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COUNTRY FICHE

ROMANIA [RO]

During the 2014-20 period, Romania implemented three types of Territorial Delivery Mechanisms. A total of 39 Sustainable Urban Development strategies, delivered through an Operational Programmes Priority Axis (SUD PrAx), were funded exclusively by the European Regional Development Fund (ERDF). Additionally, a single large-scale Integrated Territorial Investment (ITI) strategy was implemented in the predominantly rural, polycentric functional area of the Danube Delta. This experimental approach brought together smaller municipalities in a peripheral region and was co-funded by multiple sources, including the ERDF, European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD), and European Maritime and Fisheries Fund (EMFF). Lastly, 37 Community-led Local Development strategies were rolled out across Romania, combining ERDF and ESF funding streams. Although implementation was relatively slow, the Territorial Delivery Mechanisms in Romania had significant impacts and introduced several governance innovations.

POPULATION	STATE TYPE
19.64 million	Centralised

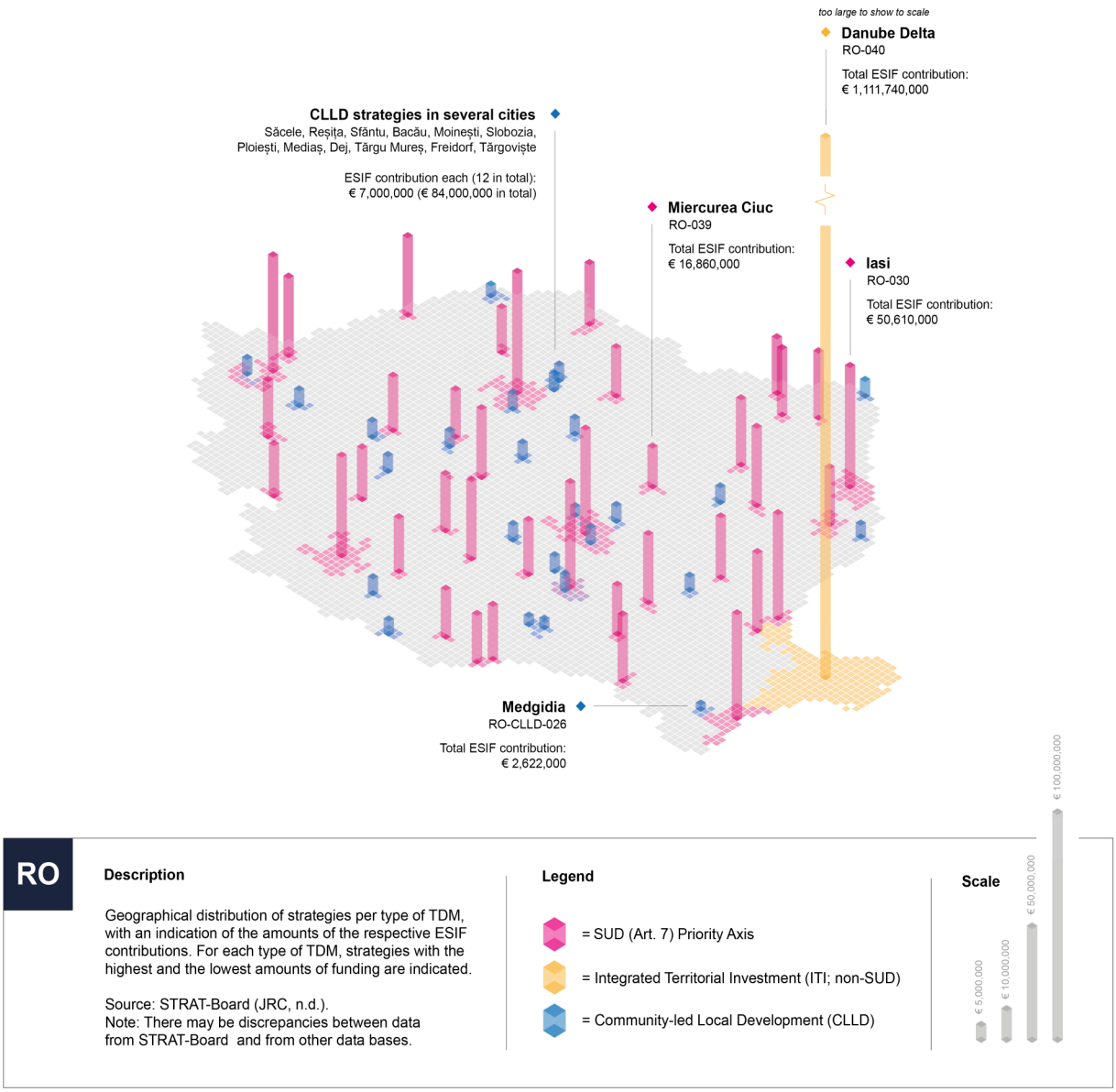
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 35,207,348,734
National Contribution (EUR)	€ 6,369,065,245
Total Contribution (EUR)	€ 41,576,413,979

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	39	ERDF	10.2%	38%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	1	ERDF, ESF, CF, EAFRD, EMFF	5.3%	55%
Community-led Local Development (CLLD)	37	ERDF, ESF,	0.8%	22%
TOTAL	**77**	**-**	**16.3%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases. Cohesion Open Data Platform data indicates that a certain amount of funding was also deployed through SUD ITI strategies implemented in Romania, however these were not covered by this evaluation.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Romania's territorial administration system is centralised, with limited authority at the regional level and no elected regional officials. The country is organised into Communes (comune), Towns (oraşe), and Counties (judeţe). Larger towns with significant national importance may be designated as municipalities (municipii) through specific legislation. The 41 Romanian Counties are the primary administrative units.

The Regional Development in Romania Act (No. 315/2004) defines the structure and objectives of regional development policy, detailing the roles and tools for regional development. Romania is divided into eight development regions, which are not administrative units and have no legal status. The Regional Development Agencies serve as executive bodies for the Regional Development Councils and act as Intermediate Bodies for the Regional Operational Programmes. These agencies are tasked with creating strategies, securing resources, implementing funding programmes, and promoting economic growth, partnerships, and entrepreneurship.

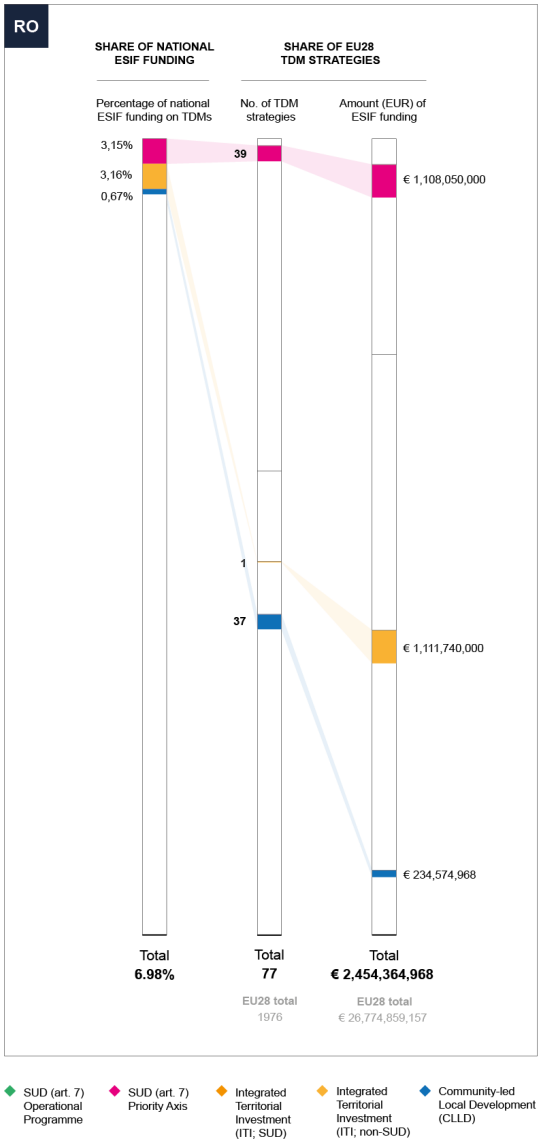
Regional Development Councils, consisting of County Council presidents, oversee the regional development process in their respective areas. Although this framework has enabled some coordination for infrastructure projects like secondary transport corridors, the implementation of Cohesion Policy remains highly centralised, reflecting Romania's top-down administrative approach. Territorial governance practices in Romania are largely centred on managing Cohesion Policy, including Regional Operational Programmes, with some influence from new practices introduced by Territorial Delivery Mechanisms, which are detailed further later in this document.

COHESION POLICY CONTEXT

During the 2014-20 period, Cohesion Policy in Romania was implemented across 8 NUTS-2 regions. Seven of these were classified as Less Developed Regions, while one, București - Ilfov, was classified as More Developed. The responsibility for coordinating the implementation of European Structural and Investment Funds (ESIF) rested with the national government. The implementation structure for ESIF comprised three management authorities, each linked to a national ministry: the Ministry of European Investments and Projects (Ministerul Investițiilor și Proiectelor Europene – MIPE), the Ministry for Development, Public Works, and Administration (Ministerul Dezvoltării, Lucrărilor Publice și Administrației – MDLPA), and the Ministry of Agriculture and Rural Development (Ministerul Agriculturii și Dezvoltării Rurale – MADR). Additionally, there were 32 regional (NUTS-2) Intermediate Bodies, one for each region, responsible for managing the following Operational Programmes: Competitiveness OP, Large Infrastructure OP, Regional OP, and the National Rural Development Programme.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The whole bar represents the total allocation of ESIF for TDMs in the EU28. Please note that STRAT-Board data set is not always complete and correct. There may be discrepancies between it and other data bases.

Sustainable Urban Development (Art. 7)

Priority Axis

Romania received the third-largest allocation of ERDF resources dedicated to SUD among EU Member States. A total of 37 SUD PrAx strategies were supported exclusively by ERDF funding. These initiatives focused on county capitals in less-developed regions, excluding Bucharest and Tulcea, as the latter was included in the Danube Delta non-SUD ITI. The projects supported by SUD PrAx strategies were largely concentrated on infrastructure and public sector improvements, with priority given to urban mobility, the development of green spaces, social infrastructure in disadvantaged areas, and improvements in education services.

The management and oversight of these strategies were handled through two levels of Intermediate Bodies. The Regional Development Agencies were responsible for assessing the eligibility of the strategies, while Urban Authorities oversaw the selection of project priorities.

SUD PrAx strategies were closely aligned with Urban Mobility Plans, creating a cohesive package that was grounded in, and complemented, statutory planning documents. The Community-Led Local Development (CLLD) strategies also contributed to achieving the objectives set out in the SUD strategies.

One of the key benefits of SUD PrAx strategies was the significant improvement in transport infrastructure, promotion of alternative forms of mobility such as public transport, and investments aimed at enhancing the quality of urban spaces. In addition, these initiatives fostered the development of administrative capacities. Oradea, a mid-sized city in the North-West region, is a notable example where implementing the SUD strategy led to the effective management of multiple complex projects, highlighting the city's enhanced administrative capabilities.

Furthermore, the SUD PrAx strategies helped introduce sustainable development concepts into Romania's urban planning practices, including integrated mobility approaches (Nagy et al., 2018). However, challenges emerged. Smaller cities were initially excluded from urban development funding, an issue that was later addressed through the creation of a dedicated Priority Axis within the

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Regional Operational Programme. Administrative capacity issues and bureaucratic hurdles also slowed the pace of financial implementation. By the end of 2022, only 38% of the allocated ERDF funds had been spent, compared to 48% of resources utilised through mainstream Cohesion Policy measures at the same time.

Non-Sustainable Urban Development Integrated Territorial Investment

During the 2014-20 period, Romania implemented just one non-SUD Integrated Territorial Investment (ITI) strategy in a polycentric area. This strategy was significant, not only due to its large budget (€1.1 billion in combined ESIF funding) but also for its novel approach based on functional area delimitation and an integrated development strategy, aimed at stimulating growth and improving access to funds in a peripheral region.

The ITI strategy centred on preserving the Danube Delta Natural Reserve Area, covering all eleven Thematic Objectives (TOs) and supported by all European Structural and Investment Funds (ESIF) through eight distinct Operational Programmes (OPs). Its rationale was clearly defined at the national level, aiming to pilot a development instrument that addressed the specific challenges of a geographically unique area, such as strong urban-rural interdependence, limited accessibility, and stringent environmental requirements. The Danube Delta was selected for its distinct geographic (peripheral location, low accessibility), demographic (population decline), infrastructural (deteriorating infrastructure), and environmental (need to protect its unique ecosystem) challenges. The ITI also aimed to improve access to EU funding for smaller, peripheral municipalities and expand opportunities for local authorities in the region.

The strategy covered a region spanning two NUTS 3 counties, Tulcea and Constanța, including Tulcea as the main urban centre alongside four towns and 33 rural municipalities. With the exception of Tulcea, the area is largely sparsely populated, with economic development lagging behind other parts of the country.

The Ministry for Regional Development and Public Administration acted as the Managing Authority, while other implementing bodies included the Ministry of European Investments and Projects (national coordinator of ESIF and managing authority for OPs on human capital, competitiveness, large infrastructure, and technical assistance), and the Ministry of Agriculture and Rural Development (managing the fisheries and sea affairs OP). Coordination was facilitated by a Functional Working Group, rather than a dedicated intermediary body, between the central authorities and the newly established ITI Development Association (IDA). While the IDA was tasked with implementing and monitoring the programme, it had no authority to select operations, with only a pre-selection process allowed under Regulation (EU) 1303/2013.

The ITI strategy was supported by a newly formed consultative committee comprising around 50 members from the public sector, private sector, civil society, and academia. A maximum of 49% of the members represented public entities, ensuring that at least 51% came from non-public actors. Subcommittees were formed to debate the strategic pillars of the strategy, promoting a balanced distribution of resources and fostering stakeholder engagement. The committee introduced governance innovations at the functional area level, making the IDA a regionally embedded hub of expertise, even though its decision-making powers were limited to issuing project eligibility certificates.

The strategy also created new partnerships across sectoral boundaries and levels of government, helping structure decision-making in the territory. Local actors were required to negotiate project priorities, types of financing, and the timing of investments. However, centralised management and regulatory barriers limited the scope for local empowerment and cross-municipal collaboration.

The ITI contributed to capacity building for inter-municipal cooperation, organised by the IDA, but coordination issues persisted, particularly between urban and rural representatives. Centralised management also hindered knowledge-sharing among municipalities.

All possible thematic objectives were covered under the strategy, enabling a wide range of operations. However, this “catch-all” approach came at the cost of thematic focus. Territorial integration was further hampered by the equitable distribution of funding across the region, prioritising fairness over strategic goals and limiting cross-municipal projects.

Funds integration was also challenging, as all OPs were centrally managed, and the coordination between ERDF and ESF proved difficult. Strict environmental regulations, poor local capacity, and timing mismatches between OPs further complicated efforts to integrate funds.

One key value of the ITI was its role in highlighting territorial issues and place-specific needs within the framework of Romania’s Cohesion Policy. However, the OPs funding the ITI projects were not designed with territorial specificities in mind, making the implementation resemble a more mainstream, non-territorial approach.

By the end of 2022, only 55% of the allocated ERDF and Cohesion Fund resources had been spent, highlighting significant challenges in implementing the strategy.

Community-led Local Development

A total of 37 CLLD strategies were rolled out in urban areas across Romania, complementing the already established LEADER Local Action Groups (LAGs) in rural regions. These strategies were eligible for funding from two Operational Programmes (OPs): the Human Capital OP, funded by the European Social Fund (ESF)

and overseen by the Ministry of Investments and European Projects, and the Regional OP, funded by the European Regional Development Fund (ERDF) and managed by the Ministry of Regional Development and Public Administration. Implementation was carried out through eight regional Intermediate Bodies, including Regional Development Agencies and OIR POSDRU.

Romania's urban CLLD LAGs represented the country's only multi-fund initiative under Cohesion Policy, enabling the design of place-based strategies drawing from multiple OPs. The core objective was to reduce poverty and social exclusion in marginalised communities, with particular emphasis on disadvantaged groups, including the Roma minority. CLLD gave these communities a direct role in shaping and implementing strategies aimed at addressing their specific needs, allowing them to take part in the process and witness the outcomes of their contributions.

The supported interventions were required to be multi-sectoral and integrated. Typical activities included improving education, providing support to access and maintain employment, delivering integrated services to marginalised groups through centres or single points of contact, and promoting entrepreneurship in both the mainstream and social economy. Alongside these social initiatives, ERDF-funded projects focused on physical improvements, such as upgrading social housing, healthcare, educational facilities, integrated community centres, and public infrastructure and spaces (LDnet, 2021).

Newly created LAGs became key hubs of expertise in community development. They engaged local communities using various tools, including focusing on the involvement of marginalised groups. A notable example was the CLLD strategy implemented in Caracal, a city in Olt County, which provided the first framework for marginalised groups to access Cohesion Policy funding, ensuring they benefited from resources previously unavailable to them.

CLLD strategies were tailored to address territorial needs, making it easier to combine ERDF and ESF funding at the local level. These strategies also introduced innovations in territorial targeting, such as micro-zoning, which identified areas most in need based on national analysis. Caracal's CLLD strategy, for example, used a matrix to identify measures with strong integrated impacts. Although no multi-fund projects were implemented, different projects funded by separate streams were coordinated as part of joint measures. LAGs also engaged in networking and knowledge-sharing activities, which helped to build their capacities, supported by the Romanian Federation of Urban LAGs.

However, several challenges emerged during implementation. Firstly, significant delays occurred due to the novelty of the approach, requiring all institutional actors involved to familiarise themselves with the new tool. Engaging the local community also took longer than anticipated, while bureaucratic obstacles further slowed progress.

Secondly, there was criticism that in some instances, CLLD was viewed merely as a funding source to fill local budget gaps, which weakened its intended role as a strategic instrument for fostering local economic development.

Lastly, LAGs faced difficulties with the inflexible, top-down management structures, which tended to stifle innovation and encourage more conventional, uniform solutions (LDnet, 2021).

By the end of 2022, only 22% of the allocated ERDF funding for CLLD in Romania had been spent, reflecting the said implementation challenges. This was significantly lower than the rate of financial implementation for mainstream Cohesion Policy (48%) and the other Territorial Delivery Mechanisms in Romania.

Improving the quality of life among marginalised communities through Caracal's CLLD strategy

The rehabilitation and modernisation of the Carpați and Fânărie neighbourhoods in Caracal exemplify the use of CLLD strategies to improve life quality in marginalised communities. The project targeted issues of marginalisation, segregation, and lack of essential services for Caracal's Roma population.

At its core was the development of an integrated community centre offering services such as emergency housing for domestic violence victims and playgrounds for children. By combining ERDF and ESF funding, the initiative was community-focused, involving local residents in decision-making to ensure the interventions met their specific needs. Cross-sector collaboration with local government, NGOs, and educational institutions was crucial for pooling resources and expertise.

The CLLD strategy promoted innovative solutions, including modern facilities, communal baths, and emergency housing. Designed with a long-term vision, it engaged local stakeholders, like the Caracal Municipality, early on to ensure sustainability.

The holistic approach led to notable improvements in education and social cohesion. Key lessons include the importance of coordinated sectoral efforts, active community involvement, and sustained investment. Flexibility and adaptability, considering the cultural context and needs of marginalised communities, are vital for lasting impact.

IN SUM

The use of Territorial Delivery Mechanisms in Romania was significant in several respects. Despite facing considerable administrative challenges that slowed funding absorption and encountering issues related to limited capacity and a centralised approach, these instruments brough considerable innovation. They They piloted integrated, place-based approaches to regional and local development, fostered community engagement, and encouraged new partnerships within the Romanian context.

Firstly, SUD PrAx strategies, the non-SUD ITI in the Danube Delta, and urban CLLD strategies effectively addressed local needs, extending Cohesion Policy funding to areas and communities that previously had not benefited directly. Secondly, although functional integration was limited, there is evidence of a shift towards more integrated and complementary operations. Thirdly, new collaborative arrangements emerged across different levels of government and between state, civic, and private sectors, particularly through the ITI strategy and CLLD initiatives. These efforts created new coalitions to support regional and local development while also building institutional capacities.

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