

The Perspective of Public Institutions on the EU Funds Management System

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ABSTRACT

The scope of this research was to highlight the most important weaknesses of the management system associated with the absorption of EU Funds dedicated to the development of the human capital in Romania, as seen from the perspective of the public institutions that have the most intense direct contact with program and project beneficiaries (the intermediary organisms). In order to achieve this scope, a broad approach in terms of analysing the processes associated with the management system was required – thus, all of the most important processes carried out within the program have been analysed in order to highlight the most significant dysfunctionalities. A specific analysis was carried out for each of the following types of program specific actions: programming, implementation and control and audit actions. The most significant weaknesses were identified within the programming and implementation set of actions, while control and audit actions were appreciated by the research sample to be positively relevant to the scope of the programs they managed. In terms of programming, most programming documents were appreciated to be as average in quality, impacting the whole life cycle of the program. The implementation actions were evaluated from the perspective of relationships between intermediary organism and the Managing Authority and with project beneficiaries. In this field the research was extended and the major factors for the relatively low quality of interactions within the program were identified. Finally, taking into account the results of the research, I have presented a series of recommendations and proposals for improving the management system that will ultimately lead to an improvement in the absorption rate and in the overall success of the program.

KEYWORDS: *public institutions, public administration, EU Funds, European Social Fund.*

JEL CLASSIFICATION: *F50, F60, H11, H83.*

1. INTRODUCTION

Since its adherence to the European Union (EU) that was confirmed in 2004 and became officially enforced in 2007, Romania has received payments of over 44 billion Euro from the EU budget under the Multiannual Financial Framework (MFF) mechanism. Over the same period of time, the Romanian financial contribution to the EU budget amounted to approximately 15 billion Euro – thus, the net balance of payments is positive to an amount of almost 30 billion Euro over a period of 10 years (Romanian Government, Ministry of Regional Development, Public Administration and European Funds, 2018, a). It is thus evident that the benefits for Romania in terms of its adherence to the European Union are significantly positive, at least from the perspective of the net balance of payments with European institutions.

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However, there are multiple means through which the overall benefits of the adherence to the European Union could have been multiplied and developed over the 10 years in which Romania has been a full member state. In terms of the financial benefits from the MFF mechanism, the 2007-2013 period has been characterized by significant losses of allocated financial resources, especially in the operational programs dedicated to the development of transport and environment infrastructure (European Commission, 2018). According to data presently available (in January 2018), the Romanian Government has lost the opportunity to use approximately 2 billion Euro in the 2007-2013 framework representing close to 10% of the total financial allocation for that period. In terms of the human resource-focused program (the focus of the current research), the absorption rate in the 2007-2013 is in accordance with overall average between all operational programs, but has been characterized by a significant increase in terms of resource consumption in the final years of implementation (2014-2015).

Extending the analysis to the first years of the current Financial Framework (2014-2020), the experience gained by public authorities in prior years has been only marginally used for improving the management system and processes related to the implementation of EU-funded operational programs. By December 2017, Romanian public institutions responsible for the management of EU Funds have sent expenditure statements that amount to approximately 10% of the available funds for the entire period and only 6.46% were actually reimbursed by the European Commission (Romanian Government, Ministry of Regional Development, Public Administration and European Funds, 2018, b).

In this general context, the current paper aims to present and analyse the perspective of the staff from public institutions involved in the actual implementation and management of the EU-funded programs, namely in the implementation of the Human Capital Operational Program 2014-2020. This program is mainly funded from the European Social Fund – the main instrument for supporting jobs, helping people get better jobs and ensuring fairer job opportunities for all EU citizens (European Social Fund, 2018). The perspective of the research sample (the staff of public institutions) is extremely important as it can provide important feedback in terms of establishing the main weaknesses of the management system and of the processes that are needed in order to use EU financial resources, alongside the input and feedback received from program beneficiaries. The analysis will result in a series of recommendations needed in order to improve the overall management of EU Funds and increase the absorption rate in the current Financial Framework.

The research method used for attaining these results is the questionnaire – it was applied to the staff of intermediary organizations accredited for managing the interaction between the central public institutions (the Ministry for European Funds and the Management Authority of the program) and project beneficiaries (both public and private organizations). I considered their input to be relevant for the goal of the research especially due to their positioning within the program management system – these institutions have interactions with both the central public institutions and the project beneficiaries and are aware of perspective from both sides.

2. BACKGROUND OF RESEARCH

The Cohesion Policy is the main financing instrument of the European Union and it targets all regions and cities of the Member States. It aims to support job creation, business competitiveness, economic growth, sustainable development and improve the quality of life for all EU citizens. It provides the necessary investment framework and strategy to meet the common growth goals established within the Europe 2020 Strategy – goals in the fields of

employment, innovation, education, social inclusion, and climate/energy. In order to reach these goals and address the diverse development needs of all regions of the EU, over 350 billion Euro (European Commission, 2014) – almost a third of the total EU budget – have been allocated to the Cohesion Policy within the 2014-2020 period. The Cohesion Policy is delivered through three main funds (the European Structural and Investment Funds):

- European Regional Development Fund (ERDF): aims to strengthen regional economic and social cohesion by investing in growth-enhancing sectors to improve competitiveness and create jobs, alongside financing cross-border cooperation projects;
- European Social Fund (ESF): invests in people, with a focus on improving employment and education opportunities. It also helps disadvantaged people (in poverty or social exclusion);
- Cohesion Fund: invests in green growth and sustainable development, and aims to improve connectivity in member states with a GDP below 90% of the average in the member states.

The main focus of this paper, the European Social Fund, was created in 1957 and is Europe's main instrument for supporting jobs, helping people get better jobs and ensuring fairer job opportunities. The fund contributes directly to the achievement of three of out the five main targets of the Europe 2020 Strategy (European Commission, 2014, p. 3), namely: the target related to employment (75 % of the population aged 20-64 should be employed); the target related education (the share of early school leavers should be under 10% and at least 40% of the younger generation should have a tertiary degree); the target related to poverty (20 million less people should be at risk of poverty). The Romanian experience in terms of European non-refundable funds began before the actual adherence to the European Union and implied the usage of multiple pre-adhesion funds (PHARE, SAPARD and ISPA programs), with significant results in terms of the absorption rate. After the official adherence to the EU, on the 1st of January 2007, as mentioned in the introduction, Romania would benefit from approximately 19 billion Euro in the 2007-2013 financial framework that effectively ended in 2015. This sum was reimbursed directly from the ESI Funds, but the last payments for the 2007-2013 period are still under evaluation at the European Commission Directorates (data available for December 2017).

Finally, an important context element for this research refers to the main components of the management system dedicated to managing and using EU Funds in the field of human resource development. In accordance with the Human Capital Operational Program 2014-2020 (Romanian Government) and with Regulation (EU) no. 1303/2013 of the European Parliament and of the Council, every member state must assure the following minimal authorities responsible for the management of an operational program: an audit authority, a certification and payment authority and a management authority. Romania has applied this management structure from the 2007-2013 financial framework, but it extended the system by adding a series of intermediary organisms that represent the management authority in the relationship with project beneficiaries. The decision to implement this intermediary entity was based on the need to decentralize activities and to increase the speed of processes carried out within the program. Intermediary organisms were created in each region of development within Romania and based on the needs of certain domains (namely, education and the labour force). The management system that is valid within the 2014-2020 framework is similar and its graphic presentation is done within the following figure.

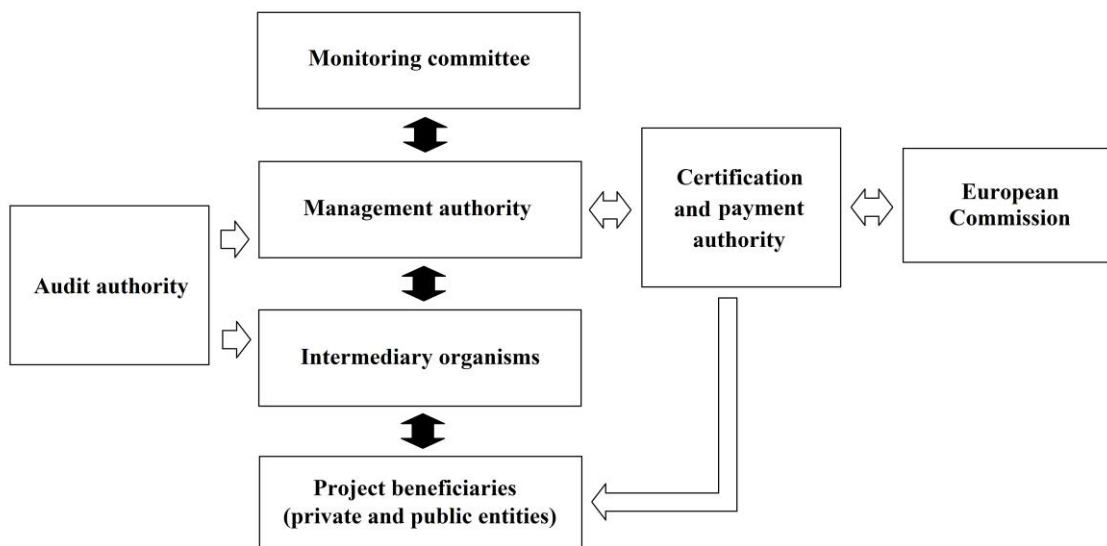


Figure 1. The management system of operational programs in Romania

Source: adapted from the sources mentioned above.

In terms of the proposed theme for research, the documentation and analysis phase for the current research highlighted a significant lack of previous research carried out within this area. I considered this to be a relatively normal result due to two main reasons. Firstly, the programs that are the focus of this research have presented relatively few final data in terms of their implementation and results, as the 2007-2013 program has not been formally closed and the 2014-2020 program has had a very slow start until the present day. Secondly, there is a significant effort required in order to explain and prove the need and importance of research on the activities and perspectives of public servants on their domain of activity (in this case, on the usage of European Funds). The current applicable Romanian law (on public transparency) states that public institutions are not required to answer to the type of questions that were included in this research and imposes a long term for any answer in general.

However, one research carried out by Romanian specialists (Zaman, Cristea, 2011) upon the general topic of EU Funds absorption highlights the fact that obstacles for increasing this financial rate can be categorized based on the phase in which the projects are, namely:

- the stage of implementation commencement, in which the main identified difficulties are: starting the project portfolio preparation and launching the application, and continuing with the launching of evaluation and commencement of implementation by the beneficiaries, especially for large projects, and ending with budgetary projects, at the institutional level, and legislative non-conformity or compatibility);
- the stage of project application launching, characterized by the lack of medium and long-term strategies, prepared in accordance with European directives, the late operation of certain modifications in the national legislation in various areas was not reflected in the specific guidelines and other difficulties;
- the project selection and contracting stage, defined by a relatively long duration of the project evaluation, selection and contracting processes, submission of a very large number of projects, during the last days before the deadline (which put more pressure on evaluators), significant difficulties (in terms of financial effort and time) in preparing financing application files and difficulties due to the beneficiaries' failure to comply with the deadlines for transmission of documents;
- the stage of project implementation, at the level of the beneficiaries, was hindered by the following obstacles of a bureaucratic or legal nature: difficult progress in public

procurement procedures, delays in the contract awarding process due to the lack of guides and good practices, high number of public contestations, alongside long terms for the issuance of decisions on this matters by public institutions; major difficulties in ensuring the financial resources for starting the projects; relatively limited expertise capacity of central and local administration beneficiaries in preparing and implementing the projects.

In addition to the phase-related issues, the research highlighted a series of transversal problems of the public management of EU Funds:

- legislative obstacles, having an adverse impact on the structural funds absorption rate, that practically appear in each of the implementation stages, starting with the definition of the vision, sectoral strategies and priorities, until the preparation of applicants' guides, contracting and project implementation;
- institutional obstacles that mainly refer to the accreditation of management and control institutions for all operational programs, the complexity of the procedures and problems related to recruiting and retention of public servants who, for various objective/subjective reasons, leave the job after a certain period of time.

Another research in the field of EU Funds public management aimed to test the effectiveness of EU Funds in a sound macroeconomic framework (Tomova et al., 2013). One objective of the research referred to testing the impact of macroeconomic, fiscal and cohesion policies on socio-economic development within member states. The results show that, in line with their objective, EU Funds contribute to improving the socio-economic development of countries. The results also confirm the importance of having a sound macroeconomic and fiscal framework for the social and economic development of each member state.

Secondly, the research focused on the link between sound fiscal and economic policy and the effectiveness of the Cohesion Policy. EU Funds have been found to improve socio-economic development. However, when accompanied by a sound macro framework, their effectiveness in enhancing the development of countries is found to be further increased. In an economic environment with high government debt levels, the effectiveness of EU funds can be greatly diminished. The positive impact of EU Funds is also weaker in the presence of macro-economic imbalances such as considerable foreign borrowing. Both conclusions highlight the importance of a proper public management of the usage of EU Funds, thus supporting the motivation for further research in this area.

A final relevant research for the area analysed within this paper aimed to promote a series of actions required for accelerating the absorption processes in Romania (Cace et. al, 2011). Their approach in terms of improving the public management in this area of expertise is based on the involved stakeholders. The explanatory model structured by the proportion of applications to engagements, proportion of reported signed contracts to engagements and rate of the certified expenditure related to engagements showed the existence of a dragging mechanism, lacking the expertise of the planned absorption according to the annual payment deadlines and procedures, characteristics of the incipient stages of absorption, which were also displayed by the member states that joined the European Union in 2004.

The standard model for analysis used to synthesize the results noticed throughout the year 2009, showed a swifter rhythm of structural fund absorption by Romania; this expresses largely the efforts of the potential beneficiaries to adapt to the conditions of the financing lines and less a stimulating and selective administrative process concerning the efficiency of

the submitted projects. Thus, the importance of an improved public management is highlighted again and required for a faster absorption of EU Funds.

Taking all of this issues into account, I considered the topic to be one of significant novelty and interesting results could be achieved after its implementation. Furthermore, another form of motivation was generated by the fact that I have been involved in the implementation of projects funded from these programs as a technical expert and a project manager and I have also had a brief professional experience within the central public institution responsible for their management.

3. RESEARCH METHODOLOGY AND RESULTS

3.1 Research methodology

The scope of this research was to highlight the most important weaknesses of the management system associated with the absorption of EU Funds dedicated to the development of the human capital in Romania, as seen from the perspective of the public institutions that have the most intense direct contact with project beneficiaries (the intermediary organisms). In order to achieve this scope, a broad approach in terms of analysing the processes associated with the management system was needed, as a weakness in a generally considered non-important domain could highly affect the implementation of the program. However, due to the limited presentation possibilities within a research article, the research has focused on the most important processes that are carried out within the Human Capital Operational Program 2014-2020 (programming actions, implementation actions and control and audit actions). Thus, the following research hypothesis were set:

- Hypothesis 1: The management system of human development programs has significant weaknesses in terms of programming actions and programming documents, as more than half of the respondents appreciate the quality of these elements to be substandard.
- Hypothesis 2: Within the implementation actions of the programs, the intermediary organisms have had a significantly better formal interaction with the project beneficiaries than with the managing authority.
- Hypothesis 3: The relevance and effectiveness of control and audit authorities in the processes related to the management system is appreciated to be substandard by the staff of intermediary organisms.

The methodology of the research involved a primary research, based on the questionnaire technique, disseminated electronically to the experts that have worked within the ten intermediary organisms currently active and accredited within the Human Capital Operational Program 2014-2020, starting from November 2017. The sample for this research was formed out of 110 public servants, with a heterogonous distribution in terms of certain relevant characteristics (age, education, work experience, type of activity carried out within the institution). The questionnaire was distributed in Romanian and can be visualised by accessing the following link: <http://bit.ly/2GfWlsm>. It contains two sections relevant to the current research: a section dedicated to the identification of the respondent (based on the characteristics presented above) and a section dedicated directly to the research that contains 22 questions. The questions were formulated in order to evaluate the perspective of the respondents on all of the processes carried out within the program (from the programming phase to the final reporting activities and the monitoring of the sustainability actions).

The total number of public servants that worked within these institutions was, at the date of the sample establishment, 399 public servants divided within ten intermediary organisms (eight regional intermediary organisms, one per each development region in Romanian; the intermediary organism for the education axis of the program; the intermediary organism for actions implemented by the National Agency for Employment). This number was achieved by summing up public data available on the Internet site of each public institution analysed in this research. Taking into account this level for the research population, a confidence level of 95.00% and the sample mentioned above, the interval of confidence for the research is 7.96%.

3.2 Research results

We begin the research results presentation by highlighting the general perspective of the research sample in terms of their experience while managing the operational programs. I considered this to be relevant as it is an aggregator of the results to be presented in the following paragraphs of this chapter. The results relieve the fact that 12.7% of the respondents consider their general experience while managing the two human development programs to be widely positive, while a majority of 71.8% appreciate their general experience as positive. The graphic representation of the full results on this matter are presented in the figure below.

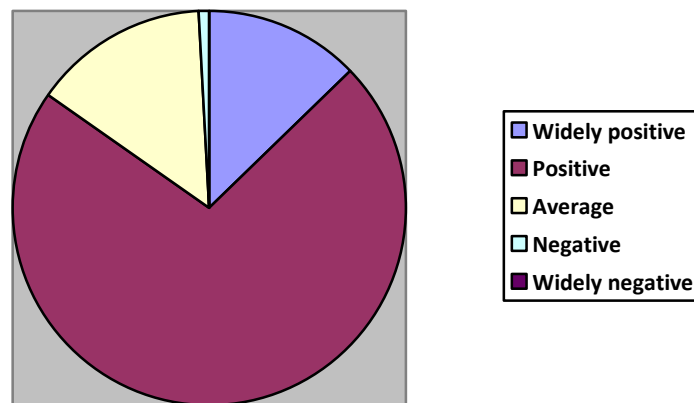


Figure 2. The general perspective on the management processes

Source: author research.

Based on the results above, one can state that the public servants responsible for the management of the analysed programs are highly appreciative and pleased with their activity in this system. Over 80% of the respondents are widely positive or positive and only one respondent had a generally negative feedback on their experience. To a significant extent this is an unexpected result as the final results of the actions carried out by this management system (the technical indicators and the effective absorption rate) are well under their targets.

Changing the perspective from a general approach to a process specific approach, the following analysed results are related to the first hypothesis of this research and, thus, to the programming actions realised within the programs. The approach in this specific area will be based on analysing the outputs of these actions, namely the programming documents – a series of documents that set the context, rules and procedures for implementing the program, in general, and the projects financed from it, in particular. Within the questionnaire used in this research three questions were directly linked to this area of analysis, focusing on the following types of programming documents:

- the general program documents (the programs themselves, the National Strategic Reference Framework and the National Plan for Development for the 2007-2013

period and the Partnership Agreement between Romanian and the European Commission for the 2014-2020 period);

- the documents created for supporting the project draft and proposal submission phase (the general guidelines and the specific guidelines for each call for projects);
- the documents relevant for the implementation phase of the selected projects (management authority instructions, beneficiary guides and other similar documents).

The table below presents the results of the research in terms of the perspective of intermediary organism on each of the three types of programming documents. The characteristics that were put forth for analysis are the quality and the completeness of these documents.

Table 1. The perspective of intermediary organisms on programming documents

Type of document	Very high	High	Average	Low	Very low
General program documents	2.7%	39.1%	46.4%	10.9%	0.9%
Documents created for proposal submission phase	1.8%	39.1%	47.3%	11.8%	0.0%
Documents relevant for the implementation phase	3.6%	33.6%	54.5%	7.3%	0.9%

Source: author research.

The results included in the above table highlight an average level of quality and of completeness for the programming documents used in the operational programs dedicated to the human resource development. In terms of the general program documents, only approximately 40% of respondents stated that their quality was very high or high. The majority of respondents considered these documents to be average or of a low quality. The same distribution of results can be also found within those associated to the other two types of documents (for the submission of project and for the implementation phase). From my perspective, the results are more than alarming – the public servants that are mostly involved in the implementation of the program, through their constant collaboration with project beneficiaries and the management authority, consider the documents that set the whole implementation context to be of an average quality. The mode in which a program was configured, the procedures and rules that apply in the different phases of the program implementation are unclear and may cause difficulties while applying them. This can result in the incorrect usage of the European financial resources and, finally, to disapprovals for payments from the European Commission. In the context of this research, the results confirm the first hypothesis due to the fact that approximately 60% of respondents appreciate the quality of programming documents to be, on average, substandard.

The analysis carried out upon the implementation processes of the program was focused on two significant relationships between components of the management system for EU Funds, namely: the relationship between intermediary organisms and project beneficiaries and the relationship between intermediary organisms and the Managing Authority of the programs. In order to analyse whether the second hypothesis of this research is confirmed or not, the questionnaire used involved a parallel assessment of the two relationships described above. When asked about the two types of interactions with the other components of the management system, based on the same scale of evaluation, the staff of intermediary organisms had a better appreciation of their relationship with the beneficiaries, if compared to the interactions they have had with the Managing Authority. Results are presented in the figure below.

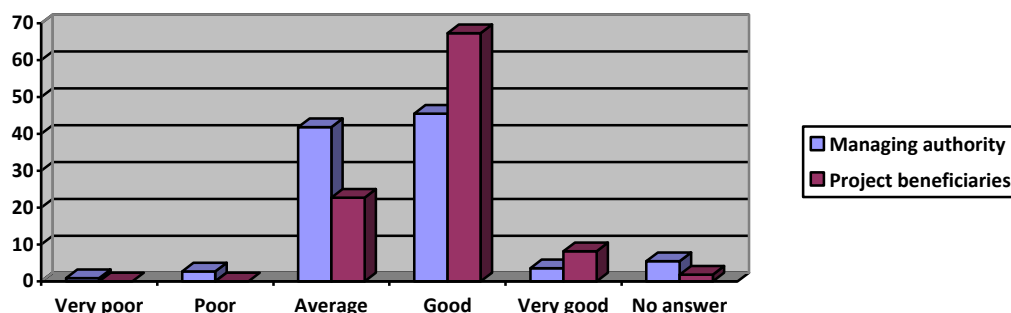


Figure 3. The perspective of intermediary organisms on the quality of formal interactions with the managing authority and with project beneficiaries

Source: author research, in relative terms.

If the qualitative scale used in the questionnaire is associated with a quantitative one (on a scale from 1 to 5), the relationship between intermediary organisms with project beneficiaries would be graded with 3.783, while the relationship with the Managing Authority would be graded with 3.317 out of 5. There is thus a significant difference between the appreciation levels for these two relationships – an interesting extension of this research refers to the evaluation of factors that have led to these levels of appreciation, as an important mean of improving the situation of both relationships (both are graded between average and good, with significant space for improvement).

In order to provide a better understanding of this matter and in order to assure a proper assessment of the research hypothesis, the following paragraphs will include the analysis of each of the two relationships, broken down in a series of relevant factors for their overall quality. The following figure presents the evaluation of the research sample on the factors that were determined to be relevant for the general quality of the relationship they have had and have with project beneficiaries.

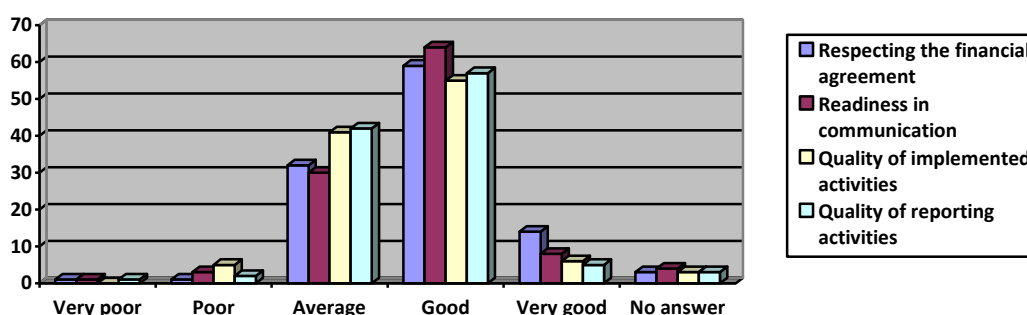


Figure 4. The perspective of intermediary organisms on the quality of formal interactions with project beneficiaries, on specific aspects

Source: author research, in absolute terms.

All of the four factors considered have been appreciated as being good by the intermediary organisms. Two of the factors have been generally appreciated more positively (respecting the financial agreement and readiness in communication), with room for improvement for the other two factors (the quality of activities and the quality of reporting actions). The following figure presents the results for the other relationship, broken down in four relevant factors for its specificity.

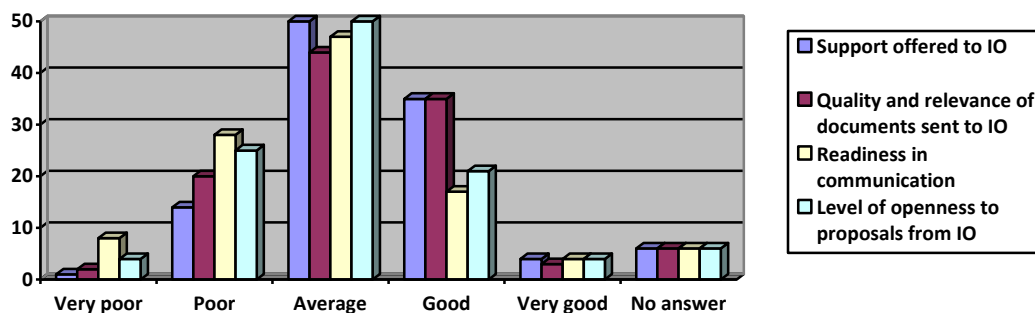


Figure 5. The perspective of intermediary organisms on the quality of formal interactions with the managing authority, on specific aspects

Source: author research, in absolute terms.

The results highlight an overall average level of appreciation of the four factors. There is a significantly weaker evaluation of one factor, the readiness in communication processes. This can be justified by the fact the Managing Authority has the highest work load of all the system components, as it interacts directly with the European Commission, with the Certification and Payment Authority, with the Audit Authority, with all intermediary organisms and, in multiple cases, directly with project beneficiaries (if they have a significant importance for the program or if they are difficulties between them and the intermediary organisms). Thus, due to the limited resources, there will be clear delays in communication with all entities, not only with the intermediary organisms. The second factor to be evaluated more poorly is the level of openness of the Managing Authority to the different improvement proposals of the intermediary organisms – as they are more close to the actual implementation and reporting activities, their perspective is relevant for constant improvement within the program and it should be more frequently taken into account by decision makers within the central public authority.

Based on the results presented in the previous paragraphs, the second research hypothesis is confirmed and the most significant weaknesses for the low quality of the analysed relationships were identified. Improvement measures in these fields are required and some of the most important and efficient ones (from my perspective) will be presented within the conclusions and recommendations section of this article.

Extending the research to the final hypothesis, the perspective on the control and audit will be analysed in the following paragraphs. As mentioned before in this article, one of the requirements set within European regulations in the field of EU Funds implies that every member state should develop an Audit Authority that will implement control, audit and prevention procedures within the activity of the Management Authority and that of the intermediary organisms. As one of the focal points of control activities, the perspective of intermediary organisms was considered to be of a high relevance for the scope of this research. When asked about the relevance of control and audit activities carried out on their activity, public servants included in the research sample stated that these activities were mostly relevant – 1.8% appreciated them to be very relevant, 52.7% relevant and 35.5% stated that these actions had an average level of relevance for the program processes. The following figure presents the distribution of response on this matter.

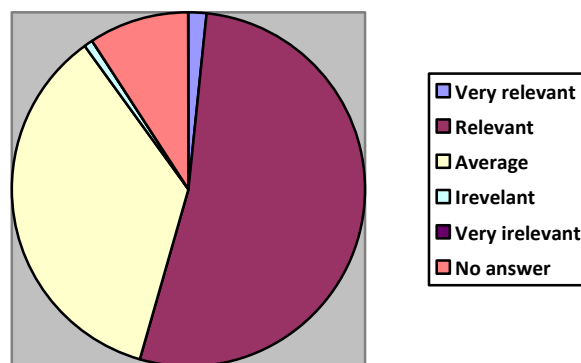


Figure 6. The perspective of intermediary organisms on audit and control activities

Source: author research.

The results highlight a significant relevance attributed by the intermediary organisms to the audit and control activities realised within the program. More than half of the valid answers appreciated these activities to be highly relevant and relevant for the scope of the program. Thus, the third and final hypothesis of the research is not confirmed. This represents an important strength for the management system as efficiency and effectiveness in this domain is highly important for the whole program. A proper audit can remediate weaknesses in the different other processes and the most significant evaluation on this matter is the one done on the activity of intermediary organism (due to their position within the management system).

4. CONCLUSIONS AND RECOMMENDATIONS

The results presented within this research article highlighted a series of weaknesses in the programming actions and the implementation phase of operational programs financed from EU Funds dedicated to human resource development. Out of the total of three research hypothesis, only two were confirmed, while the final one was invalidated by the positive appreciation of intermediary organisms upon the audit and control actions realised in the program. In this context, the following paragraphs aim to address the identified weaknesses of the program and propose a series of recommendation for their reduction in intensity.

The average level of quality associated to programming actions and their outputs (the programming documents) represents a major weakness of the system as these actions have a profound effect on all of the following processes (evaluation, implementation, reporting, etc.). For this reason their improvement is decisive for the success of the program and for the economic and social development of Romania, in general. A first measure in this field would be to simplify programming actions by decreasing the number of documents that produce rules for the program and the projects financed from it. In addition to this, a reduction in redundancies between documents would be beneficial for all parties – a good measure in this area would be to trim down the Partnership Agreement and the actual Operational Program. There are multiple information in the Operational Program that are significantly irrelevant and can be eliminated from its content (for example, rules for sustainable development that have little relevance in this type of program, as proven by the rules set for the European Social Fund). Another important measure to be implemented in this period refers to the better handling of beneficiary guides for the implementation of projects. This type of documents must be continuously updated with the applicable rules and mechanisms, as the faulty interpretation of rules will cause the beneficiaries to make ineligible expenditures. More concretely, as an example, the Beneficiary Manual for the Human Capital Operational Program 2014-2020 has not been updated for approximately five months (it was published in

August 2017 and no update was presented till the date of this article's submission in January 2018). There have been multiple legislative changes that are not included in the last version and this lack of promptness can be misleading for program beneficiaries.

Within the implementation phase analysis, two factors have been identified for each type of analysed relationship that represent significant weaknesses for the general quality of the program. In the case of beneficiaries, the two factors are related to the quality of activities and the quality of reporting actions, even though their intensity is not very strong (if compared to the factors associated to the relationship with the Managing Authority). Both of these factors can be overcome through training actions for beneficiaries, actions that can be financially supported from the technical assistance axis of the operational program. Multiple good practices have been registered in this field in the 2007-2013 financial framework and their replication is needed and can be easily done by public authorities.

In terms of the intermediary organisms' appreciation of the interactions with the Managing Authority, the readiness in communication processes was the factor with the most significant negative effects. Due to its central position in the management system, this result was, to a certain degree, expected. In order to mitigate its effects the staff of the Managing Authority can be increased in number and procedure could be put in place in terms of the communication plan for this organization. Currently, the authority does not have a clear allocation of human resources for each type of relationship with the other components of the management system. If this would be put in place and each structure within the authority would have a lead on communication with one other component of the system, the efficiency in this field would be much improved. In the current state there is no clear responsible for any type of interaction and, thus, communication is faulty and has significant delays to all other institutions.

The second factor identified in this field was the level of openness of the Managing Authority to the different improvement proposals of the intermediary organisms. I consider this to be highly linked to this first factor described, as the lack of a proper communication approach does not allow the central authority to listen to the different proposals of the intermediary organisms. If the communication processes are improved through the measures proposed above, this weakness would also be reduced or completely eliminated. This would ultimately lead to a better management system, to a bigger impact within the economic and social environment of Romania and a significant improvement in terms of the absorption rate.

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