EUROPEAN FUNDING FOR INCREASING THE QUALITY OF HEALTH IN THE BRASOV COUNTY

N. STELEA¹   G. CALEFARIU²

Abstract: The profit of organizations can be increased by approaching the financing for private actors through the Regional Operational Program (ROP). Different projects were funded and implemented in the Brașov County, regarding the field of health and/or medical industry. This analysis was carried out according to the effective systematization of the services and innovative products obtained, to achieve the objectives, the indicators and results provided for in the projects. Following the implementation, a number of 5 projects from the Brașov County were chosen, as examples of good practice in this specific field. The analysis carried out includes the results obtained and efficiency solutions, using the PRO-EPF Tools, a specific reference framework created for the assessment of sustainability, formulating and placing in a matrix of a series of indicators.

Key words: Funding, Indicators, Sustainable health development.

1. Introduction

In the last 10 years, SMEs have become the most important providers of employment opportunities, as well as key elements for the well-being of local and regional communities in the Member States, based on a comprehensive policy framework for the European Union (EU). Legislation must be continuously transformed into SME-friendly legislation, but this may differ for micro-enterprises, small, medium-sized enterprises and large companies. Most problems faced by SMEs arise from national, regional and local laws, rules and practices.

Supporting SMEs and helping them to thrive should become a core policy, especially for those in the health sector, and especially now that the effects of the COVID-19 pandemic is still taking its toll. A major obstacle is the access to an appropriate form of financing, with most investors or banks often avoiding financing newly established or non-established SMEs due to the risks involved. The European Commission implements several programs specifically aimed at improving the financial environment for SMEs in Europe, one of the most important being the Regional Operational Program (ROP).

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For the period 2014-2020, at the level of the CENTER Region (which includes the six counties: Brașov, Sibiu, Alba, Mureș, Harghita and Covasna), they were financed through Axis 2, Investment Priority 2.1 A (projects between 25,000-200,000 Euro) and Investment Priority 2.2, the first call (projects between 200,000-1,000,000 Euro) and the second call (projects between 1,000,000-6,000,000 Euro), a total number of 526 projects. Of these, approximately 12% were those with eligible CAEN codes from the health field.

2. Projects analysis for the Brasov County

We analysed the projects financed and completed through the 2014-2020 ROP (period was completed on 31.12.2023) from the point of view of their implementation, monitoring and scored the indicators, specific objectives and results provided for in the Funding Request, which were achieved and maintained in the ex-post period. Based on this process, five successful projects from Brasov County, examples of good practice, can be mentioned from the health field, applied in the aforementioned period.

The five projects with specific themes that were analysed are:
1). Clinical extension and dental radiology in the Brașov City;
2). Purchase of equipment for the manufacture of sterile medical devices;
3). Development of a new innovative dental product/service for patients;
4). Purchase of equipment for the introduction of two new innovative products in the production of lenses/glasses;
5). Equipping the dental technique laboratory with a CAD/CAM equipment, for making prosthetic parts.

3. Quality process PRO-EPF

A basic analysis, for all implemented projects, can be generally done on the existing indicators in the applicant’s guides for the respective financing. This analysis can be continued with a well-defined quality process that we have named PRO-EPF, regarding the way and possibilities of financing from public and European funds for projects (Private PROjects Financed from European and Public Funds), whose structure is presented in the next figure.

Fig. 1. The quality cycle regarding financing possibilities for projects from public and European funds

This is divided into four main phases, which constitute a cycle of quality, respectively:
Planning-Implementing-Evaluating-Reviewing (PIER). These four phases regard: finding and designing a financing from European or public funds that helps us fulfil our general objective, which actually represents the goal of the project we want to implement - the actual implementation of our business plan embodied in the Funding Application and its annexes - monitoring the project both during implementation and in the ex-post period - improving continues the realization of the indicators and the way in which they were implemented, considering the results obtained, the time required to obtain them and the increase in the number of the results as a result of an effective implementation, with a high quality degree.

4. Analysis of the indicators

In the presented context, the analysis can be done through the PRO-EPF Tools, the specific reference framework for sustainable development by formulating and placing in a special table a series of indicators. These indicators are based on the questions regarding the assessment of the aspects and problems to be taken into consideration by any possible beneficiary or by a legal person according to Romanian legislation, who has applied for and obtained previous funding. The indicators and derived questions could be able to be improved later, depending on the degree of satisfaction and the results obtained from such an analysis, this can be resumed in a new context. Optionally, additional questions can be added in order to better adapt this evaluation tool to the conditions of the organization analysed. These derived questions allow the evaluation of the current state of an analysed project, following the use of a financing program for SMEs, with the help of an evaluation tool, which leads to measures to improve the negative aspects recorded and the efficiency of the impact and the results obtained. The principle of this tool is to answer the questions derived from the PRO-EPF frame of reference and evaluate the answers received, thus obtaining a real assessment of the previously mentioned and targeted indicators.

a) direct discussions (quantitative analysis), to which specific questionnaires can be applied with questions having at least two answer options. These questionnaires, which contain a fixed number of questions, were addressed to a sample made up of the legal representatives of companies receiving European funding, in the period 2014-2020, without taking into account the relevant CAEN code that was applied in the analyzed project or without taking into account that these projects can be divided into certain categories/areas of interest.

If it is desired that the results obtained through the PRO-EPF Evaluation Tool, at the end of a first analysis, be re-analysed and the initial questions supplemented or replaced by others, these questionnaires can be addressed to people other than those included in the initial sample, for example: to the managers and component members of the internal project management teams; consulting firms that provided external assistance on several levels, starting from the writing of the Business Plan, the identification of financing sources, the submission of the Financing Request, the implementation of the project and the sustainability of the company in the ex-post period; other technical experts/monitoring officers or financial experts from the Intermediate Body (OI) of the
Regional Development Agency (ADR) CENTRU from Alba Iulia and from the regional offices at the level of each of the six counties (in alphabetical order): Alba, Brașov, Covasna, Harghita, Mureș and Sibiu. In addition, the questionnaires could target experts from the Management Authorities (AM) at the level of the Ministry of Development, Public Works and Administration (MDLPA) or at the level of the Ministry of Investments and European Programs (MIPE);

b). qualitative analysis, in which aspects are used from the interviews taken with the beneficiaries who are part of distinct categories of SMEs (micro-enterprises, small enterprises and medium-sized enterprises), which applied during the European funding periods 2007-2013 and 2014-2020;

c). analysis of local data, data collected from the territory, in accordance with statistical data that reflect economic development both at the local/county level and at the regional level, as a result of attracting funding from various programs;

d). participatory or internal observation is personal observation with associated comments, the observer/author being fully involved in the object of study. Through this type of observation, it is possible to obtain deep information about what is to be investigated, this type of observation allows both objective and subjective elements to be captured.

5. Description of indicators through PRO-EFT

All the answers to the questions are detailed within a predefined model, which allows the calculation of a quality indicator and an overall picture, the results obtained at the end indicating what needs to be and what is to be continuously improved. The best approach is that of the numerical evaluation of the indicators that allows the establishment of benchmarks; tracking progress in implementation and monitoring sustainability in the ex-post period (in the vast majority of cases, the Applicant Guide foresees a three-year period). This numerical evaluation of the indicators of the PRO-EPF reference framework brings information regarding: the degree of fulfillment and its significance, classified by numerical values from 0 to 5.

For the degree of fulfillment of the indicators, the classification is:

<table>
<thead>
<tr>
<th>Value</th>
<th>Degree of fulfillment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Not applicable</td>
<td>X</td>
</tr>
<tr>
<td>1</td>
<td>Weak</td>
<td>Relevant but have not been taken into account so far. There is a need to raise awareness.</td>
</tr>
<tr>
<td>2</td>
<td>Satisfactorily</td>
<td>Relevant measures/activities are planned</td>
</tr>
<tr>
<td>3</td>
<td>Good</td>
<td>Relevant, accomplished in the beginning and in progress or near completion.</td>
</tr>
<tr>
<td>4</td>
<td>Very good</td>
<td>Relevant, a measure/process is implemented and monitored</td>
</tr>
<tr>
<td>5</td>
<td>Excellent</td>
<td>Relevant, a measure/process is implemented and monitored over a long period of time.</td>
</tr>
</tbody>
</table>

Description of the degree of fulfillment of the indicators Table 1
For the meaning of the indicators, the classification is:

<table>
<thead>
<tr>
<th>Value</th>
<th>Not applicable</th>
<th>Insignificant</th>
<th>Reduced significance</th>
<th>Significant</th>
<th>Very significant</th>
<th>High significance</th>
</tr>
</thead>
</table>

**Description of the indicators meaning**

<table>
<thead>
<tr>
<th>Value</th>
<th>Degree of fulfilment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Not applicable</td>
<td>X</td>
</tr>
<tr>
<td>1</td>
<td>Insignificant</td>
<td>Low importance for the project/recipient organization and there is a marginal tendency for evaluation</td>
</tr>
<tr>
<td>2</td>
<td>Low meaning</td>
<td>Failure to comply with the requirement could negatively affect the activity within the project/beneficiary organization</td>
</tr>
<tr>
<td>3</td>
<td>Significant</td>
<td>Failure to meet the requirement could compromise the activity of the project/beneficiary organization. Fulfilment of the requirement is essential for the continuation and completion of the project</td>
</tr>
<tr>
<td>4</td>
<td>Very significant</td>
<td>Failure to meet the requirement could compromise the project. Fulfilment of the requirement is essential to the achievement of the overall objective and specific objectives of the project</td>
</tr>
<tr>
<td>5</td>
<td>High meaning</td>
<td>Failure to meet the requirement may even compromise the existence of the project and its continued implementation</td>
</tr>
</tbody>
</table>

6. **Description of the analysis method**

The format of the evaluation tool is a table containing all the evaluated indicators, having two columns for the quantitative evaluation of the indicators dedicated to the degree of fulfilment and significance, and a final column for the calculation of the quality indicator, calculated as a product of them. After applying it to the five examples of implemented, successful, previously analysed projects, examples of good practice, we will have the following evaluation grids, for each of the established indicators:

1. Purchase of machinery/equipment/facilities
2. Creation of new jobs
3. Internationalization activities
4. Procurement procedures/concluded contracts
5. Information/advertising activities
6. Horizontal principles

1. **Evaluation grid of the indicator Purchase of machinery/equipment/facilities**

**Description:** The list of machines/equipment/facilities existing within the Business Plan, including the description of the technical characteristics and the number foreseen within each category of tangible and intangible assets, including the necessary
software and computer programs (if applicable) together with the estimated values, generated from the existing offers on the market.

Questions for assessment:
- What are the quantitative values of the machinery/equipment/facilities needed to achieve the general objective and the specific objectives of the project?
- What are the quality criteria of the machinery/equipment/facilities to satisfy the general objective and the specific objectives of the project?
- Are the estimated values mentioned in the list of machinery/equipment/facilities conclusive and realistic?
- Are they sufficient and at the necessary level to cover the requirements for achieving a technological flow or a coherent flow with regard to the project?

2. Evaluation grid of the indicator Creation of new jobs

*Description*: The new jobs created represent, in most funding programs, the main criterion that reflects at the local, regional and national level, the evaluation of development from an economic point of view.

Questions for assessment:
- Are the creation of new jobs justified within the internal organizational chart of each company?
- The employment requirements, duties, job descriptions vs. are defined for each of them. People's CVs?
- Is it described how, according to the legislation in force, recruitment, selection and employment will be done for the new expected jobs, full-time and for an indefinite period?
- If people from disadvantaged categories will be hired (criterion scored for most financings), is the legislation in force respected?
- What are the supporting documents mentioned for each category of disadvantaged persons?
- What are the measures that can be taken, considering risk management, to combat/prevent the inevitable fluctuation of the labour force, respectively of the human resources involved?

3. Evaluation grid of the indicator Internationalization activities

*Description*: The activities are those related to the participation, as an exhibitor at an international level, outside of Romania, at fairs, economic missions, exhibitions.

Questions for evaluation:
- Has a budget line been provided within the eligible expenses for these activities?
- Is the covering budget for expenses related to: participation fee; rental of the stand; transport and accommodation during the event for a maximum of two delegates and transport and storage of samples and promotional materials?
- Was the international event attended relevant within the topic requested for funding?
- What are at least three expected results after traveling to the chosen international event?
4. Evaluation grid of the indicator Procurement procedures/concluded contracts

*Description:* The procurement procedures and related contracts concluded comply with the national legislation in the field and are carried out according to it, in compliance with Law no. 98/2016, updated, together with the existing methodological norms.

*Questions for assessment:*

- Have the sections of the Financing Application been complied with reference to the procedures mentioned for each individual purchase?
- Were the estimated budget provisions for each purchase respected?
- Were the time plans provided for each purchase respected?
- Has the total budget of the project been exceeded, so that the budget related to eligible expenses is not changed, only by increasing its ineligible value?
- From what sources was the increase in the ineligible value of the project budget covered by the beneficiary?
- In the case of recording some savings regarding the difference between the estimated values within the project budget and the values at which the contracts were concluded, was this reported?
- How were the resulting savings used (if applicable) and how many new procurement procedures, respectively related contracts, were concluded and for what?
- Were there any penalties granted in case of irregularities recorded in the planned procurement procedures and what total value/percentage of the project budget did they represent?
- In the case of the existence of the previously mentioned penalties, have the related amounts owed by the beneficiaries been recovered by the financier?

5. Evaluation grid of the indicator Information and publicity activities

*Description:* Information and advertising activities generally include, according to the Visual Identity Manual specific to each funding program, the following deliverables: project start announcement, project completion announcement, stickers of different sizes in accordance with the purchases made in each project, temporary plaque/poster, permanent plaque, radio spots, TV spots, brochures, etc. and they must respect the details of placement, publication, retention period.

*Questions for assessment:*

- Have the necessary approvals been requested and obtained from the IO/AM for each of the components of the information and publicity activities?
- Was the announcement of the start of the project given within the term stipulated by the financing contract?
- Have the dimensions of the stickers been respected according to the type of purchases, and machinery, equipment and facilities, etc., respectively?
- Have they been placed at the project implementation location and on the project purchases, mandatory aspects in the financing contract?
- Was the project completion announcement given during the implementation period, before the project completion deadline?

6. The horizontal principles indicator evaluation grid
Description: The horizontal principles are one of the most targeted aspects within the European directives, including: gender equality; non-discrimination; accessibility for people with disabilities; efficient use of resources; lasting development. Compliance with the minimum legislation regarding these aspects represents the fulfilment of the eligibility criteria, the additional measures, in most financing programs, being additionally scored within the technical and financial evaluation.

Questions for assessment:
- How was the principle of gender equality respected?
- How was the principle of non-discrimination respected?
- How was the principle of accessibility for people with disabilities respected?
- How was the principle of efficient use of resources respected?
- How was the principle of sustainable development respected?
- Did the activities carried out within the project have an impact on the environment and, if so, what is that impact?

The evaluation tool: The degree of fulfilment of the indicators

<table>
<thead>
<tr>
<th>No.</th>
<th>Symbol and name of the indicator</th>
<th>Meaning</th>
<th>Degree of fulfilment</th>
<th>Quality Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Purchase of machinery / equipment / facilities</td>
<td>5</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>2.</td>
<td>Creation of new jobs</td>
<td>4</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>3.</td>
<td>Internationalization activities</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>4.</td>
<td>Procurement procedures / signed contracts</td>
<td>5</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>5.</td>
<td>Information and advertising activities</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>6.</td>
<td>Horizontal principles</td>
<td>3</td>
<td>3</td>
<td>9</td>
</tr>
</tbody>
</table>

This qualitative evaluation of the indicators can be recorded in a separate document or even include another column in the table presented previously, to mention the recorded responses, reflecting the detailed situation of the beneficiary company, in accordance with the selected indicators, if these responses were given honestly and accurately. Analysing the results of this evaluation tool, regarding the degree of fulfillment of the indicators, it can be found, in the case of the analysis carried out, that the indicator “Purchase of machines/equipment/facilities” has the highest value in terms of quality and the way of meeting the requirements of a project, as stipulated in the financing contract, signed individually for each project. The second place, related to the first, is held by the indicator “Procurement procedures/signed contracts”, which has a lower degree of fulfilment. This reflects certain dysfunctions in terms of the conduct of procurement procedures and the legal consequences got from them, the most frequent are those related to the application of financial penalties, calculated as a percentage of the total value of the contract. Also, in the second place, there is the “Creation of new jobs” indicator. This one, unlike the previous one equal to the total value, has a smaller significance, not being a priority in all funding programs. At the local and regional level, this job growth is a key indicator of economic growth.
In the next place, but with a resulting value of the quality indicator less than half of the previous two, is the "Horizontal principles" indicator, with several mandatory components and results from EU directives.

The impact that the last two indicators have on the last two places shows that, in the case of internationalization activities and those regarding information and advertising, unfortunately, although very visible and with a direct impact on the population, they do not have a high degree in terms of the qualitative influence of a project analyses. They are treated more like obligations, without creating added value and which, in most cases, are provided in the projects just to get a higher score.

Finally, a so-called general quality and sustainability indicator (GQSIj) can be calculated, where j=1,...,6, as a sum between the six analysed indicators, specific to financing programs from European or Public Funds.

If the degree of fulfilment of each indicator is maximum and is evaluated with the value 5, then the quality indicator is calculated with the formula: \( GQSI_{\text{maxj}} = 5 \times \sum_{i=1}^{6} M_i \), where j = 1,...,6.

7. General conclusions

A). Compared to the 2007-2013 programming period, for the 2014-2020 period a series of new elements were introduced in the legislative framework, with the aim of strengthening the effectiveness, results orientation and added value at the EU level of all funds dedicated to the health field. The legal framework comes to support them, being created and put into practice by joint actions, investments at the level of the territory/regions and/or, preferably, local development strategies of the communities under discussion.

B). In the coming years, meaning the new period we are in, 2021-2027, all the efforts made by the Member States throughout the programming process must start to bear fruit by accelerating more effective implementation and a reporting on progress in higher quality current programs of higher quality.

C). The Youth Jobs initiative offers all Member States specific support to tackle youth unemployment, accompanying the traditional actions funded so far with new, constructive initiatives.

D). The implementation of legislative changes or complex reforms have a positive effect on the general investment environment, especially on SMEs, on the strengthening of administrative capacity and good governance in many Member States, the main role being ensured by the preparation of project reserves, of strategic documents (e.g. smart specialization strategies).

E). By establishing a balance between the need for stability and cost reduction in the post-2020 period, new directions and paths emerge that require more careful analysis, in order not to affect future decisions based on a series of simplified rules, clear for health funds, with a strong focus on an integrated approach.

F). The rules accompanying the legislative package, dedicated to these EU funds, as well as public policies with a clear impact on the implementation of the funds, need to be mutually aligned to facilitate synergies and complementarities between different
programs and to allow EU funding instruments to become more efficient and effective.

G). Orientation of the funds dedicated to the health field on concrete results, taking into account the importance of achieving an economic return that could contribute to improving the effectiveness of the cohesion policy.

H). Introducing differentiation and prioritization according to objective needs and positive incentives regarding the launch and implementation of programs regarding these funds.

I). The 2021-2027 Health Work Program is implemented through annual work programs that support a wide range of actions grouped under four global directions: crisis preparedness, health promotion and disease prevention, health systems together with health professionals and the digital sector, providing funding to eligible health entities, organizations and NGOs in EU countries or third countries associated with the program.

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