



European Funds– From idea to reality

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2014 - 2020

- Aprox. 38,9 Bill. Euro for 2014 – 2020;
- There are around 150 measures belonging to the 8 Operational Programs
- 90% of the funds are for public projects and only 10% for the private sector;

Share of EU Funds

Operational Program	Budget	Management Authority
Large Infrastructure	9,41 Bill. Euro	Ministry of European Funds
Human Capital	4,33 Bill. Euro	Ministry of European Funds
Administrative Capacity	0,21 Bill. Euro	MRDPA
Competitiveness	1,33 Bill. Euro	Ministry of European Funds
Technical Assistance	0,55 Bill. Euro	Ministry of European Funds
Regional	6,7 Bill. Euro	MRDPA
National Program for Rural Development	8,01 Bill. Euro	Ministry of Agriculture and Rural Development
Fisheries	0,17 Bill. Euro	Ministry of Agriculture and Rural Development

2014 - 2020

- The applicant has to be a Romanian company;
- Project evaluation conducted in Romania;
- In most cases, the applicant must have been active before applying for funding;
- The implementation must not start before the approval of the project by the Management Authority ;
- Only new equipment is considered eligible;
- Only the best projects are funded - intense competition.

Project concept



The concept of the project



STARTUPS VS. BIG COMPANIES

BIG ORGANIZATION

PROS

Resources, brand equity, experience

CONS

Silos, slow decision making, CULTURE

SMALL STARTUP

PROS

Rapid decision making, close-knit team, fast execution, CULTURE

CONS

Inexperience, lack of resources, no brand equity

Is my project eligible for funding?

- The economic activity carried out through the project is included in the list of eligible activities mentioned in the guidelines of the program;
- The implementation starting point has to succeed the approval of the project by the Management Authority ;
- Only new equipment can be bought;
- The total value of the project and the solicited grant corresponds to the guidelines of the program;
- The time frame necessary for the implementation of the project is according to the guidelines of the program;
- The applicant must ensure co-financing of the investment.

The main rules when elaborating a project - 1/2

- The submitted project must be realistic and carefully planned - any subsequent change is time and money consuming;
- An accurate estimate of the time and effort needed to prepare the application file must be made;
- In the business forecasts the beneficiary must pay close attention to monitoring indicators;
- A appropriate assessment of the project's eligibility must be made before advancing any payments;
- A proper identification of the co financing sources must be conducted.

The main rules when elaborating a project - 2/2

- Maintain written correspondence with the Managing Authority regarding misunderstandings in the submission and implementation phase;
- All payments for eligible expenditure must be made according to the procurement procedure. Otherwise, eligible expense become ineligible;
- It is not advisable to include urgent investments for the company in the project. The average period from submission stage to the implementation phase of a project financing with EU funds is over 6 months

Evaluation and selection of projects

- The evaluation of the projects is done in Romania, by national or foreign experts;
- During the assessment period the beneficiary may be required to provide further clarifications regarding the project;
- The evaluation and selection process can be long, therefore this detail must be taken into account in the drafting phase of the project; the time stretch may interfere with certain activities, take notice when you have a project that includes a construction component;
- During this period is not advisable to make any payments for the project;
- Prior to signing the grant agreement, a number of documents will be required from the beneficiary.

Project implementation

- Open public acquisition procedure;
- The reimbursement request mechanism : the eligible value of the invoices previously paid by the beneficiary are reimbursed (ex-post fundament);
- Direct payment claims mechanism: the bills are paid directly by the MA(management authority) without the beneficiary's involvement;
- The installments number is predetermined (up to 5);
- The reimbursement request has to be supported by progress reports as well as any other kind of relevant documents ;
- The reimbursement process usually takes 30 days.

Implementation obstacles 1/2

- Delays when starting the actual project. Frequently, there is a period of slowing down after signing the financing contract and you end up losing the starting point of activities. If so, you will find it hard and bureaucratic to bring any changes;
- Concept or form errors in the documents inserted in the application file;
- Oversized activities included in order to obtain the maximum score, that are really impossible to implement.

Implementation obstacles 2/2

- The large cash-flow deficit, which sometimes stifles the firm or damages the relationship with the financing bank;
- Foreign suppliers that don't follow the procurement procedure, which compels them to provide a big amount of documents and to extend the collection terms;
- The technical project drawn by the designer according to the local authorities requirements does not comply with the rigorous standards of the Management Authority.
- Lack of bank financing option (currently is not such an issue anymore)

Problems on the Side of the Authorities

- Very strict guidelines that exclude innovative projects
- Short-term announcements for the submission periods
- Very short terms for corrections if necessary
- Extensive evaluation period
- Inappropriate evaluation based on subjective criteria
- Usually more submissions than funds – strong competition of projects
- Often confusing tender procedures
- Inflexible regulations and attitude from the authorities during the implementation period
- Long terms for payments

Improvement options

- Shorter evaluation periods;
- More funds available to the private sector;
- Less barriers when dealing with a public procurement;
- Previous announcement of project submission sessions and preserving the published calendars
- Transparent and objective evaluation criteria;
- More flexibility when technical solution changes must be made during the implementation period;
- Clearer and more consistent strategies and priorities at sectoral and national level.



Trade and services

Name of the program

Comerț și servicii

Objective

Increasing the economic performance of SMEs with trade and service activity

Eligible applicants

SME must have been active at least 2 years before submission of the project

Budget (2017)

- 49.949.000 lei

Financial aid

- max 250.000 lei/beneficiary
- max 90% of the eligible cost of the project

Eligibility criteria

- Legal entities- SMS in accordance with Law 346/2004
- SME must have been active at least 2 years before submission of the project
- SMEs with no debts to the state budget or consolidated budgets

Release

- During 2017

Number of beneficiaries

- minim 200

Eligible expenses

- IT equipment, electric tools, forklifts
- Technological equipment, furniture, office equipment, and intangible assets
- Barcode readers, electronic scales, electronic fiscal cash registers

Female entrepreneur

Name of the program

Objective

Eligible applicants

Femeia antreprenor

Developing businesses owned by female entrepreneurs

- Micro-enterprises that have been active at least 6 months before submission of the project

Budget (2017)

- 1.000.000 lei

Financial aid

- Free participation is provided for regional and international conferences, workshops, for the program selected applicants

Eligibility criteria

- Micro-enterprises in accordance with Law 346/2004, PFA, sau Individual entrepreneurs
- Micro-enterprises that have been active at least 6 months before submission of the project
- At least 50% of the company ownership is held by females

Release

- During 2017

Eligible expenses

- Travel and accommodation expenses
- Editing / multiplication of brochures, promotion and presentation materials
- Rental expenses, protocol expenses

Number of beneficiaries

- Min. 400 conference participants / min 28 participants at international conferences / Min

120 participants in workshops

Micro industrialization

Name of the program

Microindustrializare

Objective

Support investment which are active in the priority economic sectors

Eligible applicants

Micro-enterprises, small and medium-sized enterprises

Budget (2017)

- 74.359.000 lei

Financial aid

- maxim 90% of the eligible cost of the project
- maxim 450.000 lei/beneficiary

Eligibility criteria

- SMS in accordance with Law 31/1990 or with Emergency Ordinance no. 6/2011
- SME must have been active at least 2 years before submission of the project
- The NACE code for which it requests funding is eligible and authorized at the time of the submission of the payment file

Release

- During 2017

Eligible expenses

- Technological equipment, expenses for the website, furniture, office equipment
- Vans - Class N1, N2, N3, HVAC installations
- IT equipment

Number of beneficiaries

- minim 165

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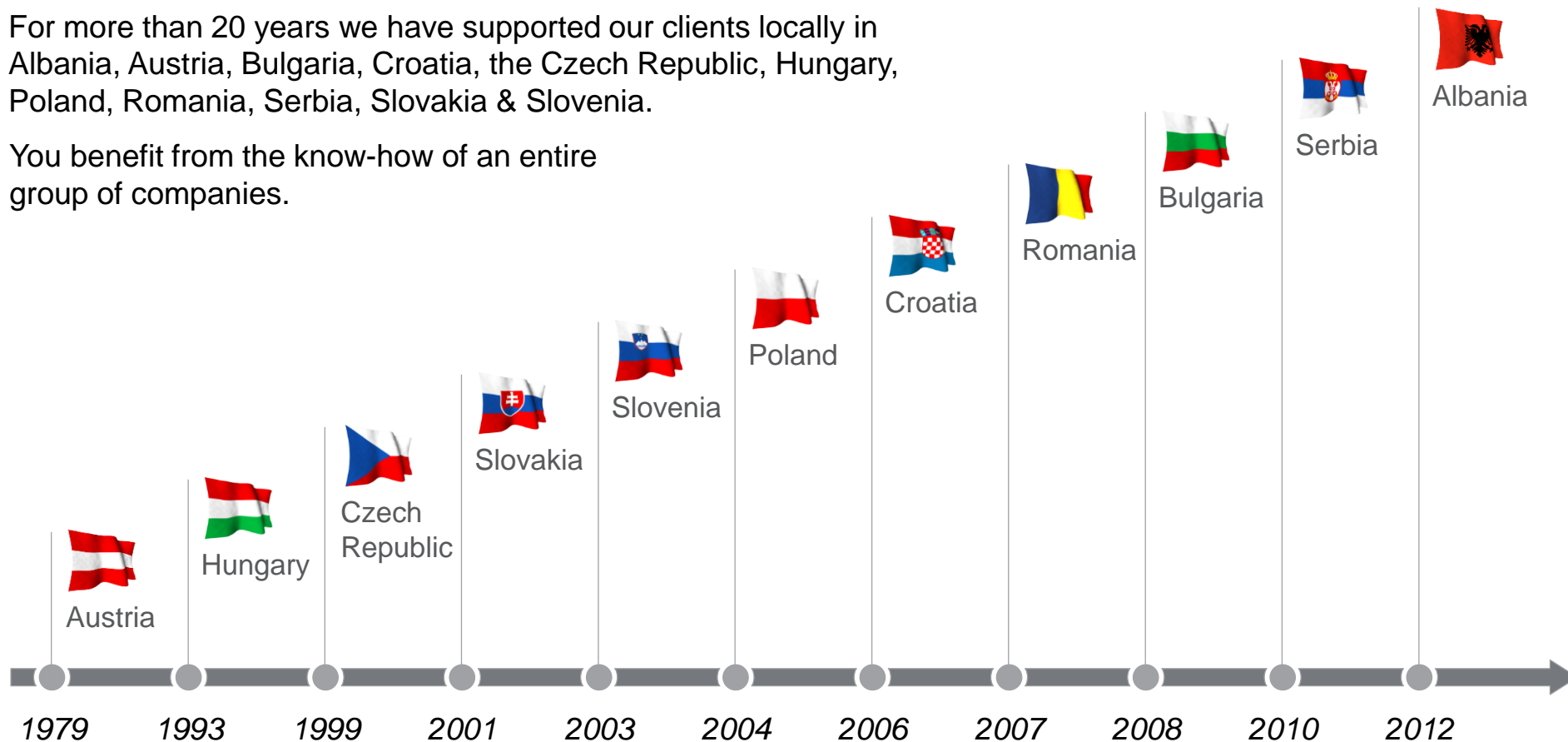


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