



NATIONAL STRATEGIC REFERENCE FRAMEWORK 2007-2013 - Executive Summary -

According to the new acquis on the Cohesion Policy of the EU, each Member State prepares a National Strategic Reference Framework (NSRF), as reference document for the programming of the Structural and Cohesion Funds.

This document will not serve as a management tool, but as a strategic document that sets the intervention priorities for the Structural and Cohesion Funds during the reference period. **The NSRF creates the links between the national development priorities, as set out in the National Development Plan 2007-2013 and the priorities at European level – the Community Strategic Guidelines (CSG) on Cohesion 2007-2013 and the Integrated Guidelines for Growth and Jobs 2005-2008.**

The basis for the preparation of this strategic document planning the medium-term use of the Structural and Cohesion Funds is represented by the National Development Plan 2007-2013, approved by the Romanian Government in December 2005. It is to be mentioned that, although the NSRF takes on board and synthesises the key elements included in the NDP Analysis and Strategy, these are reorganized according to the three priorities and 11 guidelines of the Community Strategic Guidelines, reflecting thus the correlation of the NSRF with the European principles of the Cohesion Policy.

It is of utmost importance to underline the link between the NSRF and the Operational Programmes (OPs). Within the package that is subject to negotiation with the European Commission, **the NSRF represents the global strategy for using the Structural and Cohesion Funds, while the various OPs are the instruments for implementing the NSRF priorities.** For this reason, the strategic links and inter-conditionalities between the NSRF and the OPs have to be clearly stated.

As regards the **structure of the NSRF**, this is set according to the relevant Community regulations on the Structural and Cohesion Funds.

The main elements of the National Strategic Reference Framework are presented below:

Socio-economic analysis – key aspects

There remain serious deficiencies to overcome in order to boost Romania's economy. Major and long-term structural interventions are required in the following areas:

- **Basic infrastructure** – Poor quality and inadequate coverage in the supply of drinking water, sewerage and waste management. Inadequate road, rail, water and air transport facilities and a lack of inter-connectivity, all inhibit growth. These are coupled with low levels of environmental awareness, an under managed natural environment and the wasteful use of energy.
- **Economic competitiveness** - Low productivity, outdated and obsolete production equipment and technologies, highly energy-intensive industry, underdeveloped entrepreneurship, a difficult business environment and inadequate business support infrastructure, poor access to finance and insufficient R&D and ICT investment, all hamper business growth.

- **Human Capital** – Limited adequacy of education and CVT to meet the needs of a modern knowledge-based economy, low value placed on education, insufficient articulation between education, initial VET and CVT. Inequality of opportunity leads to social exclusion amongst vulnerable groups, such as women, disabled people and Roma.
- **Administrative Capacity** – Public services are weak and provide low customer satisfaction. Lack of sufficient administrative capacity is reflected by poor management structures, insufficient skills of civil servants, inadequate inter-institutional cooperation, which ultimately lead to poor quality of the services delivered to the society, and thus jeopardize socio-economic development. Particularly, management of EU funds needs further strengthening so as to efficiently use the funds to foster economic and social development.
- **Territorial Dimension** – Following industrial restructuring, regional disparities rapidly appeared and they have continued to grow. Disparities between urban and rural are significant and increasing; this is particularly noticeable between Bucharest Ilfov Region and the rest of the country. FDI locates in the more developed Regions and this leads to widening disparities with other regions. Both urban and rural areas are confronted with problems related to infrastructure (caused by under investment), local economic development and social environment. Furthermore, rural areas are over dependant on agriculture and infrastructure and support services for business are very poor or non-existent. There is a need of a more structured approach at territorial level of various sectoral and inter-sectoral development policies and derived measures.

The Strategic Response

The Vision: *To create a competitive, dynamic and prosperous Romania*

NSRF Objective: *To reduce the economic and social development disparities between Romania and the EU Member States, by generating a 15-20% additional growth of the GDP by 2015*

Priorities and Actions

The NSRF Priorities have been formulated as the Government's strategic response to current economic weaknesses and in order to create the opportunities Romania desires. The NSRF seeks to draw the priority strands together in a uniform strategy that is suitable for Romania but also conforms to the strategies of the European Union including the Lisbon Strategy and that will deliver economic growth and jobs:

- ***Development of Basic Infrastructure to European Standards*** – Infrastructure investment will improve road and rail networks, and navigation on the River Danube (TEN-T priority axes no. 7, 18 and 22) and support business growth and job creation. Investments will also improve accessibility and the inter-connectivity of the national, county and local roads, railways, airports and river services including improved links to TEN-T routes. Investment will increase access to wider markets and all actions will reduce travel time and transport costs. The environment infrastructure support will improve drinking water and waste management to meet EU standards. Improved energy efficiency in the entire energy chain – production, transportation, distribution and end-use – will enhance economic competitiveness, improve air quality and support sustainable development. Efforts will focus on improved management of the natural environment and more sustainable use of natural resources.
- ***Increasing Long-term Competitiveness of the Romanian Economy*** – The strategy will help build a dynamic entrepreneurial and productive business base, support business start up and growth – particularly, through investment in higher added value products and services. Innovation will be encouraged as well as the application of R&D to market opportunities; access

to finance and ICT connectivity will be improved. SMEs will benefit of investment aid and will be supported with quality business advice and the services they require to expand and create jobs. Tourism will also be encouraged as an important driver of development.

- ***Development and More Efficient Use of Romania’s Human Capital*** – The strategy aims at supporting the education and training systems to provide flexible and better education and skills to individuals, at increasing access and participation to education and training and at ensuring that education and training deliver the knowledge and skills needed by Romania’s modern and expanding economy. Increased adaptability, entrepreneurship and life long learning will be at the heart of the policies and business will be encouraged to invest in their human capital. The modernisation of the education and CVT infrastructure, including the provision of school equipment and ICT will be required to provide quality education and training systems. Actions will be supported to tackle social exclusion and promote social inclusion of vulnerable groups (women, ethnic minorities, disabled persons) who are at disadvantage in the labour market, so they can benefit from the new jobs being created. Improved health care and related services will assist economic regeneration by reducing costs and the number of lost days from work.
- ***Building an Effective Administrative Capacity*** – The strategy will improve governance in the public sector. Investment will help to improve policy formulation and public management decision making processes, to develop a modern, flexible and responsive civil service system and to improve the quality and efficiency standards in the delivery of public services. Actions will be targeted to the sectors of the administration where the greatest impact can be achieved to aid economic and social development, support business growth and to fight deficiencies of the Romanian economy.
- ***Promoting Balanced Territorial Development*** – The aim is to stop and hopefully reverse the widening trend of regional development disparities by supporting and promoting a balanced economic and social development of the Regions. The actions will support Regions’ development by creating the necessary conditions to stimulate economic growth in the lagging behind regions and restructure the urban and rural areas. Investments will be targeted at improving infrastructure and ensuring local connections to the national, European and intercontinental networks connecting Romania to European and wider markets. Actions will target existing or emerging development corridors or centres and create the conditions for integrated development, with connections to regional, national and trans-European networks. Support will help to consolidate the local and regional business environment and enhance the natural and cultural heritage to support tourism and urban development. The achievement of territorial cohesion will benefit from the long-term framework of the Strategic Concept of Spatial Development and Integration into the European Spatial Structures 2007-2025.

Operational Programmes

The NSRF is implemented through Operational Programmes under Objectives “Convergence” and “European Territorial Cooperation”. Table below presents the list of OPs prepared by Romania and the OPs that Romania prepares in cooperation with EU members and other countries, as well as the institutions responsible for the management of these programmes. An outline of the OPs under “Convergence” Objective is included in the NSRF.

Operational Programme	Managing Authority	Intermediate Bodies	Fund
<i>Convergence Objective</i>			
SOP Increase of Economic Competitiveness	Ministry of Economy and Finance	- Ministry for Small and Medium Sized Enterprises, Trade, Tourism and Liberal Professions	ERDF

Operational Programme	Managing Authority	Intermediate Bodies	Fund
		- Ministry of Education, Research and Youth (National Authority for Scientific Research) - Ministry of Communication and Information Technology - Ministry of Economy and Finance (Energy Policy General Directorate)	
SOP Transport	Ministry of Transport	-	ERDF + CF
SOP Environment	Ministry of Environment and Sustainable Development	8 regional IBs coordinated by MESD	ERDF + CF
Regional OP	Ministry of Development, Public Works and Housing	- Regional Development Agencies - Ministry for Small and Medium Sized Enterprises, Trade, Tourism and Liberal Professions	ERDF
SOP Human Resources Development	Ministry of Labour, Family and Equal Opportunities	- National Agency for Employment - 8 regional IBs coordinated by the MoLFEO - Ministry of Education, Research and Youth - National Center for Development of TVET	ESF
OP Administrative Capacity Development	Ministry of Interior and Administrative Reform	-	ESF
OP Technical Assistance	Ministry of Economy and Finance	-	ERDF
<i>European Territorial Cooperation Objective</i>			
OP Cross-border Cooperation (CBC) Hungary–Romania	National Development Agency (Hungary)	Ministry of Development, Public Works and Housing in Romania will act as National Authority	ERDF
OP CBC Romania–Bulgaria	Ministry of Development, Public Works and Housing	-	ERDF
OP CBC Romania – Serbia	Ministry of Development, Public Works and Housing	-	ERDF (transfers to IPA)
OP CBC Romania – Ukraine - Moldova	Ministry of Development, Public Works and Housing	-	ERDF (transfers to ENPI)
OP CBC Hungary - Slovakia – Romania - Ukraine	National Development Agency (Hungary)	Ministry of Development, Public Works and Housing in Romania will act as National Authority	ERDF (transfers to ENPI)
OP CBC Black Sea Basin	Ministry of Development, Public Works and Housing	-	ERDF (transfers to ENPI)
OP South-East European Space	Ministry of Local Government and Spatial Development (Hungary)	Ministry of Development, Public Works and Housing in Romania will act as National Authority and National Contact Point	ERDF

Operational Programme	Managing Authority	Intermediate Bodies	Fund
OPs Inter-regional Cooperation <ul style="list-style-type: none"> ▪ INTERREG IV C ▪ URBACT II ▪ ESPON 2013 ▪ INTERRACT II 	France France Luxembourg Austria	Ministry of Development, Public Works and Housing in Romania will act as National Authority and National Contact Point	ERDF

Structural and Cohesion Funds Allocation

The overall Structural and Cohesion Funds allocation for Romania is **19.668 bn Euro** of which 12.661 bn Euro represent Structural Funds under the Convergence Objective, 6.552 bn Euro are allocated under the Cohesion Fund and 0.455 bn Euro under the European Territorial Cooperation Objective (including transfers to the Instrument for Pre-accession Assistance – IPA, and to the European Neighbourhood and Partnership Instrument - ENPI).

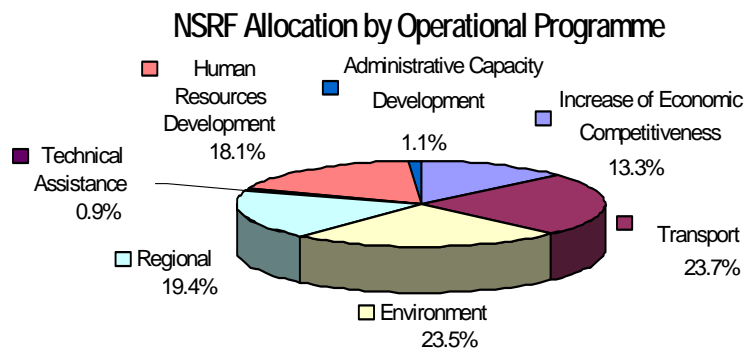
The NSRF financial table presents the breakdown by Operational Programme of the Structural Funds under the Convergence Objective plus the Cohesion Fund, which amount to the total of 19.213 bn Euro.

Financial table for NSRF - indicative annual allocation by Fund and Operational Programme

- Euro, current prices -

CONVERGENCE		Community participation							
Operational Programme	Fund	Total	2007	2008	2009	2010	2011	2012	2013
ERDF and CF									
Increase of Economic Competitiveness	ERDF	2,554,222,109	170,464,211	194,837,789	364,964,902	485,640,935	507,263,253	435,815,005	395,236,014
Transport	ERDF+CF	4,565,937,295	251,957,363	441,348,842	614,332,066	729,632,669	785,525,000	841,697,425	901,443,930
	ERDF	1,289,332,210	28,805,392	122,249,222	185,312,282	214,078,466	230,870,080	245,489,974	262,526,794
	CF	3,276,605,085	223,151,971	319,099,620	429,019,784	515,554,203	554,654,920	596,207,451	638,917,136
Environment	ERDF+CF	4,512,470,138	272,372,736	437,302,592	578,507,217	683,350,731	761,146,030	848,813,721	930,977,111
	ERDF	1,236,652,195	50,580,264	117,985,105	149,019,785	168,694,505	206,330,853	252,439,096	291,602,587
	CF	3,275,817,943	221,792,472	319,317,487	429,487,432	514,656,226	554,815,177	596,374,625	639,374,524
Regional	ERDF	3,726,021,762	330,168,339	404,126,047	441,135,485	523,721,833	556,767,943	663,832,914	806,269,201
Technical Assistance	ERDF	170,237,790	16,979,328	18,401,347	20,977,535	24,775,573	27,568,456	30,463,144	31,072,407
ESF									
Human Resources Development	ESF	3,476,144,996	212,973,834	330,141,809	452,584,803	538,429,514	595,593,519	666,545,305	679,876,212
Administrative Capacity Development	ESF	208,002,622	20,162,952	28,143,236	40,850,990	41,668,010	29,865,828	24,604,847	22,706,759
TOTAL all Funds NSRF 2007-2013		19,213,036,712	1,275,078,763	1,854,301,662	2,513,352,998	3,027,219,265	3,263,730,029	3,511,772,361	3,767,581,634
Total ERDF		8,976,466,066	596,997,534	857,599,510	1,161,409,989	1,416,911,312	1,528,800,585	1,628,040,133	1,786,707,003
Total CF		6,552,423,028	444,944,443	638,417,107	858,507,216	1,030,210,429	1,109,470,097	1,192,582,076	1,278,291,660
Total ESF		3,684,147,618	233,136,786	358,285,045	493,435,793	580,097,524	625,459,347	691,150,152	702,582,971
EAFRD		8,022,504,745	741,659,914	1,023,077,697	1,319,261,544	1,236,160,665	1,234,244,648	1,235,537,011	1,232,563,266
EFF		230,714,207	15,127,527	22,157,050	30,156,234	36,391,468	39,257,052	42,262,575	45,362,301

The diagram below shows the % distribution of the NSRF allocation by OP.



Annual allocation from the European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF) are included for information purposes, according to the requirement of the Council Regulation No. 1083/2006.

The NSRF allocation under the “Convergence” objective (including the Cohesion Fund) requires an estimated 5.53 bn Euro national co-financing, made up of both public (aprox. 73% of total co-financing) and private sources (aprox. 27%).

Implementation Arrangements

The Romanian institutional responsibilities were established by GD No 497/2004 and subsequent amendments and completions. The coordination of the management of the funds at national level stays with the Ministry of Economy and Finance, while the strategic coordination will be ensured by the National Coordination Committee for the Structural Instruments, established under GD No 1200/2004. The management of the Operational Programmes was regulated through GD No 497/2004 and subsequent modifications and completions, that sets out the Managing Authorities and the Intermediate Bodies.

As regards the financial management and control, the Ministry of Economy and Finance is designated to fulfil the role of Certifying Authority for all OPs. The competent body for receiving the ERDF, ESF and Cohesion Fund payments from the European Commission in respect of all OPs is the Certifying and Paying Authority within the Ministry of Economy and Finance. The bodies responsible for making the payments to the Beneficiaries are: a) the Certifying and Paying Authority for SOP Environment and SOP Transport (direct payment); b) the Paying Units established in the ministries which have the role of Managing Authorities for the other OPs (indirect payment). An independent body associated to the Romanian Court of Accounts has been designated as Audit Authority.

Partnership

The Ministry of Economy and Finance, in cooperation with a wide range of institutions and organisations, has prepared the NSRF. Furthermore, partnership consultations conducted for drawing up the National Development Plan and the Operational Programmes provided substantial feedback from the relevant partners, which was duly taken into account in the preparation of the NSRF.