**Proposals:**

# Decreasing disparities within regions, tackling pockets of underdevelopment

To address the specific issue of increasing disparities within development regions in Romania, despite significant Cohesion Policy funding, the following 13 concrete proposals could be integrated into the post-2027 Cohesion Policy.

These aim to focus more intensely on the less developed counties, ensuring more targeted interventions and more equitable distribution of benefits:

## Contents

**1. Targeted infrastructure investments: Focus investments on critical infrastructure specifically in the less developed counties, such as transport, healthcare, and digital infrastructure, to remove fundamental barriers to development.**

**Objective:**

Enhance the fundamental infrastructure in the least developed counties to stimulate economic growth, improve quality of life, and increase accessibility to essential services.

**Key focus areas:**

**1. Transport Infrastructure:**

**- Road improvements:** Upgrade and construct local and regional roads to reduce travel times and improve connectivity with major economic centers. This includes fixing potholes, widening narrow roads, and improving signage and safety measures.

**- Public transport systems:** Invest in reliable and affordable public transportation options such as buses and regional trains to increase mobility for residents, especially those without private vehicles.

**- Logistics hubs:** Develop logistics centers and hubs to facilitate easier movement of goods and services, enhancing the local economy's integration into national and international markets.

**2. Healthcare facilities:**

**- Hospital upgrades:** Enhance existing healthcare facilities with modern medical equipment, improved facilities, and expanded services, particularly in specialties that require residents to travel long distances currently.

**- New clinics and health posts:** Build new outpatient clinics and health posts in rural or remote areas to ensure basic healthcare services are within reach of all communities.

**- Telemedicine:** Develop telemedicine capabilities to allow residents in remote areas to consult with specialists without the need to travel, using digital platforms and communication technologies.

**3. Pre-school, primary, and secondary education facilities:**

**- Infrastructure improvements:** Upgrade existing school facilities to provide safe, accessible, and stimulating learning environments. This includes structural renovations, the addition of labs and libraries, and the provision of modern teaching aids.

**- New school construction:** Build new educational facilities in underserved areas to reduce the distance children must travel to attend school and to alleviate overcrowding in existing schools. *Provide accommodation and financial incentives for teachers serving in these educational "deserts".*

**- Specialized programs and equipment:** Implement specialized educational programs tailored to local needs and contexts, such as vocational training aligned with regional industries, and equip schools with the necessary tools for modern education, including computers and scientific laboratory equipment.

**- Teacher training and support:** Enhance teacher training programs to improve educational quality, focusing on modern pedagogies, digital tools, and inclusive education practices. Provide ongoing support and professional development opportunities for educators.

**4. Digital infrastructure:**

**- Broadband internet access:** Expand high-speed broadband coverage to ensure that all areas, especially remote and rural communities, have reliable and fast internet access. This is crucial for education, business, and access to government services.

**- Digital literacy programs:** Implement programs aimed at increasing digital literacy among the population, particularly focusing on the elderly and other groups less likely to be familiar with digital technologies.

**- E-Government services:** Develop and enhance e-government platforms to provide residents with easier access to public services, reducing the need for physical travel and streamlining government interactions.

**<u>Implementation strategies:</u>**

**- Community involvement:** Engage local communities in the planning process to ensure that the infrastructure projects meet their actual needs and gain their support and buy-in.

**- Integrated planning:** Coordinate with other ongoing or planned projects to ensure coherence and synergy between investments in transport, healthcare, educational and digital infrastructure.

**- Public-Private Partnerships (PPP):** Leverage public-private partnerships to draw in expertise and funding from the private sector, enhancing the efficiency and sustainability of infrastructure projects.

**- Sustainability considerations:** Ensure all infrastructure projects consider environmental impacts and incorporate sustainable practices and technologies where feasible.

**Monitoring and evaluation:**

**- Performance indicators:** Establish clear performance indicators for infrastructure projects, such as reduced travel time, increased usage of healthcare services, and broadband penetration rates.

**- Regular assessments:** Conduct regular assessments to monitor the progress and impact of the infrastructure improvements, adjusting strategies as necessary based on feedback and outcomes.

**- Community feedback mechanisms:** Set up mechanisms to gather ongoing feedback from the community about the effectiveness and usability of the new or improved infrastructure.

**2. Decentralized fund management: Implement decentralized management of funds allowing local authorities in underdeveloped counties more autonomy and tailored approaches to development needs.**

**Objective:**

Empower local authorities in underdeveloped counties by granting them more autonomy over the allocation and management of funds, enabling them to tailor development strategies to meet specific local needs and circumstances effectively.

**Implementation methods:**

**1. Establish local management bodies:**

- Create or strengthen local development agencies or committees that include representatives from various community sectors (e.g., business, education, healthcare).
- These bodies will be responsible for planning, deploying, and monitoring the use of funds according to local priorities.

**2. Capacity building for local authorities:**

- Provide training and resources to local government officials and staff on fund management, project planning, and financial accountability.
- Develop workshops and continuous learning opportunities that focus on best practices in regional development and financial management.

**3. Financial autonomy:**

- Allocate a specific portion of Cohesion Policy funds directly to local management bodies, giving them the discretion to use these funds as they see fit to address localized developmental challenges.
- Implement guidelines that ensure a balanced use of funds, targeting both immediate needs and long-term sustainability.

**4. Tailored development plans:**

- Encourage local authorities to draft and implement comprehensive development plans that are based on thorough local needs assessments.
- Plans should address a wide range of areas, including infrastructure, education, healthcare, and economic development, reflecting the specific needs and potential of the locality.

**5. Participatory planning processes:**

- Engage community members and local stakeholders in the planning process to ensure that development initiatives have broad support and directly address the needs of the community.
- Use town hall meetings, surveys, and public forums to gather input and foster community involvement.

**<u>Accountability and transparency mechanisms:</u>**

**1. Regular reporting and auditing:**

- Require local management bodies to regularly report on their use of funds and the progress of development projects.
- Conduct audits through independent bodies to ensure funds are used appropriately and effectively.

**2. Performance metrics and evaluation:**

- Develop clear performance metrics that measure the effectiveness of funded projects in improving local development.
- Evaluate projects not only on their completion but also on their impact on local economic and social indicators.

**3. Feedback and adjustment procedures:**

- Establish mechanisms for feedback from the community on the success and challenges of projects.
- Allow for the adjustment of strategies and reallocation of resources based on feedback and changing needs.

**Expected outcomes:**

**- Enhanced local responsiveness:** Local bodies will be able to react more quickly and appropriately to development challenges with a better understanding of local contexts.

**- Increased efficiency of fund use:** Funds are likely to be used more effectively when decisions are made closer to the ground, with direct knowledge of local conditions and needs.

**- Greater community involvement and satisfaction:** Local populations will likely feel more involved and satisfied with development projects when they have a say in how funds are spent and projects are implemented.

**- Sustainable development:** Tailored approaches enable sustainable development that respects local environmental, cultural, and social conditions.

**<u>3. Performance-based funding allocation:</u> Introduce performance-based funding allocation where additional funds are allocated to regions showing effective use of initial funding in addressing underdevelopment.**

**<u>Objective:</u>**

Encourage efficient and effective use of Cohesion Policy funds by linking additional funding to demonstrated success and impact in improving local development indicators. This system aims to incentivize good performance and results-oriented management in regions that are actively addressing underdevelopment.

**<u>Implementation methods:</u>**

**1. Establish clear performance indicators:**

- Define specific, measurable indicators that reflect key development objectives for each region, such as employment rates, income levels, access to services, and infrastructure improvements.
- Indicators should be tailored to each region's context and development goals.

**2. Baseline assessment and targets:**

- Conduct comprehensive baseline assessments to determine current levels of development indicators in each region.
- Set realistic, achievable targets for improvement over a defined period, aligned with overarching Cohesion Policy goals.

**3. Regular monitoring and reporting:**

- Implement a robust monitoring system to regularly assess the progress of each region against the established targets.
- Require periodic reporting from local authorities on their progress, challenges, and strategies employed to meet development targets.

**4. Reward mechanism:**

- Develop a formula-based system where additional funds are allocated to regions that achieve or exceed their targets.
- Ensure that rewards are substantial enough to motivate regions but also maintain a balance to not disadvantage those struggling due to factors beyond their control.

**5. Technical support and capacity building:**

- Provide technical assistance and capacity-building support to regions that are underperforming, helping them to identify bottlenecks and improve management practices.
- Offer tailored training programs in project management, financial management, and data analysis to enhance local authorities' capabilities.

**Accountability and transparency mechanisms:**

**1. Transparent evaluation process:**

- Ensure that the performance evaluation process is transparent, with clear criteria and methodologies made public.
- Engage independent auditors or third-party evaluators to maintain objectivity in assessing performance.

**2. Feedback and adjustment opportunities:**

- Establish mechanisms for regions to receive feedback on their performance assessments.
- Provide opportunities for regions to contest or appeal decisions, particularly if they believe external factors have unfairly influenced their performance.

**3. Dynamic funding adjustments:**

- Allow for dynamic adjustments to funding allocations based on performance reviews, ensuring that regions have the incentive to improve continuously.
- Ensure that these adjustments do not abruptly withdraw necessary support but rather encourage sustained improvement.

**Expected outcomes:**

**- Increased effectiveness of fund utilization:** Regions are motivated to utilize funds more effectively, knowing that their performance directly affects future funding levels.

**- Promotion of best practices:** Successful strategies and projects can be identified and replicated in other regions, promoting a culture of learning and continuous improvement.

**- Enhanced accountability:** Linking funding to performance enhances accountability and reduces the risk of funds being misused or ineffectively spent.

**- Adaptive and responsive funding:** The system adapts to real-time data and changing conditions, allowing for more responsive and targeted interventions.

**4. Enhanced transparency and accountability: Strengthen transparency and accountability mechanisms in funding allocation and project execution to ensure funds are used efficiently and to reduce corruption risks.**

**Objective:**

Increase transparency and accountability in the allocation and use of Cohesion Policy funds to ensure that resources are utilized efficiently, effectively, and equitably. This approach aims to reduce corruption risks and build public trust in the management of funds.

**Implementation methods:**

**1. Public access to information:**

- Implement policies requiring all funding allocations, project proposals, and outcomes to be publicly accessible through an official online portal.
- Ensure that this information is presented in an easily understandable format, including details on project goals, budgets, timelines, and progress reports.

**2. Independent auditing:**

- Establish routine independent audits of all projects funded under the Cohesion Policy to ensure compliance with financial and operational guidelines.
- Use third-party auditors to assess the integrity and performance of projects, reporting findings publicly to ensure transparency.

**3. Stakeholder engagement:**

- Create forums and committees that include stakeholders from government, civil society, and the private sector to oversee and discuss the use of funds.
- Hold regular public consultations and hearings to gather input and feedback on project plans and execution, increasing community involvement and oversight.

**4. Whistleblower protection and anti-corruption measures:**

- Implement robust whistleblower protection laws and establish clear, secure channels for reporting misuse of funds or corruption.

- Provide incentives for whistleblowers and ensure that reports are followed up with thorough investigations and, if necessary, prosecutions.

**5. Clear procurement processes:**

- Standardize procurement processes across regions to ensure fairness and prevent corruption.
- Introduce e-procurement systems that include automatic checks and balances to reduce human error and potential for manipulation.

**6. Performance-based reviews:**

- Link continued funding and project approval to performance reviews that assess not only project outcomes but also adherence to transparency and accountability standards.
- Set clear penalties for non-compliance, ranging from funding reductions to legal action, depending on the severity of the breach.

**<u>Accountability and transparency mechanisms:</u>**

**1. Real-time monitoring and reporting systems:**

- Develop real-time monitoring systems that track the flow of funds and progress of projects, providing timely updates to all stakeholders.
- Use technology to create dashboards that show key performance indicators and financial flows accessible to the public.

**2. Regular updates and reports:**

- Mandate regular updates to the public and stakeholders on project status and fund usage through newsletters, press releases, and the official portal.
- Ensure these updates include challenges and issues faced, explaining how they are being addressed.

**3. Evaluation and feedback loop:**

- Establish a robust mechanism for evaluating the effectiveness of transparency and accountability measures periodically.

- Integrate a feedback loop from stakeholders to continuously improve processes and systems.

**Expected outcomes:**

- **Reduced corruption and misuse of funds:** Enhanced mechanisms for monitoring and reporting reduce the opportunities for corruption and ensure that funds are used as intended.
- **Increased public trust:** Transparency in operations and active engagement of the public and stakeholders in monitoring processes build trust in the management of public funds.
- **Improved project outcomes:** With strict accountability measures and public scrutiny, projects are more likely to be completed on time, within budget, and to the required standards.

**5. Local economic development plans: Support the creation of comprehensive local economic development plans that are tailored to the unique needs and potentials of each underdeveloped county.**

**Objective:**

Encourage and support underdeveloped counties in creating and implementing comprehensive local economic development plans that are strategically tailored to leverage local assets, address specific challenges, and stimulate sustainable economic growth.

**Implementation methods:**

**1. Needs assessment and resource mapping:**

- Conduct thorough needs assessments to identify economic deficiencies, opportunities, and resources available in each county.
- Map local assets such as natural resources, cultural heritage, human capital, and existing industries to inform the development strategies.

**2. Stakeholder involvement:**

- Engage a broad range of stakeholders in the planning process, including local businesses, community groups, educational institutions, and local government bodies.
- Use participatory planning methods to ensure that the plans reflect the community's needs and aspirations.

**3. Strategic goal setting:**

- Based on the needs assessment, help counties set clear, achievable, and measurable economic development goals.
- Prioritize goals that promise the highest impact on local development, such as job creation, poverty reduction, and infrastructure improvement.

**4. Sector-specific strategies:**

- Develop detailed strategies for key sectors identified as potential growth areas, such as agriculture, manufacturing, tourism, and digital services.

- Include specific actions, timelines, and responsible parties for each strategy to ensure clarity and accountability.

**5. Funding and resource allocation:**

- Outline specific funding needs and sources, including local government budgets, national funds, EU Cohesion Funds, and private investments.
- Develop a clear plan for resource allocation that aligns with the strategic goals and ensures efficient use of funds.

**6. Capacity building and skills development:**

- Include initiatives to build local capacity in areas such as project management, financial literacy, and technical skills crucial for the identified sectors.
- Partner with local educational institutions to tailor training and education programs that meet the needs of local industries.

**7. Regulatory and policy support:**

- Identify necessary changes in local regulations or policies that could facilitate economic development, such as simplifying business registration processes or offering tax incentives.
- Advocate for these changes at the regional or national level as needed.

**Monitoring and evaluation:**

**1. Implementation oversight:**

- Establish a local body or committee to oversee the implementation of the development plan, ensuring that activities are carried out as planned and adjusted as necessary.
- This body should also be responsible for managing stakeholder communication and collaboration.

**2. Regular progress reviews:**

- Set up regular intervals for reviewing progress against the plan's goals, using predefined performance indicators.
- These reviews should include both qualitative and quantitative measures to assess economic impact.

**3. Feedback and adjustment mechanism:**

- Create mechanisms for continuous feedback from stakeholders and the community to inform adjustments and improvements in the plan.
- Ensure that the plan remains flexible enough to adapt to changing economic conditions or opportunities.

**Expected outcomes:**

- **Enhanced local economic growth:** By focusing on local strengths and addressing specific challenges, these plans aim to stimulate economic development and improve the quality of life for residents.
- **Increased job opportunities:** Targeted economic strategies are expected to create new job opportunities, reducing unemployment and underemployment in underdeveloped counties.
- **Sustainable development:** Tailored development plans ensure that growth is sustainable and benefits a broad segment of the local population, contributing to long-term economic stability.

**<u>6. Small business support and microfinance:</u> Establish microfinance institutions and funding programs specifically aimed at supporting small businesses and startups in less developed counties.**

**<u>Objective:</u>**

Promote the growth and sustainability of small businesses and startups in less developed counties by providing accessible financing options and business support services. This initiative aims to empower local entrepreneurs and stimulate local economies.

**<u>Implementation methods:</u>**

**1. Establishment of microfinance institutions:**

- Create or support the establishment of microfinance institutions (MFIs) focused on serving small businesses and startups in underserved areas.
- Ensure these MFIs provide small loans, credit, and other financial products suited to the needs of small-scale entrepreneurs who may not have access to traditional banking services.

**2. Tailored financial products:**

- Develop a range of financial products including micro-loans, grants, and micro-insurance products designed specifically for small businesses in these regions.
- Offer flexible repayment terms that consider the business cycles and challenges unique to small businesses.

**3. Business development services:**

- Provide comprehensive business support services through these institutions, including training in financial literacy, business planning, marketing, and management.
- Set up advisory services to help businesses navigate legal, regulatory, taxation issues.

**4. Partnerships with local banks and financial institutions:**

- Form partnerships with local banks and other financial institutions to leverage additional resources and expertise.

- Encourage these partners to offer specialized products for small businesses, such as lower-interest loans or business credit facilities.

**5. Incentives for lending to high-risk sectors:**

- Offer incentives to financial institutions to extend credit to startups and businesses in sectors considered high-risk but essential for local development.
- These incentives could include risk-sharing mechanisms, interest rate subsidies, or guarantee funds.

**6. Integration with national and regional economic strategies:**

- Align the microfinance initiatives with broader national and regional economic strategies to ensure coherence and maximize impact.
- Coordinate with other economic development programs to provide comprehensive support to small businesses.

**Monitoring and evaluation:**

**1. Tracking and reporting systems:**

- Implement systems to track the performance of the microfinance institutions and the effectiveness of their financial products.
- Regularly assess the impact of these financial services on the growth and sustainability of supported businesses.

**2. Success metrics:**

- Define clear metrics for success, such as business survival rates, job creation, revenue growth, and credit repayment rates.
- Use these metrics to continually improve the offerings and adjust strategies as necessary.

**3. Feedback loops:**

- Establish feedback mechanisms for businesses to report their satisfaction with the services and financial products provided.
- Use this feedback to make iterative improvements to the services offered by MFIs.

**Expected outcomes:**

**- Increased business formation and survival:** By providing essential financial products and business support, more small businesses and startups are expected to succeed and grow.

**- Economic empowerment of local entrepreneurs:** Enhanced access to finance and business services empowers local entrepreneurs, leading to increased economic activity and innovation in less developed counties.

**- Job creation and economic stability:** The growth of small businesses will contribute to job creation and economic stability, improving the overall economic health of the region.

**<u>7. Education and skill development programs:</u> Launch education and vocational training programs targeted at increasing the skill levels of the workforce in underdeveloped areas, with a focus on aligning skills with market demands.**

**<u>Objective:</u>**

Enhance the skills and employability of the workforce in underdeveloped counties by launching targeted education and vocational training programs. These programs aim to close the skills gap, align workforce capabilities with local and regional market demands, and stimulate economic development.

**<u>Implementation methods:</u>**

**1. Skills gap analysis:**

- Conduct comprehensive analyses to identify the current skills gaps in the workforce and project future skills needs based on economic and industrial trends in the region.
- Collaborate with local businesses, industry leaders, and economic development experts to ensure the accuracy and relevance of the analysis.

**2. Curriculum development:**

- Develop tailored education and training curricula that focus on the specific needs identified in the skills gap analysis.
- Include both technical skills relevant to key local industries (such as manufacturing, agriculture, or digital services) and soft skills (like communication, teamwork, and problem-solving).

**3. Vocational training centers:**

- Establish or upgrade vocational training centers in strategic locations within underdeveloped counties to provide accessible learning opportunities.
- Equip these centers with modern tools and technologies that are critical for practical, hands-on training.

**4. Partnerships with educational institutions and businesses:**

- Form partnerships with local and regional educational institutions and businesses to ensure training programs are directly linked to employment opportunities.
- Encourage businesses to participate in program design and to offer internships, apprenticeships, and job placements for program graduates.

**5. Online and flexible learning options:**

- Implement online courses and flexible learning modules to make education and training accessible to people who cannot attend traditional classes due to work or family commitments.
- Use blended learning models that combine online instruction with hands-on practice where necessary.

**6. Certification and credentialing:**

- Offer certifications and credentials that are recognized by local and national industries, enhancing the employability of graduates.
- Ensure these certifications are adaptable and recognized across different sectors to maximize job opportunities.

**7. Continuous education and upskilling programs:**

- Establish ongoing learning and upskilling programs to help the workforce adapt to changing technological and economic conditions.
- Provide special programs for different demographics, including youth, women, and older workers, to ensure inclusive access to skill development.

**<u>Monitoring and evaluation:</u>**

**1. Tracking enrollment and completion rates:**

- Monitor enrollment and completion rates to assess the accessibility and attractiveness of the training programs.
- Adjust marketing and outreach strategies based on these metrics to maximize participation.

**2. Employment outcomes monitoring:**

- Track the employment outcomes of program graduates to evaluate the effectiveness of the training in meeting market needs.
- Regularly update and adjust programs based on employment success rates and feedback from employers.

**3. Feedback mechanisms:**

- Implement robust feedback mechanisms for students and employers to continually improve the quality and relevance of training programs.
- Use this feedback to make necessary adjustments to curricula and teaching methodologies.

**Expected outcomes:**

- **Enhanced workforce skills:** The targeted training programs are expected to significantly enhance the skill levels of the workforce, making them more competitive and adaptable.
- **Increased employment opportunities:** Better alignment of skills with market demands should lead to higher employment rates and better job matches in underdeveloped counties.
- **Stimulated local economies:** A more skilled workforce will attract more businesses and investments to the region, contributing to economic growth and development.

**<u>8. Public-Private Partnerships (PPP):</u> Encourage public-private partnerships to leverage private sector expertise and investment for development projects in less developed counties.**

**<u>Objective:</u>**

Foster collaboration between the public sector and private enterprises to harness private sector efficiencies, expertise, and capital for development projects in underdeveloped areas. This approach aims to accelerate economic development, enhance public service delivery, and increase the sustainability of key projects.

**<u>Implementation methods:</u>**

**1. Identification of partnership opportunities:**

- Conduct comprehensive assessments to identify areas where private sector involvement could bring significant benefits, such as infrastructure, healthcare, education, and digital connectivity.
- Prioritize projects that are critical to the economic and social development of less developed counties but may lack sufficient public funding or expertise.

**2. Framework for PPP Engagement:**

- Develop a clear and transparent regulatory and legal framework that defines the roles, responsibilities, risks, and rewards for both public and private partners, one that has the confidence of international partners (not like the current one).
- Ensure that these frameworks are designed to attract private partners while safeguarding public interest and ensuring equitable outcomes.

**3. Capacity building in public administration:**

- Strengthen the capacity of public officials and institutions to manage PPP agreements effectively. This includes training in contract management, negotiation, and monitoring of PPP projects.
- Establish dedicated units within local governments to oversee and manage PPP projects, ensuring they have the expertise to collaborate effectively with private sector partners.

**4. Incentives for private sector participation:**

- Offer incentives to private companies to invest in less developed areas, such as tax breaks, subsidies, or guaranteed returns on investment.
- Ensure that incentives are structured to attract genuine, value-adding partnerships rather than merely profit-driven ventures.

**5. Community engagement and transparency:**

- Engage local communities in the planning and implementation phases of PPP projects to ensure that projects meet local needs and gain public support.
- Maintain high levels of transparency about project goals, financing, progress, and outcomes to build and maintain public trust.

**6. Risk sharing and mitigation:**

- Develop mechanisms for risk sharing between the public and private sectors to make projects more attractive to private investors and safeguard public resources.
- Implement strong governance structures to monitor risks and respond to challenges as they arise.

**7. Performance monitoring and accountability:**

- Set clear performance indicators and milestones for PPP projects and regularly review these against agreed targets.
- Implement robust accountability mechanisms to ensure private partners meet their contractual obligations and deliver on the public benefits promised.

**Monitoring and evaluation:**

**1. Regular project audits and reviews:**

- Conduct regular audits and performance reviews of PPP projects to ensure they are on track and delivering the intended benefits.
- Use third-party evaluators to provide an objective assessment of project performance.

**2. Adaptation and continuous improvement:**

- Establish mechanisms for ongoing evaluation and adaptation of PPP projects to respond to changing circumstances and ensure long-term sustainability.
- Encourage continuous learning and improvement in PPP practices based on experiences and feedback from all stakeholders.

**Expected outcomes:**

- **Enhanced project execution and efficiency:** By leveraging private sector expertise and resources, projects are likely to be completed more efficiently and to a higher standard.
- **Increased investment in underdeveloped areas:** Attracting private investment can accelerate development in critical sectors that are underfunded by public sources alone.
- **Sustainable economic and social development:** With effective PPPs, underdeveloped counties can experience sustained improvements in infrastructure, services, and economic opportunities, leading to broader social and economic benefits.

**9. Incentives for investment in underdeveloped areas: Offer tax breaks and other incentives to businesses that invest in and operate out of underdeveloped counties.**

**Objective:**

Attract and retain businesses in underdeveloped counties by offering competitive and strategic incentives. This approach aims to stimulate local economic growth, create jobs, and enhance the overall investment climate in these regions.

**Implementation methods:**

**1. Tax incentives:**

- Provide significant tax breaks or reductions for businesses that establish operations in underdeveloped areas. This could include reductions in corporate income tax, property tax, and other local taxes.
- Offer tax credits for specific activities that promote economic development, such as hiring local employees, investing in local infrastructure, or engaging in environmentally sustainable practices.

**2. Grants and subsidies:**

- Establish grant programs to support businesses that start up or expand in underdeveloped counties. These grants could cover costs related to setting up operations, such as purchasing equipment or building facilities.
- Provide subsidies for operational costs in the initial years of business, such as utility subsidies or reduced rates for services crucial to business operations.

**3. Simplified regulatory processes:**

- Streamline regulatory procedures for businesses investing in underdeveloped areas to reduce bureaucratic barriers and speed up the process of starting and operating a business.
- Establish a "one-stop-shop" service where businesses can complete all necessary administrative procedures in a single location.

**4. Access to financing:**

- Facilitate access to financing by partnering with banks and financial institutions to offer favorable loan terms for businesses operating in these areas.
- Create risk-sharing facilities to encourage lending to businesses in sectors deemed risky but vital for local development.

**5. Customized business support services:**

- Provide tailored business development services to companies in underdeveloped counties, including consultancy on market expansion, technology adoption, and export capabilities.
- Offer training and workshops to improve skills in areas such as digital literacy, management practices, and innovation.

**6. Infrastructure and connectivity improvements:**

- Commit to improving infrastructure in underdeveloped areas, such as roads, power, and internet connectivity, which are essential for business operations.
- Ensure that these improvements are aligned with the needs of businesses willing to invest in the region.

**Monitoring and evaluation:**

**1. Investment tracking and impact assessment:**

- Track the volume and impact of investments flowing into underdeveloped areas as a result of the incentives.
- Assess how these investments contribute to local economic indicators, such as employment rates, average incomes, and business survival rates.

**2. Feedback from businesses:**

- Regularly collect feedback from businesses benefiting from the incentives to gauge satisfaction and identify areas for improvement in the incentive schemes.
- Adjust policies based on business feedback to ensure they remain effective and aligned with market needs.

**3. Periodic review of incentive programs:**

- Conduct periodic reviews of incentive programs to determine their effectiveness and sustainability.
- Ensure that the incentives continue to align with broader economic development goals and do not lead to unsustainable fiscal burdens.

**Expected outcomes:**

- **Increased business activity:** Enhanced incentives should lead to an increase in business establishments and expansions in underdeveloped counties.
- **Job creation:** By attracting businesses to these areas, the incentives will help create new jobs, reducing unemployment and improving local livelihoods.
- **Economic diversification:** Encouraging various types of businesses to invest in these regions can lead to a more diversified and resilient local economy.

**<u>10. Community-based projects:</u> Fund community-based projects that are directly proposed and managed by local communities, ensuring that initiatives have local support and meet actual needs.**

**<u>Objective:</u>**

Support the development and implementation of projects that are directly proposed, managed, and executed by local communities. This approach aims to harness local knowledge and engagement, ensuring that initiatives are well-suited to meet the specific needs and preferences of the community, and fostering a sense of ownership and responsibility.

**<u>Implementation methods:</u>**

**1. Community project proposals:**

- Encourage communities to propose projects through a structured but accessible application process. Provide guidelines and support for proposal writing to ensure communities can effectively articulate their needs and project ideas.
- Set up local committees or support teams to help communities develop their project proposals and plans.

**2. Funding allocation:**

- Allocate specific funds for community-driven projects, ensuring that these funds are accessible to a wide range of communities, including those in particularly underdeveloped or isolated areas.
- Use a transparent and fair selection process to determine which community projects receive funding, based on criteria such as potential impact, feasibility, and community involvement.

**3. Capacity building for project management:**

- Provide training and resources to community members on project management, financial handling, and monitoring and evaluation. This aims to build local capacity for managing projects effectively and sustainably.

- Offer ongoing mentorship and support from experienced project managers and development experts.

**4. Collaboration and partnership development:**

- Foster partnerships between communities and local governments, NGOs, and the private sector to enhance project scope and impact.
- Encourage collaborations that bring additional expertise, resources, or funding to community projects.

**5. Monitoring and evaluation:**

- Implement mechanisms to monitor and evaluate the progress and impact of community-based projects. This could include regular reports, site visits, and community meetings to discuss progress and challenges.
- Encourage community-led evaluation to ensure transparency and accountability, and to enhance the community's capacity to conduct self-assessment.

**6. Sustainability and scaling:**

- Encourage communities to design projects with sustainability in mind, including plans for maintaining and scaling successful initiatives.
- Provide support for successful projects to expand or replicate in other communities, sharing best practices and lessons learned.

## Monitoring and evaluation:

**1. Community feedback:**

- Regularly collect feedback from community members on the effectiveness and impact of the projects. Use this feedback to adjust programs and support mechanisms.
- Engage community leaders in the evaluation process to ensure that assessments are culturally appropriate and accurately reflect community sentiment.

**2. Impact assessment:**

- Assess the long-term impacts of community projects on local development, including economic, social, and environmental changes.

- Track changes in community engagement and empowerment as key indicators of project success.

**3. Transparency reports:**

- Produce and disseminate transparent reports detailing the use of funds, project outcomes, and lessons learned. These reports should be accessible to all community members to ensure accountability.

**Expected outcomes:**

- **Enhanced local engagement and empowerment:** Community members take a lead role in their development, fostering greater engagement, responsibility, and empowerment.
- **Tailored solutions to local problems:** Projects designed by those who understand local needs firsthand are more likely to be effective and embraced by the community.
- **Strengthened local capacities:** Building skills and knowledge at the community level enhances local capacities for future development initiatives.
- **Sustainable community development:** Projects that are community-led are more sustainable and more likely to have lasting impacts.

**<u>11. Special economic zones:</u> Create special economic zones in underdeveloped counties with specific incentives designed to attract businesses and create jobs.**

**<u>Objective:</u>**

Establish special economic zones in underdeveloped counties to attract domestic and foreign investments, stimulate economic activity, and create employment opportunities. These zones aim to serve as catalysts for regional development by offering attractive incentives and a business-friendly environment.

**<u>Implementation methods:</u>**

**1. Selection of zone locations:**

- Conduct thorough analyses to identify strategic locations for SEZs based on factors such as existing infrastructure, proximity to major transport networks, local labor availability, and potential for industrial growth.
- Engage local stakeholders, including local governments and community groups, in the site selection process to ensure alignment with local development plans and community interests.

**2. Development of infrastructure:**

- Invest in essential infrastructure within the SEZs, such as roads, utilities, telecommunications, and waste management systems to ensure they are well-equipped to support business operations.
- Consider the development of green infrastructure to promote sustainable practices within the zones.

**3. Legal and regulatory framework:**

- Establish a clear and simplified legal and regulatory framework for SEZs that includes streamlined procedures for business registration, licensing, and operation.
- Ensure that these frameworks offer protections for labor and environmental standards, avoiding the pitfalls of exploitation.

**4. Incentives for businesses:**

- Offer a range of financial and non-financial incentives to attract businesses to the SEZs, including tax reliefs, duty exemptions, and reduced utility rates.
- Provide additional incentives for investments in high-priority sectors such as technology, green energy, and advanced manufacturing.

**5. Target industry focus:**

- Identify and target specific industries that match the region's strengths and economic development goals, such as manufacturing, technology, green energy or logistics.
- Develop industry-specific facilities and services within the zones to cater to the needs of these target industries.

**6. Partnership and collaboration opportunities:**

- Foster partnerships between businesses in the SEZs and local universities, research institutions, and other businesses to spur innovation and technology transfer.
- Encourage the formation of business clusters within the zones to enhance cooperation and leverage synergies among businesses.

**7. Workforce development programs:**

- Implement targeted training and education programs to develop the local workforce and ensure they meet the specific needs of businesses operating within the SEZs.
- Collaborate with vocational and technical schools to tailor curricula to the skills demanded in the zones.

**8. Monitoring and governance:**

- Establish a governance body to oversee the operation and development of the SEZs, ensuring compliance with regulations and progress towards development goals.
- Implement robust monitoring systems to track economic performance and the social and environmental impact of the zones.

**Monitoring and evaluation:**

**1. Economic impact assessment:**

- Regularly assess the economic impact of the SEZs on the local and regional economies, including job creation, investment attraction, and GDP growth.
- Evaluate the effectiveness of incentives and infrastructure in attracting and retaining businesses.

**2. Social and environmental reviews:**

- Conduct social and environmental impact assessments to ensure that the SEZs contribute positively to the local community and do not cause adverse effects.
- Adjust policies and practices based on the findings to mitigate any negative impacts.

**3. Feedback loops and continuous improvement:**

- Establish feedback mechanisms for businesses and local communities to provide input on the operation and development of the SEZs.
- Use this feedback to continually improve management practices, incentives, and support services within the zones.

**Expected outcomes:**

- **Enhanced economic activity:** By providing favorable conditions and targeted incentives, SEZs are expected to significantly boost economic activities in underdeveloped counties.
- **Job creation:** The influx of businesses and investments into the SEZs will create numerous job opportunities for local residents, reducing unemployment and improving living standards.
- **Regional development:** SEZs will act as growth poles, stimulating development in surrounding areas through increased demand for goods, services, and infrastructure.

**12. Enhanced connectivity projects: Invest in projects that enhance connectivity between less developed counties and more developed urban centers, such as improved transportation networks and broadband internet access.**

**Objective:**

Improve the physical and digital connectivity of less developed counties with major urban centers to facilitate easier access to markets, resources, services, and information. This approach aims to reduce regional disparities, enhance economic opportunities, and improve the quality of life in underdeveloped areas.

**Implementation methods:**

**1. Transportation infrastructure improvements:**

**- Road network expansion and upgrades:** Invest in expanding and upgrading road networks to reduce travel times and improve safety. This includes constructing new roads, widening existing ones, and improving road surfaces.

**- Public transit systems:** Develop and enhance public transportation systems such as buses and regional rail services that connect rural areas with urban centers, making it easier for residents to commute for work, education, and other services.

**- Logistics and freight services:** Improve logistics and freight services to support local businesses in accessing broader markets, including the development of regional distribution hubs.

**2. Digital connectivity enhancement:**

**- Broadband internet expansion:** Significantly expand broadband internet access in rural and underserved areas to ensure high-speed internet connectivity that can support modern business practices, remote work, and online education.

**- Mobile network upgrades:** Upgrade mobile networks to improve coverage and data services in less developed counties, ensuring that residents and businesses can stay connected with the latest wireless technologies.

**3. Integration of transport and digital infrastructure:**

**- Smart infrastructure projects:** Implement smart infrastructure projects that integrate digital technology with transportation systems to optimize traffic management, improve public transport services, and enhance logistic operations.

**- Information and communication technology (ICT) hubs:** Establish ICT hubs in strategic locations that offer training, resources, and support for digital skills and entrepreneurship.

**4. Partnerships for infrastructure development:**

**- Collaboration with private sector:** Engage with private sector partners to leverage their expertise, technologies, and investments in developing transportation and digital infrastructure.

**- Inter-governmental cooperation:** Foster cooperation between different levels of government (local, regional, national) to ensure that connectivity projects are well-coordinated and align with broader economic development plans.

**5. Community involvement and impact assessment:**

**- Community engagement:** Actively involve local communities in the planning and implementation of connectivity projects to ensure that the developments meet their needs and gain their support.

**- Environmental and social impact assessments:** Conduct thorough environmental and social impact assessments to ensure that connectivity projects are sustainable and socially responsible.

**Monitoring and evaluation:**

**1. Performance monitoring:**

- Establish clear benchmarks and indicators to monitor the performance of connectivity projects in terms of improved access, reduced travel times, increased internet usage, and economic impact.

- Use technology to gather data and monitor infrastructure usage and satisfaction among users.

**2. Economic and social impact evaluation:**

- Regularly evaluate the economic and social impacts of enhanced connectivity, such as job creation, business growth, increased educational opportunities, and improved healthcare access.
- Adjust project plans based on these evaluations to maximize benefits and address any unintended consequences.

**3. Feedback mechanisms:**

- Implement feedback mechanisms that allow residents, businesses, and other stakeholders to report on their experiences with the new infrastructure and suggest improvements.
- Use this feedback to continually refine and optimize connectivity projects.

**Expected outcomes:**

- **Reduced isolation of rural areas:** Enhanced connectivity will reduce the isolation of less developed counties, integrating them more closely with economic centers.
- **Economic growth and diversification:** Improved transport and digital infrastructure will facilitate economic growth, attract new businesses, and promote diversification in rural economies.
- **Improved access to services:** Residents in underdeveloped areas will have better access to essential services such as healthcare, education, and government services, leading to improved living standards.

**13. Innovative and green technologies: Promote the adoption of innovative and green technologies in underdeveloped areas, supporting sustainable development and creating niche market opportunities for local communities.**

**Objective:**

Encourage the adoption and development of innovative and environmentally friendly technologies in less developed counties. This initiative aims to foster sustainable economic growth, reduce environmental impact, and create new market opportunities by leveraging green technology.

**Implementation methods:**

**1. Technology transfer and adoption:**

- Facilitate the transfer of green and innovative technologies to underdeveloped areas through partnerships with universities, research institutions, and technology companies.
- Provide subsidies or financial incentives for local businesses and entrepreneurs to adopt these technologies in their operations.

**2. Support for green startups and SMEs:**

- Establish incubators and accelerators focused on green technologies and businesses, offering mentorship, funding, and access to networks.
- Create competitive grant programs and seed funding opportunities specifically targeted at startups working in areas such as renewable energy, waste management, and sustainable agriculture.

**3. Training and capacity building:**

- Offer training programs and workshops to develop local expertise in green technologies, including courses on installation, maintenance, and management of new systems.
- Engage community members in learning about the benefits of sustainable practices and technologies through awareness campaigns and educational programs.

**4. Infrastructure for green technology:**

- Invest in infrastructure that supports the use of green technologies, such as renewable energy facilities (solar, wind, biomass) and charging stations for electric vehicles.
- Improve waste management systems to incorporate recycling and reuse, reducing the environmental footprint of communities.

**5. Regulatory and policy support:**

- Advocate for and help implement local and regional policies that encourage the adoption of green technologies, such as tax rebates, reduced tariffs on green technology imports, and mandatory green standards for new constructions.
- Ensure that these policies are conducive to creating a thriving market for green technologies and services.

**6. Partnerships for sustainable development:**

- Foster partnerships between local governments, international development agencies, non-profits, and the private sector to pool resources and expertise in support of green technology initiatives.
- Collaborate with global green technology networks to keep abreast of the latest developments and opportunities.

**Monitoring and evaluation:**

**1. Impact assessment:**

- Regularly assess the environmental and economic impacts of adopted technologies to evaluate their effectiveness in reducing carbon footprints and enhancing local economies.
- Monitor the adoption rates of green technologies and the growth of related businesses as key indicators of program success.

**2. Community feedback and involvement:**

- Engage with the community continuously to get feedback on their experiences with new technologies and the impact on their daily lives.
- Adjust initiatives based on community input to ensure that they remain relevant and beneficial to local needs.

**3. Sustainability reporting:**

- Require projects and businesses benefiting from this initiative to produce sustainability reports detailing their environmental impacts and benefits.
- Use these reports to refine strategies and promote successful models that can be replicated in other regions.

**<u>Expected outcomes:</u>**

- **Reduced environmental impact:** Adoption of green technologies will help reduce the ecological footprint of underdeveloped areas, aligning with broader environmental goals.
- **Creation of niche markets:** By fostering a local green technology sector, new niche markets can develop, providing unique products and services that can be marketed locally and globally.
- **Economic and social benefits:** Sustainable development initiatives will not only spur economic growth but also improve the quality of life by creating healthier, more sustainable communities.

**These proposals aim to directly tackle the issue of uneven development within the same region, promoting a more balanced economic and social development across all counties in Romania.**

**By focusing on local empowerment, infrastructure, education, and innovation, the post-2027 Cohesion Policy can be more effective in addressing the nuanced challenges of less developed areas.**