

EUROPEAN FUNDING FOR PROJECTS – MAIN SOURCE FOR SUSTAINABLE DEVELOPMENT OF TRANSPORT SECTOR

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ABSTRACT:

The paper reviews the main principles, instruments and indicators for sustainable development of transport sector. The focus is on project management and funding. The investment is considered as the main source that can contribute to sustainable development both of transport sector and economy in general. The sustainable development and project management are particularly relevant and serious areas and their development in Bulgaria depends on a number of factors.

The Bulgarian membership in EU is a propitious opportunity for funding and efficient management of infrastructure projects. The efficient allocation of the funding is an important condition for the successful investment policy. Maximizing the return on each unit investment is particularly important.

Key words:

Investments, Transport Sector, Operational Programmes, Development, Economic and financial crisis.

ABSTRACT:

Статья рассматривает фундаментальные принципы, инструменты и индикаторы для устойчивого развития транспортного сектора. Акцент ставится на управлении и финансировании проектов. Рассматриваются инвестиции в качестве основного источника, которые могут способствовать устойчивому развитию, транспортного сектора и экономики в целом. Устойчивое развитие и управление проектами особенно актуальны и значительные области, развитие которых в Болгарии зависит от многих факторов.

Членство Болгарии в Европейском Союзе является возможность для финансирования и эффективного управления инфраструктурных проектов.

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Важным условием успешной инвестиционной деятельности является эффективное использование ресурсов. Особую озабоченность вызывает максимизации прибыли из каждого модуля входов.

Keywords:

Инвестиции, транспортный сектор, операвнные программ, экономический и финансовый кризис.

The economic and financial crisis imposes aggressive activities, activating sustainable development by stimulating employment, social activity of the population, efficient investment policy and usage of all possible sources of funding, etc. These are the main elements of sustainable development policy, increasing the efficiency of the economy in all sectors and more sustainable way of life.

The increase of the efficiency of transport, as one of the main sectors of the economy includes taking actions and applying investment decisions on vehicle technologies, as well as intelligent traffic control systems. Main decisions on carrying out of tasks assigned may be sought in:

- Investments in new vehicles for sustainable transport – trains, buses, trams, etc.;
- Investments for construction and expansion of bicycle and pedestrian infrastructure for development of sustainable urban mobility;
- Investments in infrastructure improvements for the transport;
- Modernization of the personal cars and the urban transport vehicles;
- Survey in the field of energy-efficient technologies;
- Advertisement and market realization of more sustainable modes of transport.

The transport development is related to the necessity of constant modernization both of transport infrastructure and the transport vehicles. These are the main tasks of particular priority, which implementation will contribute to the development of modern and safety transport system.

The carrying out of the tasks, set in The National Strategy for Sustainable Development of Transport, requires considerable investments for the development, modernization and maintenance of transport infrastructure. The insufficient investments in the transport infrastructure in recent decades has affected the number of the new facilities constructed, the maintenance of the existing in good operational condition and the demand of transport services.

The development of the transport infrastructure of our country as part of the European Transport Network is one of the main priority in the investment policy of Bulgaria. The reconstruction and modernization of the transport infrastructure should be implemented in conformity with the standards and requirements of the EU member states.

The main goal is integration of the national transport infrastructure with the European one and achieving high quality of the transport services. This is an important prerequisite for the economic development of the country.

The investments in the transport infrastructure, the improvement of the transport conditions, as well as the quality of the transport service offered, have direct effect on the volume of carriages of passengers and freight. The investments in infrastructure have a serious impact on both successful business development and improvement the quality of life.

The improvement of the quality of services results in change of consumers' behavior and decision. Thus the economic and social development not only of the transport, but of the whole economy is influenced.

It is necessary the investments to be focused on a certain number of priorities, as their special feature in the transport system are the effects, they realize. They contribute to accelerated economic integration, population social activity and to achieve sustainable development of the sector.

Therefore, the development and implementation of infrastructure projects in the transport sector are of great importance for increasing the accessibility, employment and efficiency. These are some of the socio-economic effects of the infrastructure investment activities.

These effects are of particular importance in forming and developing investment policy in the conditions of economic crisis, since they contribute to achieve accelerated development of both transport sector and economy in general.

Of course, the more efficient utilization of funds under Operational Programmes, by which big infrastructure projects of national importance should be constructed, are significantly essential for transport development.

As a European country, Bulgaria has set and strived to carry out several basic tasks for the transport sector development:

- Integration of transport infrastructure,
- Application of European standards for modern, ecologically-friendly, safety and sustainable transport,
- Harmonization of the national legislation with the European one.

These tasks are often subject to generation of business ideas and development of projects.

The economic development of the country in the period of 2000 – 2013 is characterized with unequal dynamic in the development of the different sectors.

This in turn induced several basic moments specifically for the transport sector:

- Rapid increase of the number of motor vehicles, as a few of them meets the growing environmental requirements;
- High average age of the operated fleet;
- Low quality of the road infrastructure, that does not allow to keep optimal speeds;
- Congestions

To solve these basic problems, it is necessary to implement a number of measures and activities aiming at:

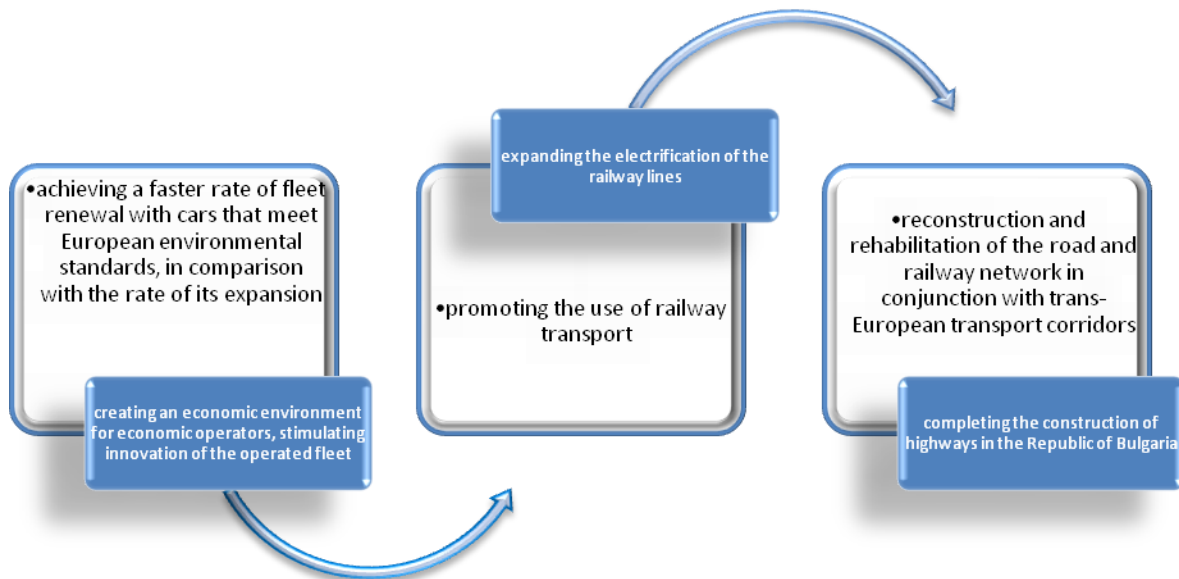


Figure 1

The ability of the country to utilize funds from EU Structural Funds is one of the major prerequisites for development of Bulgaria. The globalization of the economy, the European integration and the new market conditions are key determinants for the development of our country.

As an EU member state, Bulgaria has the great opportunity to use funding from international sources like: Structural Funds, Cohesion Fund, European Investment Bank, European Bank for Reconstruction and Development, World Bank.

The Structural Funds finance programs, related to mutually developed, by the EU member states, strategies for development on regional level and part of them aim at development of the transport and energy infrastructure.

The Operational Programmes as a form of financial support from the Structural Funds comprises of a number of compatible long-term measures, which could be applied by using one or more Structural Funds, of one or more financial instruments of the European Investment Bank.

Bulgaria has the opportunity to utilize almost EUR 7 billion under the seven Operation Programmes that are implemented in the period of 2007 – 2013. This

investment activity has considerable impact on the competitiveness and the economic development of the country.

The rate of utilization of funds under Operational Programmes is of key importance. According the data of the Single Information Web Portal of EU Structural Funds¹, Bulgaria has relatively good rate of negotiating and respectively payments of funds from EU, namely average of 43,40% (Figure 2.)

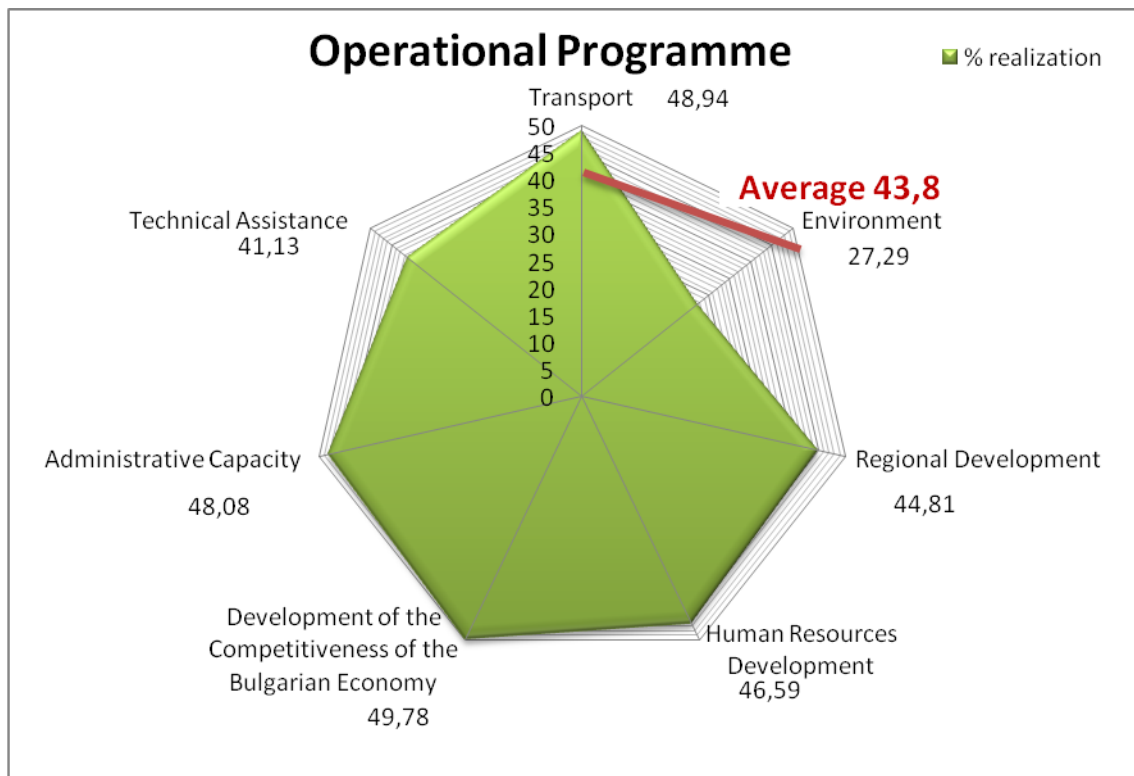


Figure 2

The analysis of these results is important, because it allows us to trace the achievements of our country, the future activities and the priorities that should be set as strategic ones in the next Programming period. The precise determining of the priority of the projects, as well as their duly and qualitative preparation is of key importance. The optimization of the project implementation procedures, their discharge by means of reducing paper work, electronic management will have positive impact on the realization of the objectives of the Operational Programmes.

Especially in the transport sector these measures will result in improving the operation of the entire transport system of the country.

The Operational Programme “Transport” 2007 – 2013 is the biggest among the seven Operational Programmes in Bulgaria, having a budget of EUR 2 billion (EUR 1.6 billion European funding and EUR 0.4 billion national budget). Its implementation affects the country GDP growth, as there is an increase of 0, 8 % in 2013 and the expectations are in 2015 to reach 1,8 %.

The “Transport” Operational Programmes is financed by two EU funds: Cohesion Fund and European Regional Development Fund. As a result of a pitch for motto of the new Programming period, the European Funding in Bulgaria 2014-2020 shall be distinguished by “One Direction – Many Options”. The motto is oriented towards investment development of the Bulgarian economy for almost EUR 7 billion, from national co-funding and Operational Programmes, under which Bulgaria will receive more than EUR 6, 6 billion. It is to be noted that for the next Programming period in comparison with the former one, few resources are allocated for all Operational Programmes. Therefore the reasonable and rational use of this financial resource is of particular importance.

Operational Programmes “Transport and Transport Infrastructure” will be launched in the Transport sector during the period 2014-2020. It will enable to complete the main actions, in which investment expenditures from the previous Programming period are made, as well as to contribute to the completion of the main transport network and separate junctions in the cross-border transport network.

The investments for development of the national transport infrastructure with European funds both from Cohesion Fund and European Regional Development Fund will be planned via the Operational Programme. The investments in the transport system have a number of effects, such as increased economic integration, increased social activity of people, sustainable development.

Therefore, the development and implementation of infrastructure projects in the transport sector are of great importance for increasing the accessibility, employment and efficiency. These are some of the socio-economic effects of the infrastructure investment activities.

These effects are of particular importance in forming and developing investment policy in the conditions of economic crisis, since they contribute to achieve accelerated development of both transport sector and economy in general. Of course, the more efficient utilization of funds under Operational Programmes, by which big infrastructure projects of national importance should be constructed, are significantly essential for transport development.

In times of limited funding, the amount of investments in the transport infrastructure, considered only as a short-term benefit, associated with improving the quality of the transport services, make the transport sector less attractive. On the other hand, if we go deep in the long-term benefits, as well as on their impact on the economy in general, than the investments in the infrastructure are not simply necessary and justified, but serve as mechanism for positive impact on the economic development of the country.

The quality of the transport service is one of the direct effects of the investments in the transport infrastructure and affects the economic and social development of the transport sector, the economy and the sustainable social

development. The Transport sector development in times of economic crisis requires investment policy that will promote investment activity and improve investment conditions.

The investment projects are an essential part of the investment policy and their accurate development is of key importance for efficient development. In general, the financial support that Bulgaria has from the European Structural Funds affects the development of the economy of the country, the international trade, the commercial goods exchange, tourism, transport services integration, foreign investors' attraction.

The Operational Programmes "Transport" and "Transport and Transport Infrastructure" are ambitious and require responsibility, foresight and strict observation of the conditions and objectives in their implementation.

The opportunities upon the Structural Funds for the development of the transport sector require efficient infrastructure projects management, so that the utilization of the available funds is as effectively as possible and in due time. Maximizing the return on each unit investment is particularly important.

The development of the transport sector significantly depends on the optimal allocation of investments, on their maximum use in events and projects that will contribute to the construction, reconstruction and modernization of the necessary equipment.

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Článok recenzovali dvaja nezávislí recenzenti.