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## **Supporting Regional and Local Business Development**

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# Supporting Regional and Local Business Development

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## Abstract

Affairs support structures (SSA) is a clearly defined structures, which provides a range of facilities and / or spaces for economic activities of production and services (except those that are not financed under ERDF rules). These are aimed at attracting investment and unlocking the potential of development - human and material resources - the various parts of Romania and in particular of former industrial areas in decline

Keywords: the eligible value projects, administrative-territorial units, eligible activities, community contribution

## 1. Key areas of intervention: Sustainable development of support structures of regional and local business importance

ROP aims financially support of local authorities, associations representing businesses and private enterprises in towns with development potential, particularly in areas affected by industrial restructuring, to create and / or developing operational structures to support affairs, in order to attract businesses, especially SMEs, because they create jobs and use the available workforce in the area.

### Objective:

- Create and / or improve the structures of regional and local business support, interventions aimed at attracting investment, revitalization and development of local and regional economies

### Guide operations

- The creation and structure of different types of regional / local business support

### Eligible activities indicative

- Construction / modernization / expansion of buildings and annexes thereto, which will be used by operators, especially SMEs, for the manufacture activities and / or services ;
- Construction / modernization / expansion of road infrastructure / rail business within the structure and access roads - these activities are eligible only if it can be argued that the recovery which the investment project is affected by poor access infrastructure;
- Creating / upgrading / extension of basic utilities within the structure of business: water treatment plants, power plants and gas supply, sewers, building wiring, connection to broadband (Internet);
- Provision of equipment business structures constructed / upgraded / extended.

### Categories of eligible expenditure

- Expenses to obtain / purchase of land;
- Expenses for land planning;
- Expenses on environmental protection facility;
- Expenses for providing facilities to the investment objective;

- Expenses on the organization of the site;
- Expenses on basic investment;
- Miscellaneous and unforeseen expenses

### **The size of financing granted**

Total value of project	1.700.000 – 85.000.000 Ron
The maximum value of funding granted	Not applicable
The eligible value projects	Not applicable
Maximum size of funding from the total eligible cost granted	70% for microenterprises and small enterprises (60% for Bucharest region - Ilfov); 60% for medium enterprises (50% for Bucharest region - Ilfov) 50% for great enterprises (40% for Bucharest region - Ilfov)
Minimum eligible contribution of the beneficiary / applicant	30% for microenterprises and small enterprises (40% for Bucharest region – Ilfov) 40% for medium enterprises (50% for Bucharest region - Ilfov) 50% for great enterprises (60% for Bucharest region - Ilfov)
Community contribution to funding	86,73%
National public contribution to funding	13,27% ( state budget)

### **Categories of eligible beneficiaries**

- Administrative-territorial units (local government authorities);
- Operator agents, which are classed as SMEs, incorporated under the Companies Law 31/1990, republished, with amendments and additions, or under Law no. 1 / 2005 on organization and operation of cooperatives;
- Chambers of commerce defined in accordance with the Law Chambers of Commerce in Romania, No. 335 / 2007;
- Associations representing business areas, established under the Government Ordinance no. 26/2000 on associations and foundations, as amended and supplemented later and Law no. 356/2001 of employers, as amended and supplemented;
- Partnerships between administrative-territorial (local government authorities).

### **Project submission period indicative**

2008-2012 – launched on the 25th april 2008

### **The type of request for project proposals**

Application open submission projects continue

### **Eligibility criteria**

- The applicant is the political subdivision (local government authority), economic operators: operator registered under Law no. 31/1990 on trading companies, republished, with subsequent changes in the Law no. 1 / 2005 on organization and operation of cooperatives, which are classed as SMEs, Chamber of Commerce as defined in accordance with the Law Chambers of Commerce in Romania, No. 335 / 2007, association representing business, established by Government Ordinance no. 26/2000 on associations and foundations, as amended and supplemented later, and Law no. 356/2001 employers, leader of the partnership between the administrative-territorial (local government authorities);
- Regardless of the legal form of organization, the applicant should not be in the case of enforcement, judicial reorganization and bankruptcy, operational closure, dissolution, liquidation or special administration and not have suspended activities or other similar situations covered by law;
- Regardless of the legal form of organization, the applicant meets the eligibility requirements set out in "Financial Regulation of the European Communities" No.1605/2002 Art. 93 and can not be regarded as "in need" under the Community guidelines on State aid for rescuing and restructuring firms in difficulty, published in the Official Journal of the European Communities no. C 244/01.10.2004;

- The date of application for funding, applicants must have fulfilled their obligations to pay taxes and social security contributions to the budgets of the general consolidated budget components in accordance with legal provisions in force in Romania;
- The applicant proves ownership / administration, or has a concession facilities and / or land covered by the project, a period in accordance with Art. 57, paragraph 1 of Council Regulation laying down general rules Nr.1083/2006 European Regional Development Fund, European Social Fund and Cohesion Fund, if this criterion applies to partnerships and partners;
- The applicant is proof of funding, if this criterion applies to partnerships and partners;
- The applicant has the capacity to implement the project;
- The project falls within the categories of transactions in areas of intervention 4.1. Priority Axis 4 of ROP;
- Affairs support structure is not used exclusively by the applicant;
- The initial investment is made in Romania;
- Activities proposed for financing under the project was not publicly funded in the past 5 years and do not receive public funds from other funding sources;
- The total project value is within the financial limits set for that project;
- Duration of project implementation shall not exceed July 31, 2015;
- Draft legislation complies with equal opportunities, environmental protection, energy efficiency, state aid and public procurement;
- The initial investment must be maintained for a minimum period of 5 years, except for SMEs - more than 3 years from completion of the investment project achieved

## **2. Key areas of intervention: Rehabilitation of unused polluted industrial sites and prepare for new activities**

### **Description**

Locating of old industry affects the environment of the focal areas of the territory, many industrial areas were created in the most favorable geographical zones, in terms of proximity to communication routes and housing. Restoring these industrial areas promotes not only environmental but is also an advantage for efficient new investment, as they have an infrastructure to be improved and not totally renewed. The image of industrial units which has stop economic activity, both in urban and rural areas has a negative impact on the decision of potential investors to locate in these areas.

Rehabilitation of polluted and unused industrial sites resulting from the closure of industrial units is a problem for Romania because polluting activities undertaken in the past and ignorance of the polluter. Rehabilitation of these sites will help local economies by creating conditions for new investment in productive activities. (Drigă & Niță, 2009)

### **Objective:**

- Reinstatement of industrial sites in the economic circuit, through remediation, cleaning and rehabilitation can be converted to business support structures.

### **Operations guide**

- Rehabilitation of unused polluted industrial sites and prepare for new business

### **Eligible activities indicative**

#### **Eligible activities not covered by the guide state aid rules**

- Decontamination land polluted industrial sites, including acquisition and storage of toxic and hazardous substances and improve land quality;
- Demolition of buildings and soaring land, including packaging and transport of waste

### **Eligible activities indicative under state aid rules**

- Construction / modernization / expansion of buildings and annexes thereto, which will be used by operators, especially SMEs, for the manufacture and / or services;
- Construction / modernization / expansion of road infrastructure / rail business within the structure and access roads - these activities are eligible only if it can be argued that the recovery which the investment project is affected by poor access infrastructure;
- Creating / upgrading / extension of basic utilities within the structure of business: water treatment plants, power plants and gas supply, sewers, building wiring, connection to broadband (Internet);
- Provision of equipment business structures constructed / upgraded / expanded

### **Categories of eligible expenses**

- Expenses for land planning;
- Expenses on environmental protection facility;
- Expenses for providing facilities to the investment objective;
- Expenses on basic investment;
- Expenses for organization of the site;
- Miscellaneous and unforeseen expenses.

### **The size of financing granted**

Total value of project	1.700.000 – 85.000.000 Ron
The maximum value of funding granted	Not applicable
The eligible value projects	Not applicable
Maximum size of funding from the total eligible cost granted	98% for activities not covered by state aid rules 50% for activities of initial investment (40% for București – Ilfov region)
Minimum eligible contribution of the beneficiary / applicant	2% for activities not covered by state aid rules 50% for activities of initial investment (60% pentru București – Ilfov region)
Community contribution to funding	86,73%
National public contribution to funding	13,27% ( state budget)

### **Categories of eligible beneficiaries**

- Administrative-territorial units (local government authorities);
- Partnerships between administrative-territorial units (local public administration authorities)

### **Project submission period indicative**

2008-2012 – launched on the 25 april 2008

### **The type of request for project proposals**

Application open submission projects continue

### **Eligibility criteria**

- The applicant is the political subdivision (local government authority) or partnership between the territorial-administrative units;
- The applicant proves the quality of owner / manager or has a concession facilities and / or land covered by the project, a period in accordance with Art. 57, paragraph 1 of Council Regulation laying down general rules Nr.1083/2006 European Regional Development Fund, European Social Fund and Cohesion Fund;
- The applicant provides evidence of financial capacity;
- The applicant meets the eligibility requirements established by Council Regulation on "Financial Regulation of the European Communities" No. 1605/2002 Art. 93;
- The project falls within the categories of transactions in areas of intervention 4.2. Priority Axis 4 of ROP;

- The applicant has the capacity to implement the project;
- Activities proposed for financing under the project were publicly funded in the past 5 years and not receiving public funds from other funding sources;
- The total project value is within the financial limits set;
- Implementation of the project does not exceed July 31, 2015;
- The project complies with law areas of equal opportunities, environmental protection, energy efficiency, state aid, public procurement

### **3. Key areas of intervention: Supporting the development of micro-enterprises**

#### **Description**

In the context of the revised Lisbon Strategy, it is necessary to invest in upgrading local and regional productive sectors, supporting business environment, particularly micro-enterprises. They will play an important role in local and regional economic development and creating jobs. Using the results of research and technology development by firms productive regional and local interest in order to increase their competitiveness - by harnessing the resources and local labor - and the marketing of products produced, reflected, ultimately, the creation of jobs, entry into the economic circuit of some areas in decline, but with development potential, and out of the isolation of these areas.

Regional Operational Program supports the development of production and service micro-enterprises using the endogenous potential of regions (natural resources, raw materials, human resources, etc.). Moreover, the microenterprises will be encouraged to use new technologies and innovations, IT equipment and services and a leading role in increasing competitiveness, productivity and service quality.

#### **Objective:**

- Support for increasing the competitiveness of micro-enterprises, recovery of material resources and local labor .

#### **Operations guide**

- Support the development of micro-enterprises

#### **Eligible activities indicative**

- Purchase of equipment and technologies, modern production activities, services, construction;
- Purchase of IT systems (hardware and software);
- Construction / extension / modernization of production facilities and service micro-businesses

#### **Categories of eligible expenses**

- Cheltuieli pentru investiția de bază;
- Cheltuieli pentru consultanță și asistență tehnică pentru obiectivele de investiții;
- Cheltuieli diverse și neprevăzute;
- Cheltuieli aferente activităților de audit pentru proiect;
- Cheltuieli de comunicare, informare și publicitate pentru proiect, care rezultă din obligația beneficiarului.
- Basic investment expenses;
- Expenses for advice and technical assistance for investment objectives;
- Miscellaneous expenses and contingencies;
- Expenses audit work for the project;
- Communication costs, information and publicity for the project, resulting in an obligation on the beneficiary .

### The size of financing granted

Total value of project	70.000 – 1.700.000 Ron
The maximum value of funding granted	700.000 Ron
The eligible value projects	Not applicable
Maximum size of funding from the total eligible cost granted	70%
Minimum eligible contribution of the beneficiary / applicant	30%
Community contribution to funding	100%
National public contribution to funding	0%

- **Categories of eligible beneficiaries**

- Micro-enterprises developing urban activities within manufacturing and / or services and / or construction

Are financed micro-enterprises operating in **production and / or services and / or construction**, and meet the criteria laid down in Regulation EC no. 1998/2006 on *de minimis* aid, **except :**

a) aid granted to companies operating in the fisheries and aquaculture, regulated by Regulation (EC) no. 104/2000 of the Council;

(b) aid to enterprises operating in the primary agricultural products, as listed in Annex I of the Treaty establishing the European Communities;

(c) aid granted to undertakings active in processing and marketing agricultural products, as listed in Annex I of the Treaty establishing the European Communities, in the following cases:

(i) when the aid is based on price or quantity of those products purchased from primary producers or put on the market by the enterprises concerned;

(ii) where the aid is conditional on the transfer of all or part of the primary producers.

(d) aid to export-related activities to third countries or the Member States, namely aid directly linked to the quantities exported, to aid the establishment and operation of a distribution network or for other current expenditure linked to export activity;

(e) aid favoring the use of domestic products over imported products;

(f) aid granted to companies operating in the coal sector, as defined in Regulation (EC) no. 1407/2002;

(g) aid for the acquisition of road freight transport vehicles, to enterprises engaged in road haulage for hire or on behalf of third parties for commercial purposes;

(h) aid granted to enterprises in difficulty

#### **Project submission period indicative**

2008-2012 - *Deadline for submission of applications for first call for project funding expired on June 16, 2008!!!*

#### **The type of request for project proposals**

Request projects application deadline for submitting

#### **Eligibility criteria**

- Proiectul respectă legislația în domeniul egalității de șanse, protecției mediului, eficienței energetice, al ajutorului de stat și achizițiilor publice.
- The applicant should be registered according to Law 31/1990 on trading companies, republished with amendments and additions, or under Law no. 1 / 2005 on organization and operation of cooperatives;
- Applicant operates in Romania;

- The applicant must have conducted economic activity for at least one fiscal year and operating profit to be obtained from work in the last fiscal year before the filing date of grant;
- The applicant should not be in the case of enforcement, judicial reorganization and bankruptcy, operational closure, dissolution, liquidation or special administration;
- The applicant meets the eligibility requirements established by Council Regulation on "Financial Regulation of the European Communities" No. 1605/2002 Art. 93 and not "firm in difficulty", according to Community guidelines on State aid for rescuing and restructuring firms in difficulty (C 244/01.10.2004);
- The date of application for funding, applicants must have fulfilled their obligations to pay taxes and social security contributions to the budgets of the general consolidated budget components in accordance with legal provisions in force in Romania;
- In the case that the project provides for construction works, the applicant must prove ownership of land and / or building that is made construction , or have the concession, where applicable, land and / or building covered by the project for a minimum period of 3 years after completion of implementation project in accordance with Art. 57 paragraph 1 of Council Regulation laying down general rules Nr.1083/2006 European Regional Development Fund, European Social Fund and Cohesion Fund;
- The applicant is proof of funding required for implementing the project;
- The investment is made in Romania, in urban areas;
- The project is within the categories of transactions in areas of intervention 4.3. Priority Axis 4 of ROP;
- The applicant is micro-enterprise in production and / or services and / or buildings and activities proposed for financing are implemented in urban areas;
- Activities proposed for funding were not publicly funded in the past 5 years and not receiving public funds from other funding sources;
- The total project value is within the financial limits set;
- Duration of project implementation shall not exceed July 31, 2015;
- The project complies with law areas to equal opportunities, environmental protection, energy efficiency of state aid and public procurement;

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