

# FUNDAMENTAL ASPECTS REGARDING THE FUNDING POTENTIAL OF THE MINISTRY OF NATIONAL DEFENSE THROUGH EUROPEAN PROJECTS

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**Abstract:** *This article will present the theoretical aspects and the possibility of financing the Ministry of National Defence through European funds.*

*At the same time we will highlight the fundamental aspects of financing public institutions through the use of European funds.*

*The scientific communication is based on pragmatic approaches that will shape the financing of public institutions, starting from the eligibility of a project to the use of the budget and the completion of the project. It will look at how to implement the investment budget from European Union resources.*

*In recent years, the Ministry of National Defence has faced significant challenges in securing adequate funding to modernize the armed forces and address emerging security threats. European Union (EU) funds have emerged as a potential source of funding for Member States' defence initiatives.*

**Keywords:** *funding, non-reimbursable funds, European Defence Fund, Operational Programs.*

## 1. INTRODUCTION

The topic of this paper deals with them modalities of financing public institutions through European funds and how to implement them. The methodology of the paper is based on pragmatic approaches to eligibility and obtaining European funds, and it is believed that these approaches will be able to bring to the forefront the financing of public institutions through investment funds that are made available by the European Union.

The effective concepts of implementation of European funding were exemplified by Michael Bauer and the principles highlighted by him underlie the implementation and eligibility of a project financed by European funds.

Therefore the possibility of financing the Ministry of National Defence through European funds is a topical issue and is important to be explored. The defence sector has played and continues to play a vital role in protecting national security.

The defence sector plays a crucial role in ensuring the security and stability of nations. For example in space domain, the „*race to win supremacy in this new field of military actions pushed economic and military powers of the world to allocate huge amounts for investment in equipment and technologies needed to dominate space*” [2]. However, modernising and maintaining an effective military force requires substantial financial investment. Romania, like many European countries, faces the critical task of securing defence funding. With limited national resources, exploring alternative financial channels, such as European funds, has become an imperative.

Access to funding through European non-reimbursable projects requires compliance with specific EU criteria.

The Ministry of National Defence must ensure eligibility by aligning their defence initiatives with EU strategic priorities, respecting public procurement regulations and adhering to European industrial competitiveness policies.

Therefore, by meeting these criteria, defence institutions can maximise their chances of receiving financial support from European programmes.

The European Defence Fund is the EU's cornerstone initiative for strengthening defence cooperation and reinforcing Europe's defence industry.

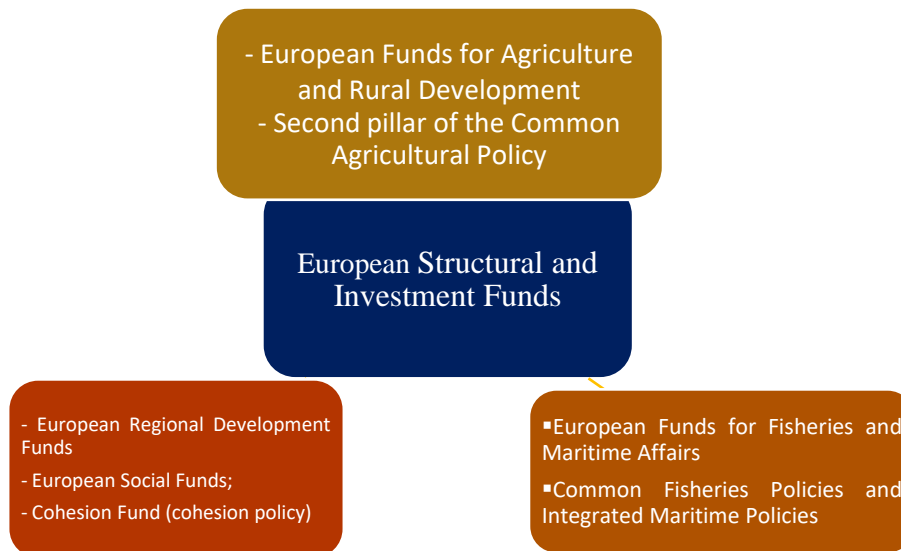
## **2. THEORETICAL CONCEPTS CONCERNING THE FINANCING OF INSTITUTIONS BY MEANS OF EUROPEAN FUNDS**

The generalised concept of "European funds" actually designates the instruments through which the non-reimbursable financing allocated to the Member States of the European Union (EU) will be made, which will reduce certain gaps that are subject to the economic and social development of the European Union states. These funds are managed in a joint manner by the European Commission and each individual Member State.

For Romania, the European Structural and Investment Funds, found under the acronym of European Structural and Investment Funds (ESI), are the main funding resource of the Operational Programmes that have as their main goal the implementation of economic and social cohesion policies at national level.

The types of European Structural and Investment Funds are classified as follows:

- European Regional Development Fund;
- European Social Fund;
- Cohesion Fund;
- European Fund for Agriculture and Rural Development;
- European Fund for Fisheries and Maritime Affairs.



**FIG. 1.** Classification of European Structural and Investment Funds

The European Parliament's Committee on Regional Development has drawn up a plan highlighting best practices in different policy areas and removing obstacles in the use of Structural Funds.

This report is intended to highlight best practice as a way of overcoming certain obstacles and the benefits that come from using EU cohesion funds.

In the context of the report, no clear reasons are given for bringing definitions of "best practice" to the fore, but it does urge the need for a clear definition.

Subsequently, in the guide for the preparation of projects financed by European funds, some definitions have emerged and what the process it goes through entails.

A simplified definition of a project is that it is a "temporary effort to create, with limited resources, a unique product or service"[8].

Projects are therefore processes that involve the following:

- The point from which an individual „ will throw" something, towards a target;
- Eliminating a problem that has been identified and changing the situation;
- The existence of goals that should be possible to achieve;
- A solution to solve a specific problem;
- A beginning and an end, which will take place in one place;
- Involvement of certain skills based on planning and implementation;
- The existence of a team, whose main objective is to aim for the good of an organization or community;
- A number of risks and uncertainties.

Therefore, in order to make management activities more effective in programs and projects, the following aspects of the design and implementation processes should be considered.

The conditions for the preparation and implementation of projects financed by European funds are based on the following principles:

- Objectives must be realistic and clear for both projects and programs;
- Quality factors", which have the main role of reinforcing the long-term benefits of the project;
- Contribution to and consistency in the overall achievement of the European Union's objectives through projects and programs.

### **3. PRINCIPLES UNDERLYING PROJECT CYCLE MANAGEMENT**

Project Cycle Management can be defined as a possible integrated approach to planning, design and management. This theory can ensure that the underlying principles of this approach are taken into account in a methodical way, at each stage, throughout the life of the project.

Project Cycle Management takes into account the broader spectrum of external cooperation, which is promoted within the European Union, through poverty reduction as its main objective.

Taking into account the strategic areas of the Maastricht Treaty, the following aspects emerge:

- Development is a lasting one, especially if it promotes equitable development on the side of investment and policies dealing with labor, social development and environmental protection;
- Integration into world economies through support;
- Fighting poverty.

Therefore, the purpose and impact, given by a program is more comprehensive than in the case of an individual project.

Projects and programs are different in terms of the scale of the resources to be used, in terms of their time scale, but also in terms of the formulation of objectives, management structures and the well-defined role that project team members must play.

The projects, which are individual, will be part of cyclical projects, whereby each term is intended to lead to the long-term achievement of the priorities set out in organizational or institutional strategies.

Project Cycle Management, found under the acronym PCM, is considered an integrated approach to project planning, design and management.

This approach comes with the following six stages of a project cycle approach:

- programming, being the phase in which the principles and the progress that will bring the collaboration with the European Union to a successful conclusion are established in close connection with the Government;

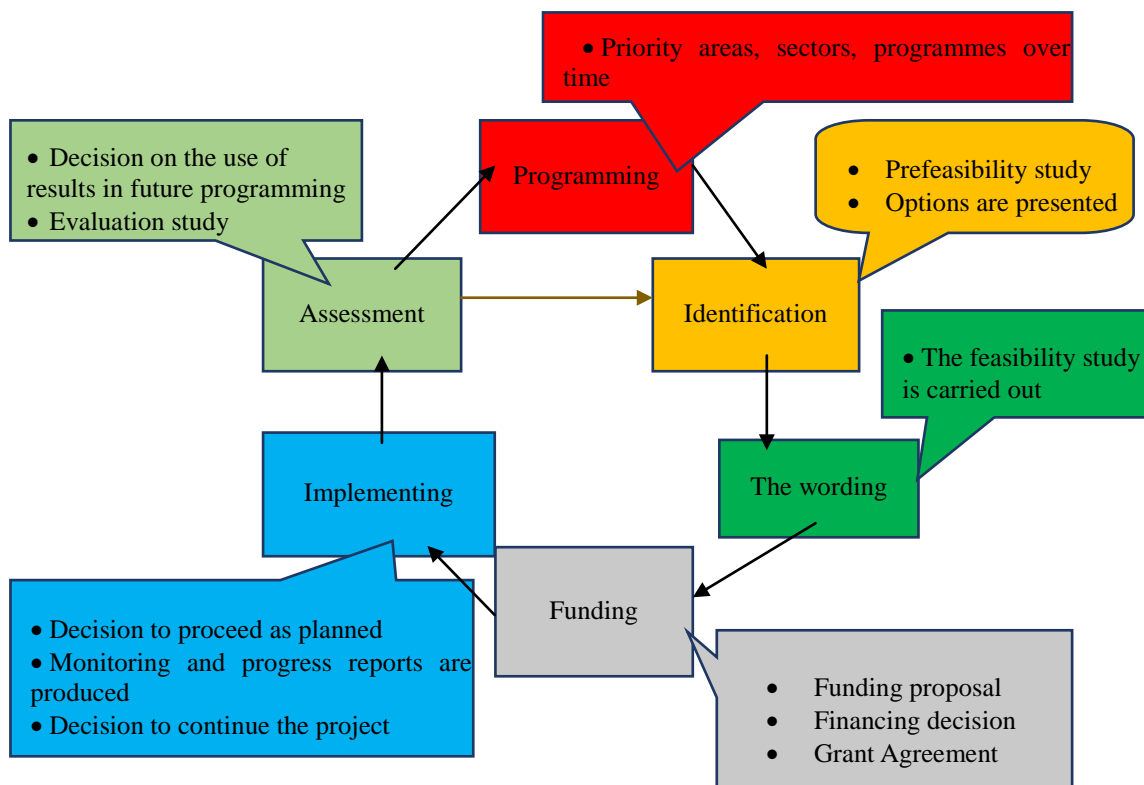
- identification, at this point specific ideas, which are related to programs and projects, are identified and reviewed within the framework established by national strategic documents;

- appraisal, during this phase the project idea will be translated into a proposal and the key aspects of the project will be analyzed in detail;

- financing, this is the phase in which a funding proposal is made and then submitted for evaluation to the appropriate bodies and commissions. Following this phase it is decided whether the project receives funding or not;

- implementation consists of the efficient implementation and completion of all actions in the most favourable conditions, in accordance with the initial plan, using the necessary and planned resources, which will generate the expected results in order to achieve the project objectives;

- evaluation (Evaluation), the role of evaluations that can determine the relevance and achievement of all objectives, project effectiveness and efficiency, impact and sustainability [6].



**FIG. 2.** Project life cycle: documents and decisions

The evaluation phase can also go through other stages:

- during the implementation phase, through mid-term evaluations, at which point certain decisions can be taken, such as whether to continue, change or cancel the project;
- at the end of the implementation phase, at which time the final results received are established and the results of the main objectives are checked;
- at the end of the project, ex-post evaluation and its main objective is to analyze the main consequences of the project and can be used in future projects.

The underlying principles of the ECHP are as follows [1]:

- to systematically respect the major priorities and policies of the European Union;
- implementation and project design will be based on clear and realistic objectives;
- relevance, feasibility and sustainability of the projects financed;
- consultation and involvement of stakeholders throughout the project;
- establishment of key factors by which the project starts.

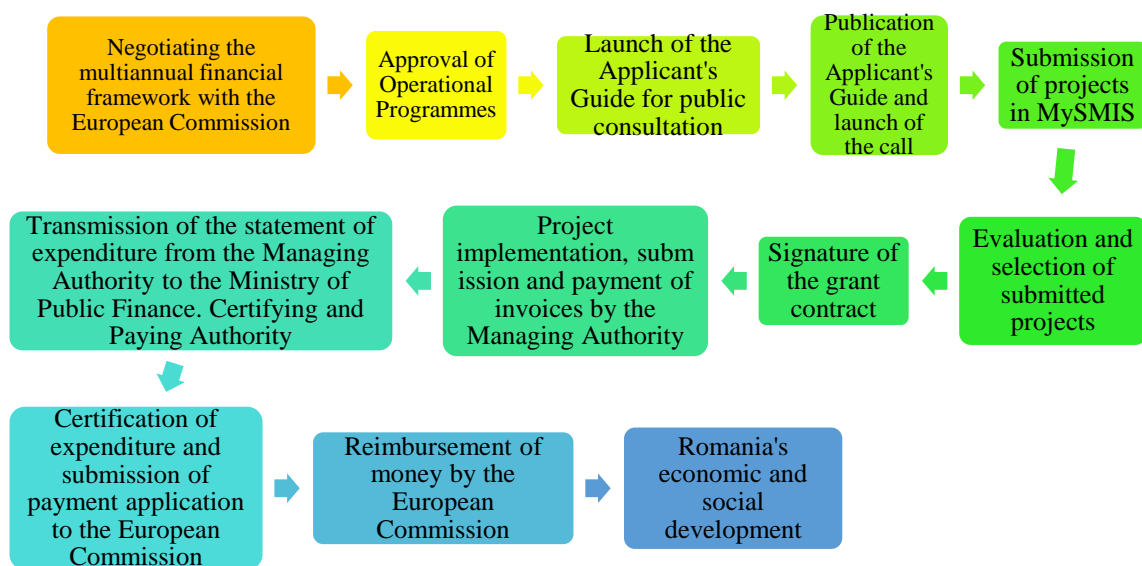


FIG. 3. The European Money Trail

Quality factors that underpin the sustainability of the project and have a positive impact:

- participation and involvement of beneficiaries in the design and implementation of the project;
- securing political support from representatives of authorities, both local and central;
- use of appropriate and adequate technologies;
- adapting the project strategy to the specific socio-cultural aspects of an area;
- systematic application of equal opportunities principles and practices;
- protection of the environment;
- managerial and institutional development;
- financial viability to be introduced in the project for the target group.

#### **4. ADVANTAGES, CHALLENGES AND OBSTACLES OF FINANCING THE MINISTRY OF NATIONAL DEFENCE FROM EUROPEAN FUNDS**

Not having the possibility to finance all its investments for the modernisation of the army, the financing of these major programmes through European projects comes with a number of advantages, but at the same time, challenges and obstacles will arise, leading to the end.

1. These advantages are as follows:

Increased modernisation opportunities: European funds offer the potential to improve the modernisation process of the Romanian Army. These funds can be used to acquire advanced technologies and equipment, improve infrastructure and build the capabilities needed for contemporary warfare.

Reduced dependence on the national budget: funding obtained through European channels could ease the burden on the national budget, allowing increased spending in other areas such as education, health and social welfare. This could contribute to the overall development of society.

Promoting European security integration: Financing the Ministry of National Defence through European funds can stimulate better collaboration and integration between EU Member States. This allows Romania to align its security interests with those of its European partners, ensuring collective strength and security in the region.

Improved interoperability: securing European funds can facilitate participation in multinational defence projects, encouraging greater interoperability with other EU countries.

This interoperability is crucial for joint military operations and enhances Romania's ability to contribute effectively to NATO and EU missions.

2. Challenges and obstacles that the Ministry of Defence National Defence will encounter during these contracts are:

Competition for funding: the availability of EU funds for defence purposes subject to competition from various sectors, including infrastructure, transport and R&D. The Ministry of National Defence needs to create convincing proposals highlighting the crucial role defence plays in regional security and stability.

EU rules and criteria: Accessing EU funds Romania must demonstrate a strong strategic vision, financial responsibility and prioritisation of defence needs in order to secure funding.

Therefore, through European non-reimbursable funds, the Ministry of National Defence has developed and is developing a series of vital projects on different axes, such as [11] :

- Through Priority Axis 3, „Public Buildings” , there have been Rehabilitated the infrastructure of 6 buildings within the Ministry of National Defence, namely [11]:

- a series of works were carried out to improve the energy performance of the building, with the final result of reducing energy consumption, in Pavilion 31 of the 329 Boboc barracks. This had a total value of 23.13 million lei, of which the MApN contribution was 16.96 million lei;

- the thermal rehabilitation of pavilions C4 in barracks 3416 Constanta and pavilions D, D1, D2 and D5 in barracks 1369 Constanta was carried out. The total value of this project was 32.58 million lei. At the same time, for the rehabilitation project of pavilions D, the percentage of eligible expenditure is 55.92%.

In view of the modernization that the Ministry of National Defence is undergoing, the MApN Committee for the Organization and Coordination of the process of attracting non reimbursable European funds has initiated a series of projects to access European funds

under the National Recovery and Resilience Plan (PNRR), in most of the MApN's areas of interest.

Therefore, MApN has submitted several projects for the rehabilitation and modernisation of the wards of military hospitals in Romania, through Component 12 - Health and Component 5 - Wave of Renovation, and the total value of these wards is about 120 million euros, and the deadline for completion of the works financed by PNRR is 2026.

Through the eligibility simulation, the MApN Committee, together with the Directorate of Domains and Infrastructures (DDI), has prepared applications for funding on another axis of the PNRR, which will have as its primary objective to rehabilitate all public buildings, and the total value of the investments is about 12.4 million euros.

In this regard, we appreciate that it is necessary for the Ministry of National Defence to apply effective financial management, which is considered a priority for achieving objectives and fulfilling specific missions, and also „*economic and financial management represents a segment of general management, an extension of it into the economic and financial area of the organization*” [3].

## CONCLUSIONS

We can conclude that the approach to projects financed by structural funds is particularly complex, with numerous implications in several areas (social, economic and geopolitical).

These funded projects are intended to enable all institutions to achieve a multitude of strategic objectives, more than they could have achieved through their own budget or from the state budget.

One aspect to bear in mind when financing projects through European funds is the social and economic impact they will have in the future, i.e. how the situations of the people who will benefit from the financing of the projects will improve and how the social environment will become.

Securing funding through European funds provides Romania with an opportunity to strengthen its defence capabilities, increase interoperability with European partners and be able to promote regional security integration. By actively engaging in European defence initiatives and developing strategic partnerships, Romania will be able to present convincing proposals and meet the challenges inherent in accessing European funds.

It is essential for Romania to priorities the needs of the defence sector and to pursue funding avenues that contribute to national security and the wider European security architecture.

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