

ROAD INFRASTRUCTURE AND ITS ISSUES

Botezat Anca – Ramona

Universitatea de Vest Timișoara, Facultatea de Științe Economice, Arad, Calea Aurel Vlaicu, nr. 57A, bl.C 300, ap.94, anca_ramona03@yahoo.ca, 0742207015

Scheider Emilia Suzana

Universitatea de Vest Timișoara, Facultatea de Științe Economice, Moldova Noua, str.1 Mai, nr. 32, schneideremilia@yahoo.com, 0740151648

The European Union development is an irreversible and complex process which enforces the deep reorganizations, reforms, especially for the countries which want to be integrated, and for the countries that are member big expenses, but it will assure the growth of the economic and human potential of E.U. Transport is particularly important for developing links between Romania and the E.U., but the road network is one of the least developed in Europe. Two thirds of the total surface of the road infrastructure from Romania must be rehabilitated. Beside the absence of grounds, the authorities don't dispose of experts who are able to develop viable projects which to attract European financing. The access to the structural funds is not an easy one, because is a bureaucratic organization, and in combination with our bureaucracy has a negative result for our country.

Key words: road infrastructure, rehabilitation, European funds, projects

Currently European Union follow the creation of a space of freedom, of security, of justice and integrates the accumulations resulted from previous collaboration of the second states, which will carry on (continue to) consolidate it self on fundamental principles of freedom, democracies, man`s law and stat`s law rightful. A prime interest is that binded of the realization of unique market on the background custom union, an economic dynamic space, bank on the common rules and equal condition of competition, the harmonization of taxation methods, reciprocal reconnoiter of diplomas and the freedom of all access to the professions in the respective countries. Therewith involves the enterpriser`s freedom to establish themselves in the communitarian`s areas, what presupposes the juridical harmonization settlements concerning the freedom of capitals, economic goods, and cetacean`s movement.

Another communitarian objective is that considering the agrarian politic commune intended to harmonize the distinct national mechanisms and let them establishes the commune custom barriers for the merchandises extra communitarians, followed by industrial politics. This is adverted to:

- The simplification and the update of existing settlements in the profitable sense of the relation cost - profit, envisaging also the risk factor and environment;
- The Assurance of competition efficient frame in the sectors where the monopoly of the state is not justified (energy, telecommunication, and mail);
- Massive investments in the priorities sectors – future sectors of the economies (scientific research, projection, technology) beginning with the preparation of the necessary work forces until labor exploitation;
- The concentration of scientific research and its collaboration with the priorities areas (information and communication, industrial technology, environment, energies).

Another E.U.`s aim of creation and operation is the economic union and monetary union, and an important component is the politics of competitions, having in sight the mechanism of competitive economies from its terms of reference, and also outwardly its. In this sense there are the following areas of action:

- The elimination of the competitions restrictive agreements and abuses of dominant arrangement;
- The check of firms`s fusion in the aim of preventing the formation of a dominant firm;
- The liberalization of the sectors with monopoly arrangement (energy, telecommunication);
- The closely pursuit of stat`s subventions.

The E.U. development is an irreversible and complex process which enforces the deep reorganizations, reforms, especially for the countries which want to be integrated, and for the members countries big expenses, but it will assure the growth of the economic and human potential of E.U. Romania had a temporarily series of different agreements with European Economic Community in diverse areas, as: mercer, metallurgy, industrial products. Beginning with February 2000, our country initiated the process of integration in E.U., on the strength of an application enunciate in this sense and respecting the requirement of economic order and politic enforced.

The adhesion requires profoundly process of economic reform considering the economic convergence and which foresees as much the macroeconomic stability, quotient and the financial one. Romania` s process in this sense follows:

- The economically breed supported on the strength of internal investments and also external resources in the shape of direct investments, in conditions of transparency;
- The assurance of economic transparency on the strength of a budgetary tolerable deficit (about of 33 from PIB), managing public debts adequately and reducing gradually the inflation;
- The promotion of a coherent politics concerning the improvement of economic structure, the vivification of competitive activities, the capitalization of agricultural and touristic potential, the amplification of financial services;
- The creation of legal settings necessary promoting the environment of competitive businesses;
- The development and the modernization of public services in the interests of citizens and national economies as much as possible nearer the E.U.` s standard.
- Long-term programs concerning ecologic accidents, levels of environment pollution.

Nevertheless, it does warn there is a need for more rapid adaptation to shifting economic trends and fresh thinking about the role of social policy in adjusting to new sources of competition – whether due to technological change or the other effects of globalization.

The warpath and objectives fixed by competent organs from Romania, for the period 2001 - 2004 and 2004 - 2006 there are subordinated in total amount to " National Strategy of Economic Development of Romania on average term", but also concordantly with the negotiations from the E.U.` s terms of reference concerning at the real and durable growth of P.I.B., in the conditions of competitive economy.

The transport sector has great importance for the Romanian economy. Transport is particularly important for developing links between Romania and the European Union. The railway network is extensive but the road network is one of the least developed in Europe. The long-term objectives of the program are to help prepare the transport sector for accession to the European Union through support for developing appropriate legislation, institutions, regulatory systems, human resources and infrastructure support market reforms in the transport sector aimed at contributing to overall economic development.

An enormous main road rehabilitation program has begun in Romania. One vital route is the Budapest to Bucharest route (1053 km of roadway from the Hungarian border to Pitesti, North Bucharest). The project to bring the road up to European standards began in 1994 and will be completed in 1998. Romanian, and European Union Private contractors have won contracts for the work with international experts supervising the construction on behalf of the Romanian government. Phare funding of 21 MEcu is 35% of the total. The remaining 65% is being financed by the European Investment Bank.

Two thirds from the total surface of the infrastructure from Romania must be rehabilitated. Many international studies show that the bad condition of the roads and the absence of investments in this segment represent a major impediment in the path of economic development. In these conditions, the development of the infrastructure as like the European standard is one of the national priorities for the period 2007-2013. Otherwise, the infrastructure is principal beneficiary of the E.U.` s backgrounds of cohesion. Romania has to retrieves a very big shifting in the infrastructure area, against the remainder countries from E.U. For instance, from the network almost 80 hundred km of roads, just 20 per cent represents national roads. The remainders are country and earth roads which degree of utility had diminished dramatically in last years, this because only 21 km from those roads had been repaired. The state of detritions is big also because the number of highways from Romania remained the same about ten

years. The highways from touristic areas became extravagantly agglomerated in seasonally periods. Related with its surface, Romania has the smaller density of roads from all states which are member of E.U., meaning 33, 5 km to 100 of square km.

A report of World Traveling of Tourism Council (WTTC), consider that bad state of roads represent a major impediment in the path of development Romanian`s tourism, in the conditions in which most foreign visitors come in Romania on terrestrial path. The WTTC`s representations support that the roads are an essential elemental not only for tourism, but also for the development of the country. There are necessary strong investments in the principals route to Black Sea, and towards town as Brasov, Sighisoara or Sibiu, as the like as the north of the Bucharest. Project concerning improvement of road infrastructure represents an important segment on the buildings market from Romania, it shows in a study of Polish companionships of PMR`s consultants. The PMR`s specialists estimate that two thirds from the total surface of road infrastructure from Romania must be remade. The considerable funds allocated by European Union for the remaking the infrastructure project offers Romania the opportunity for resolving the infrastructure problems. Considering the PMR`s statistics, no less than four billions of Euro, representing irredeemable funds, were allocated for Romania by E.U. for infrastructure project. The biggest part of those funds, 60 per cent will be used for the main axis 1, which carries the visa of a development transport incident to network system of roads and freeways of E.U.

Likewise, 34 per cent from funds will be fated to modernization and development of national infrastructure. Romanian transport strategy is based in the main time to network transport construction, what means new freeways and the finalization of those which are in building. For the national and county roads, the strategy is based on their rehabilitation. Until the year 2013 is advisable that Romania to have almost 2. 000 of km of freeway. For the construction of freeways in the period 2007 - 2012 is necessary a yearly finances of 1, 86 billions of Euro, according National Company of Freeways and National Roads from Romania. The value represents an average of 11, 8 per cent from the incomes of state`s budgets for the year 2007.

For the infrastructure development, up to the adhesion date, the most important European funds were allocated through ISPA and Phare programs. Opening with year 2007, financial assistance through ISPA is changed automatically with solidarity funds. Otherwise, all financial support will continuum to grow for three or four times more then ISPA fund in the moment of adhesion. From all the European funds allocated to Romania, 19, 7 billions of Euro represents the structural and cohesion funds. Almost 60 per cent from sum will go to basic infrastructure. Money will be allocated to the projects from the basic infrastructure area. Also, through the ISPA program, Romania beneficiated of important funds for infrastructure. In the period of 2000-2006, Romania covered 95, 9 per cent from the financial parcel of 2 billion of Euro allocated through the ISPA program. Romania received between 20 and 26 per cent from the annual budget available for ISPA facility on the period 2000-2006, so that becoming the second country after Poland in what looks the help granted. Romania also beneficiated of important funds through Phare program - component of Regional Infrastructure. For the period 2004 - 2006 were anticipated funds of 152 of millions of Euro.

Taking count of the Romanian necessity of reducing economic and social development disparity comparative with others state members of European Union, as well as the fact that an efficient, durable, flexibly and secure transport system can be considered a prerequisite condition for the economic development, corroborate with the commitment of developed the network TEN-T 7 = Trans European Network Transport and main projects TEN-T 7, the world objective of Operational and Sectorial Transport Program (POST) is of promoted a durable transport system in Romania. This will facilitated the transport in safe seat conditions, speedster and efficient, for persons and the merchandises with a duty level to European standard, between and in the frame of Romanian regions. After modernization, transport infrastructure thus improved will go directly to the growth of products competitively and the jobs supply, from the key sectors of economies and in the regions from Romania. The global impact will go to the improvement of economic activity in Romania. For achieving the objective POST, the European Union`s funds and those from the state`s budget were anticipated for being allocated to the transport sector in sight of implementation the follower main axes:

- - The modernization and the development of main axes TEN-T 7 in the aim of a development of a durable transport system and its integration with transport networks of European Union.

- - The modernization and the development of national transport infrastructure situated out of main axes TEN-T 7 in the aim of a development of a durable national transport system;
- - The modernization of the transport sector in the aim of improving the environment protections, human health and safety of passengers;
- - Technical assistance.

Each main axis is financed either from the cohesion fund, or FEDR, but don't from both, and containing one or many operations. This area of intervention is addressed to only one beneficiary, National Company of Freeways and National Roads from Romania, which is the lessce of all the national road infrastructures from our country. Its intervention follows:

- finances of projects preparation in the road infrastructure situated on the route of axis TEN-T 7 and the national road one situated out of this route;
- finances of investment's works for the modernization of national roads, the building of circuitous variant and /or freeways on the route of axis TEN-T 7 and those situated out of this route

The axis TEN-T 7 presents on the territory of Romania two branches which continuations the follow routes: Northern branch: Nădlac – Arad - Timișoara - Lugoj - Deva – Orăștie - Sibiu - Pitești - București – Cenavodă - Constanța.

Southern branch: Lugoj - Drobeta Turnu Severin - Craiova - Calafat with a variant at Simian - Maglavit, rounding Craiova

We will present you the variant as a rough guide of financial allocation for the expenditures which follow to be registered in the period 2007 - 2013 for the modernization and the development of road infrastructure placed on the route of axis TEN-T 7.

<i>Year</i>	<i>TOTAL</i>	<i>U.E. (FC)'s Contribution</i>	<i>National Public Contribution</i>			<i>Private Contribution</i>
			<i>Stat budget</i>	<i>Local budget</i>	<i>Other Public Surces</i>	
2007	126.042.728	107.136.319	18.906.409			18.906.409
2008	180.236.753	153.201.240	27.035.513			27.035.513
2009	242.322.861	205.974.432	36.348.429			36.348.429
2010	291.200.020	247.520.017	43.680.003			43.680.003
2011	313.285.242	266.292.456	46.992.786			46.992.786
2012	336.755.322	286.424.024	50.513.298			50.513.298
2013	360.900.642	306.747.146	54.153.496			54.153.496
Total	1.850.743.568	1.573.113.634	277.629.934			277.629.934

Financial allocation as a guide for the modernization and development of road infrastructure situated on main axis TEN-T 7.

<i>Year</i>	<i>TOTAL</i>	<i>U.E. (FC)'s Contribution</i>	<i>National Public Contribution</i>			<i>Private Contribution</i>
			<i>Stat budget</i>	<i>Local budget</i>	<i>Other Public Surces</i>	
2007						
2008	48.125.876	36.094.107	12.031.469			12.031.469
2009	76.077.107	57.057.830	19.019.277			19.019.277

2010	86.546.665	64.909.999	21.636.666	21.636.666
2011	93.479.397	70.109.548	23.369.849	23.369.849
2012	99.078.216	74.308.662	24.769.554	24.769.554
2013	105.169.072	79.278.070	25.891.002	25.891.002
Total	508.476.333	381.758.516	126.717.817	126.717.817

Financial allocation as a guide for the modernization and development of road infrastructure situated out of main axis TEN-T 7.

As you can see from both presentation, the most important participation is the one of European funds, because the participation of Romanian part is smaller then the first one. The difference can be observed better in the first example, that with the modernization and development of the road infrastructure out of the main axis TEN-T 7.

The requests of financing afferent to the preparation` s projects of the future investments or for the works` s projects that was not followed in exact way by the Authority of Management of Operational and Sectorial Transport Program can be deposits to the initiative of the National Company of Freeways and National Roads from Romania in the period 12. 07. 2007 - 31. 12. 2013, only that is recommended as the National Company of Freeways and National Roads from Romania to has been informative consulted with the Authority of Management of Operational and Sectorial Transport Program (AM POST) before the official prompted of financial requests. AM POST was constituted in the settings of Transports Minister, having the resposability to manage, administer and implementation of financial assistances allocated to the POST. Each project from this major area of intervention will do the object of impact evaluation of environment and the indicators be used-up for the monitoring of the programs` s implementation results.

The projects of finances from this major area of intervention will lead to the communitarian` s objectives accomplishment to decrease and/or eliminate the negative effects caused by the growing of traffics. The project of investment effectuated will generate new work places especially in the building phase. These will be accessible to all social categories.

In the case of projects from this major area of intervention is not applied the rule of state` s help, because the infrastructure which follow to achieve represents the infrastructure of public state and which will be managed by the National Company of Freeways and National Roads from Romania, the concessionaire of all the infrastructures of national roads and freeways from Romania. In the case in which is decided the reassignment of construction and maintenance to other companionship will be taken into account the national and communitarian rules concerning the public acquisitions.

Since the year 2000, respectively in the last seven years, Romania did not succeeded into expending for the road infrastructure more than 200 millions Euro from European funds, although the ISPA program allocated for this sector for the period 2000 - 2010 near 673 millions Euro. This one means that until the year 2010, the central and the local administration must expend for the roads and freeways 471 of millions of Euro, respectively across 70 per cent from the money, in just 33 per cent from the time granted to loan ISPA. The project suggested to be financed from ISPA` s funds attracted feather in currently 364, 5 millions Euro, from which only 200 of millions of Euro were spent, as the numbers given from National Company of Freeways and National Roads from Romania show. The reasons which caused the low degree of absorption are many and known, sauce as: the problem of expropriations, which have not been made on time and for which there are not money now, the lack of` experts whom to manage the making and the carrying on of the projects, and, not at last, the acute absence of financing. The most big problem is the absence of available grounds for building the roads, the process of expropriation being made heavier by the lack of proper legislation and of a previous strategy of unlocking the passages on which carry on` being built the highways and freeways. It would be better if in the beginning of years '90, those roadways were reserved. For instance on the freeway București - Constanța, on the transom Cernavodă - Constanța, on București - Ploiești here are not free grounds, 100 per cent available ground is not anywhere and there aren't money for expropriations.

Beside the absence of grounds, the authorities don't dispose of experts who are able to develop viable projects which to attract European financing. The solution could be the employment of some big companionships specialized on the works of ruttier infrastructure, which to carry on a big part from the

responsibility of National Company of Freeways and National Roads from Romania. So that, the administration of the roads will must conceive the package of project, for which management would organize auctions in order to place them in the carry of another specialized company.

They found a solution for incurred problems: 'Express - roads' instead of freeways -1, 2 billions of Euro will be used for building those roads, as an intermediate solution between freeways and national roads, which they will be building on the transoms Arad - Oradea, Turda - Sebeş, Piteşti - Craiova and Tetea - Satu Mare - Baia Mare, 380 of km, the project being finalized in a year and three months, and own execution will begin in the year 2009.

Because in the case of investments in the TEN project is a high risk in what concerns the incomes in the beginning of operational phase of the project, European Commission and European Bank of Investments signed an agreement of cooperation for settle the instrument of guarantee the borrowed for the projects concerning the European network of transport (LGTT). The instrument will encourage the participation of private sector for financing the transport infrastructure of European importance. LGTT, which is part of the program concerning the European network of transport (TEN-T) and the initiative of BEI " Action for development" will cover fractionally this risk, improving thus in significant way the financial viability of TEN-T investments. The contribution of capital, in value of 1 billion of Euro (500 of millions of Euro from Commission and 500 of millions of Euro from BEI), is meant to guarantee up to 20 of billion of euro from the investments of capital. In the case of some projects, the partnership of public sector with the private one could prove to be the most efficient path to be traced. The new instrument of warrant is an important middle of facilitates such a partnership.

In all one presented must exist and a negative part, that access to European funds represent a main problem, because it synthesized a whole series of dysfunctions. The access to the money arrives many times at the paradoxes, that zone most needy can let us access incomparably many such difficulty sources because their access means qualification, not poverty. Romania was entitled to funds of 2 billions Euro in 2007, from which succeeded the attracts only 440 millions Euro, respectively 21 per cent from sum put to disposal by European Union only on one area they accessed all money. After on year from adhesion at European Union, the degree of access is 21-22 per cent from which 32 per cent structural and cohesion funds and only 3 per cent funds for agriculture and rural development, mean while in the first year from cohesion Cehia had 41 per cent, Poland 42, Slovakia 41, Hungary 42, therefore round double. These countries attract successfully more than they paid to the communitarian found.

The access to the structural funds is not an easy one, because is a bureaucratic organization, and the combination among our bureaucracy and theirs has a negative result for our country. Because of the low degrees of access we were net contributors. The contributions aren't little, being in year 2007 of 1,2 per cent from PIB, that means 1 billion Euro contribution to the communitarian budget, and arrive in year 2011 to 1, 3 billion Euro, that means 0, 7 per cent from PIB. If the process of accessing will not be radically improved, Romania will remain in the position of being a poor developed country, clear contributor to the European budget.

Bibliography:

1. Cioarnă, Alexandru – Economie, Ed. Mirton, Timișoara, 2004
2. Programul național de aderare a României la Uniunea Europeană, Guvernul României, iunie, 2001
3. Document Cadru de Implementare a Programului Operațional Sectorial „Tranport”, Ministerul Transporturilor, ianuarie, 2008
4. *** - www.fonduri-structurale.ro