

THE ROLL OF FINANCIAL ASSISTANCE IN THE IMPLEMENTATION OF ENVIRONMENTAL POLICY

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Abstract

The paper analyses the roll of the main external funds in the environmental protection. These investments represent an important place in the economic growth and in the same time contribute to the achievement of the objectives of the environmental policy, taking into account the demands imposed by the adhering (65% out of the integration costs are environment costs), finally reducing the gaps between European Union and Romania. However the quality of the environment determines regional attractiveness and as such is a local factor for investment.

Keywords: financial assistance, European Union, environmental policy, European integration.

1. Introduction

It is now recognized that the European model of development can not be based on the improper use of natural resources and the deterioration of our environment. However, it seems that there is now an increasing awareness that environment and economical development are complementary character.

In 2005, the European Council asked the Commission to re-launch the Lisbon Strategy by deliver stronger, longer-lasting growth and to create more and better jobs. One of the major task of the Union is to ensuring sustainable development, to maintaining a high level of environmental protection. Furthermore environmental protection requirements must be integrated into the definition and implementation of community policies, European Union underline that environment protection is important for economic growth.

The Commission has shaped environmental policy measures to promote economic growth and employment, reducing trade-offs and promoting win-win solutions (Bran, 2009a). As environment policy is a shared responsibility, Romania need to engage on a similar direction. Moreover, the environment protection must be integrated when defining and implementing all the sector policies among which agriculture, energy, industry, transport, consumer protection.

In this context, Romania has to make substantial investments in the environment infrastructure, taking into account the demands imposed by the adhering (65% out of the integration costs are environment costs), the investments needed to comply with the environmental acquis by 2018 of about 29 billion Euro, of which about 18 billion Euro represent the needs for the next 7 years.

A definite role in making environment programmes / projects is held by the financing sources which include both funds that were used to finance environment projects PHARE, ISPA, LIFE, GEF and the main Structural Instruments (Cohesion Fund, European Fund for Reconstruction and Development) that are available beginning with this year and for which there have been drawn up operational programmes according to the specific of each sector and based on which funds can be accessed, such as "Environment Sector Operational Programme" for environment projects (Bran and loan, 2009).

The main aim of these funds is to support the country in transition to achieve integration objectives. Over the period 2007-2013 the structural instruments represent one third of the European Union budget, allocation for Romania is 19.668 billion Euro, one of the largest allocation is for environmental projects with an budget of 4.5 billion Euro, a total of EUR 336.1 billion. Environmental projects are financed by: European Regional Development Fund (26.4%) and Cohesion fund (72.6%) .

The European Regional Development Fund (ERDF) promotes public and private investment in order to reduce the gaps between regions; funding priorities include beside environmental protection and risk prevention and research and innovation, ERDF finances the following measures:

- development of integrated waste management systems and rehabilitation of historically contaminated sites; by increasing the population covered by municipal waste collection and management services of adequate quality and at affordable tariffs; reducing the quantity of landfilled waste; increasing the quantity of recycled and reused waste; setting up efficient waste management structures; reducing the number of historically contaminated sites
- implementation of Adequate Management Systems for Nature Protection, conserving biological diversity, natural habitats, wild species of fauna and flora; ensure efficient management of protected areas, including Natura 2000.

The Cohesion Fund finances projects in the environment infrastructure and transport; the fund will contribute to multi-annual investments programs.

- extension and modernization of water and wastewater system, by providing adequate water and sewerage services, at accessible tariffs; adequate drinking water quality in all urban

agglomerations; improving the purity of watercourses; creating innovative and efficient water management structures;

- reduction of pollution from urban heating systems in the identified local environmental hotspots; by reducing pollutant emissions from urban heating plants in the identified local environmental hotspots; decreasing ground level concentrations of pollutants in the localities concerned and improving the health condition of the population in the localities concerned;
- implementation of adequate infrastructure of natural risk prevention in most vulnerable areas; by contributing to a sustainable flood management in most vulnerable areas; ensure protection and rehabilitation of Black Sea shore.

The development of environmental infrastructure contributes to the improvement of the quality of life of the population and to expanding the possibilities for investments in the country. By reducing the gap in environment infrastructure, the investment will provide more efficient services, taking full account of the need for sustainable development and “the polluter pay’s principle”. On the other hand the quality of the environment determines regional attractiveness and as such is a local factor for investment.

The environment investments conduct also to improving of the governance in the environmental field (Bran, 2009b). Governance is a key element for an efficient management and for improving the quality of public policy-making in the field of environment. This will help not only to improve the implementation of EU cohesion policy, but also to raise the overall economic performance.

The experience of developed country reveals that environmental technologies can have an major contribution to economic growth and contribute to employment objectives. The uses of eco industry in European Union generate jobs for over 2 million people, therefore the Member States have recognized these opportunities. They focused on research and development, the promotion of energy efficiency, and the use of green public procurement.

Moreover environmental services including development and maintenance of the necessary infrastructure (i.e. waste management, pollution control, water management, maintenance of natural areas, energy production using renewable resources, prevention of natural risk, even activities beyond the environment sector, which also contribute substantially to a higher quality of life for citizens, such as conservation of national heritage) offer a promising potential for employment.

Besides the jobs generated by the construction and maintenance of environmentally infrastructures, an special attention is given to the employment potential offered by the business that produce goods and services for measuring, preventing, limiting or correcting damage to water, air and soil and also

activities related to waste and noise reduction and treatment. These opportunities will contribute to reducing workforce migration by providing the local population with possibilities for successful business development or to attracting investors.

The training courses and an adequate human resources policy, closely linked to the environment, are of two important tools for sustainable regional development: On the one hand, they can assist the regions conversion towards more environmentally sustainable development. On the other hand, they increase public awareness of environmental protection issues and thus raise public support for sustainable development.

The promotion of productive activities relying directly on a high quality of environment as "green tourism", "organic farms" gives rural areas especially the opportunity to capitalize on their natural assets while at the same time protecting them.

Furthermore, the funds are also an opportunity for the development of PPP (private-public-partnership) in the environmental field and increasing the environmental awareness, any legal person may benefit from financing if complies with the eligibility criteria.

In this respect for Romania the structural instruments that can be an important motivation for development of investments in environment infrastructure as well as other sectors; in the same time contribute to economical growth, absorption of best available technology; promotion of cleaning technologies, create an attractive business environment and jobs for society.

As general conclusion, the investments in the environment infrastructure have a significant contribution to sustainable economic development. Reducing the gap in environmental infrastructure between European Union and Romania, conduct to the improving of life standards as well as the increasing of the economic performance. Therefore, currently the environment investments represent a need in order to achieve the Lisbon objectives, with an importance place in the investment programmes/projects both on macro and micro-economic levels.

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