analyzing the data gathered from these reports it was found that the degree of absorption of the projects from the period under study in this program was not maximized, due to the poor preparation of the bodies responsible for the implementation and poor education of potential beneficiaries. For some areas of this axis, the results were positive beyond the proposed objectives. This analysis results in the need to improve the implementation of the next ROP program, but also that people are more interested in becoming beneficiaries of European funds in the coming years.

Keywords: European funds, Regional Operational Program, degree of absorption, analysis, tourism development

INTRODUCTION

The European Union encourages, supports and finances the development of tourism and agritourism activities in the rural area as rural and farm-related activities. In recent years, in Romania, many tourism and agritourism programs of national and international interest have been initiated, developed and promoted, funded both from internal (budgetary and private) and international sources, mainly from European funds. (Vergina Chiritescu, 2011)

The issue approached in this paper, accessing European funds, is very important for the current period because the deficiencies noticed can be encountered during the implementation of the ROP 2007-2013 and after their analysis the implementation of the next ROP can be improved, which is ROP 2014-2020, in order to have a higher degree of absorption and use of foreign financial instruments in tourism, these being the European funds granted through the ROP. This paper covers the period 2007-2017, the ROP being carried out during the period of 2007-2014 and the results of this program can be collected in 2017, therefore the research period is higher. The research refers to the entire territory of Romania, divided into 8 NUTS II regions. The information needed to analyse this situation was obtained from the institutions responsible for implementing the ROP 2007-2013, from the specialized literature. Other studies have been made in this field, which have emphasized the importance of the absorption of European funds in the economic fields of Romania, such as: Bianca G., P. Zai, 2013, Gheorghe O., Daniela Constantin, 2006, Victor B., 2013)

MATERIAL AND METHOD

This study is carried out on the Romanian territory and focuses on the eight Development Regions. The research period is 2007-2017, the years for which the Regional Operational Program 2007-2013 has been implemented, some information is from 2017 -

when some contracted projects finalized. During this period, Romania's economy was to develop as much as possible.

As study materials, the Regional Operational Program 2007-2013, the Annual Implementation Reports were used. The Regional Operational Program is a normative document. This program was funded from 2007-2013 from local budgets and from the state budget, co-financed by the European Regional Development Fund and 2% private co-financing. The EU contribution stood at 84% of the total expenditure.

(<http://www.mdrap.ro/dezvoltare-regionala/-2257/programul-operational-regional-2007-2013>, ultima accesare).

The main research method used in this study was post factum analysis, this method was chosen because it is less costly and probably more practical. Analysis is a method of studying the processes and phenomena of society and nature. (Marioara Ilea, 2016)

The stages of document analysis are the following:

- 1) Finding documents;
- 2) Evaluation of documents according to their usefulness;
- 3) Selection of documents;
- 4) Check documents to be sure of their credibility.

Analytical criteria were used as indicators of the research analysis, as follows: (Regional Operational Program 2007-2017)

- Restoration and sustainable valorization of cultural heritage, as well as the creation / modernization of related infrastructures;
- Creation, development, modernization of tourism infrastructure for capitalizing on natural resources and increasing the quality of tourism services;
- Promote tourist potential and create the necessary infrastructure to increase Romania's attractiveness as a tourist destination.

RESULTS AND DISCUSSIONS

Absorption grades in the following charts refer to projects completed under this program.

Key Area of Intervention 5.1 "Restoration and sustainable valorization of cultural heritage and creation / modernization of related infrastructure"

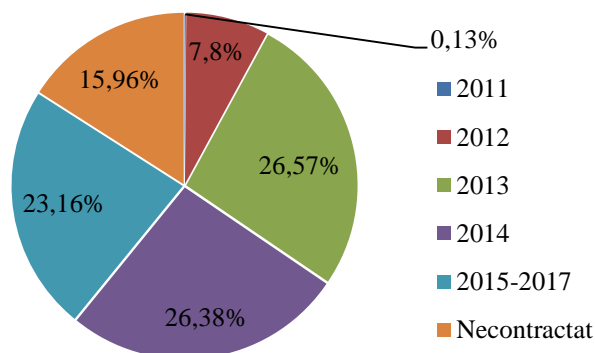


Fig.1. The degree of absorption of European funds finalized under ROP 2007-2013, Axis 5, KAI 5.1
Source: Data processed after the annual implementation reports

In this chart is present the percentage of the un-contracted absorption rate, this percentage is 15.96%, being quite high, the amount of money allocated to this project is about 42.36 million Euros. This amount of money is quite large and could have helped to develop tourism and the economy in some less developed regions. The first years of the ROP from 2007 to 2012 are rather flawed, the values recorded are quite low. Starting 2013, the allocated percentage increases significantly, meaning that potential beneficiaries are much more informed.

Key Area of Intervention 5.2 "Creation, development, modernization of tourism infrastructure for capitalizing on natural resources and increasing the quality of tourism services"

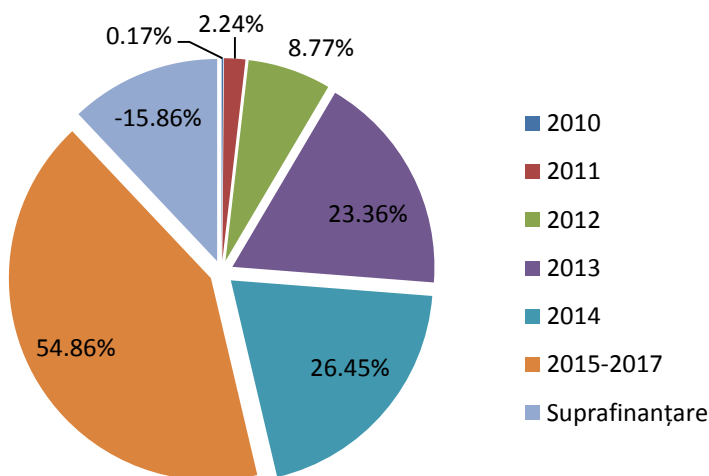


Fig. 2. The degree of absorption of European funds finalized under the ROP 2007-2013, Axis 5, KAI 5.2

Source: Data processed after the annual implementation reports

From this graph we wanted to show that in this Major Area of Intervention the absorption rate exceeded 100%, the local authorities have increased the funds for this area. In addition to EU and state contributions, there is also private contribution, with projects not being funded 100%.

The absorption rate within this area exceeded 100% by 12.86%, which shows that it was one of the most sought after areas for potential beneficiaries. This area has been more relevant to individuals and businesses than to state organizations, which proves that the population wants to grow and raise their standard of living. The lowest completion rate is about 0.17% in 2010, it was found that in the beginning the potential beneficiaries did not trust the European funds.

Fig.3 wants to present the high degree of non-contracting and non-allocation of structural funds in this area. Although the degree of absorption has shown a positive development over the years, this degree has not been strong enough to benefit from all the funds allocated for this area. The degree of non-allocation of funds exceeds 50%, which is not good because the unallocated money returns to the EU, and Romania can no longer use these funds to develop tourism promotion, which also leads to a lower number of possible tourists.

Key Area of Intervention 5.3 "Promoting tourist potential and creating the necessary infrastructure in order to increase Romania's attractiveness as a tourist destination"

■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015-2017 ■ Necontractat

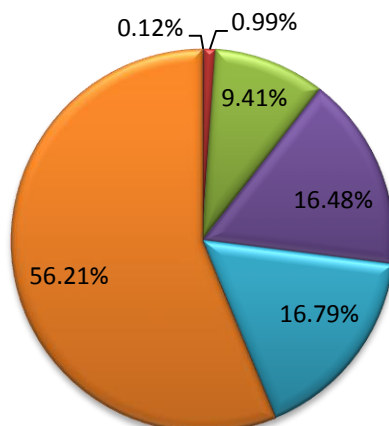


Fig. 3. Absorption rate of European funds finalized under ROP 2007-2013, Axis 5, KAI 3
Source: Data processed after the annual implementation reports

RESULTS AND DISCUSSIONS

As a result of the research carried out, it was found that the implementation of the Regional Operational Program 2007-2013 was difficult in the first years, the degree of absorption and realization of the projects being zero. After the first two years, the indicators studied began to increase, but unfortunately some of these projects were not in line and were canceled after. For almost all the indicators studied, the degree of achievement is zero.

After this period of low achievement, the indicators start to increase, and in the period 2015-2017 most of the indicators have the objectives proposed by the ROP fulfilled, even surpassed by some.

Its own contribution to this research is represented by the following: collecting information and data, synthesizing and analyzing them from a comparative point of view.

From the results we can see an evolution of ROP implementation within Axis 5, but this was not enough for a 100% implementation absorption degree.

Studying the implementation methodology and the ROP 2007-2013 results we recommend for the Regional Operational Program the following:

- The bureaucracy and documentation required to access the program should be easier to complete and the number of documents required to be smaller.
- The data provided for project implementation should be concrete, clear and accurate in order not to leave room for interpretation.
- The next Regional Operational Program should have a higher, more "aggressive" promotion, as more potential beneficiaries should find out.
- To educate people in the entrepreneurship field to be able to access funds and be prepared to manage a business and thus increase their absorption and living standards. This education should be very high in rural areas.

• The state should cooperate with the authorities representing development regions and get involved in helping European funds among people who are potential beneficiaries. It should also help develop infrastructure in all regions to create a developed tourist destination.

Thanks to this funding program, jobs have been created, tourism infrastructure has improved, the number of tourists who have visited national tourist promotion and information centers increased, the number of overnight stays in accommodation units has increased. As these indicators increased, the living standards of those areas increased and the unemployment rate decreased with the increase in available jobs.

Therefore, this study sought to analyze the degree of absorption of European funds in tourism through the Regional Operational Program 2007-2013, Axis 5 "Sustainable Development and Promotion of Tourism". Although the results of this study are positive, they do not represent a maximum of 100%, which shows that there is room for improvement in the implementation of the project.

REFERENCES

1. Bianca G., P. Zai, 2013, „Abordări privind absorbția fondurilor structurale în România”, Cluj-Napoca
2. Gheorghe O., Daniela Luminia Constantin, F. Ilie D. Pislaru, 2006, „Analiza capacității de absorbție a fondurilor comunitare în România”, Institutul European din România - Studii de Impact III, București
3. Marioara Ilea, 2016, Analiză economică și financiară”, editura Academic Press Cluj-Napoca
4. Victor B., 2013, „Ultimii pași- absorbția fondurilor structural și de coeziune 2007-2013, București
5. Vergina Chiritescu, European Funds Available for Agritourism Development in Romania and Poland, Agricultural Economics and Rural Development, New Series, Year VIII, no. 2, p. 241–254, 2011
6. ***, 2007, „Regional Operational Program 2007-2013”, MDRAPFE București
7. ***, 2008, „Annual Implementation Report 2007”, MDRAPFE București
8. ***, 2009, „Annual Implementation Report 2008”, MDRAPFE București
9. ***, 2010, „Annual Implementation Report 2009”, MDRAPFE București
10. ***, 2011, „Annual Implementation Report 2012”, MDRAPFE București
11. ***, 2012, „Annual Implementation Report 2013”, MDRAPFE București
12. ***, 2013, „Annual Implementation Report 2014”, MDRAPFE București
13. ***, http://enciclopediaromaniei.ro/wiki/Regiuni_de_dezvoltare