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OVER-BUREAUCRATIZATION, UNDER-STAFFING & MISCOMMUNICATION:

THE CAUSES OF LOW ADMINISTRATIVE ABSORPTION CAPACITY IN
ROMANIA FROM 2007 UNTIL 2013

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PREFACE

It was four years ago when I first started to study Public Administration at the National University of Political Studies and Public Administration, in my hometown, Bucharest, Romania. Last year, after having obtained my Bachelor's degree, I decided to enrol for the Comparative Politics, Administration, and Society Master's programme at Radboud University in Nijmegen, the Netherlands. Thus, I began one of the most exciting, inspiring, and challenging (both academically and personally) years of my life.

From the beginning, I started with the hope of creating something relevant for society, something that would bring added value. I looked at Romania to see whether or not I could find an interesting case to analyse. After the preliminary research, I discovered the problem of low Structural and Cohesion Funds absorption rate was often discussed in both the media and academia. It was also a sensitive issue, and one that affected both private citizens and public institutions. The actual research was conducted between February and July 2015. Furthermore, this thesis is targeted towards professionals working in the public institutions connected with the Cohesion Policy, consultants or beneficiaries.

I would like to give special thanks to both of my parents. Without their unyielding support this would have been nothing more than a dream. Furthermore, I am extremely appreciative of all the support and guidance provided by my supervisor, Dr. Ellen Mastenbroek. She kept me motivated and optimistic when the task of writing a Master's thesis in such a small time frame seemed insurmountable. I would also like to thank all the people who have participated in the interviews. Their contribution was invaluable for this research. A warm thank you goes to my friend, Zac Delamont, for taking the time to proofread most of this thesis. Finally, I would especially like to thank you, *the reader*.

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List of Abbreviations

ACSI	Authority for the Coordination of Structural Instruments
CF	Cohesion Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
IB	Intermediary Body
IFD	Implementation Framework Document
IR	Implementation Report
MA	Management Authority
MEF	Ministry of European Funds
MFF	Multiannual Financial Framework
NDP	National Development Fund
NSRF	National Strategic Reference Framework
NUTS	Nomenclature of Territorial Units for Statistics
OP	Operational Programme
OP ACD	Operational Programme Administrative Capacity Development
OP TA	Operational Programme Technical Assistance
R OP	Regional Operational Programme
SEA	Single European Act
SOP	Sectoral Operational Programme
SOP E	Sectoral Operational Programme Environment
SOP HRD	Sectoral Operational Programme Human Resource Development
SOP IEC	Sectoral Operational Programme Increase of Economic Competitiveness
SOP T	Sectoral Operational Programme Transport
TEU	Treaty on European Union
TFEU	Treaty on the Function of the European Union

1. Introduction

1.1. The Puzzle

This thesis will tackle a rather salient issue related to the Cohesion Policy (sometimes referred to also as Regional Policy) of the European Union (EU) – i.e. the factors that influence the absorption rate and capacity of a member state. To begin, the Cohesion Policy is the primary redistributive policy of the EU, that is to say, the member states receive over a period of several years a set amount of funds, allocated to them by the European Commission, with the long term goal of achieving socio-economic equilibrium among all European regions. The issue itself has to do with the factors that determine the absorption rate of Structural and Cohesion Funds¹ in a member state; in this case, Romania. Simply put, the absorption rate signifies the amount of money a member state manages to access during a Multiannual Financial Framework (MFF), and it is usually measured as a percentage. To give a concrete example, if the Commission allocates X amount of Euros in the form of Structural and Cohesion Funds to member state A, and this member state has successfully accessed $\frac{x}{2}$ amount of Euros, then one can say that member state A has had an absorption rate of 50% of the total funds allocated. However, even though absorption rate is crucial, the thesis has its attention primarily set on the country's absorption capacity. In Layman's terms, absorption capacity stands for the country's ability to access and spend the Structural and Cohesion Funds allocated to it, within a certain financial period, so as to contribute towards a higher economic and social cohesion (NEI, 2002; IER, 2005). The two concepts, absorption capacity and absorption rate are closely interrelated as the higher a country's absorption capacity, the higher its absorption rate, and *vice-versa*.

Furthermore, the MFF is a period of six years, split up into multiple stages, during which the actual implementation of the Cohesion Policy takes place. The need for time delimitation between different periods of implementation stems from the one of the guiding principles of the policy, i.e. programming, and will be elaborated upon further in the second chapter. The funds themselves may differ in scope and size from one MFF to another, depending primarily on the objectives set out by the EU. Some authors and/or publications

¹ Throughout the dissertation I will use 'Structural and Cohesion Funds', 'Structural Instruments' or 'European Funds' interchangeably as they are all accepted terms in the literature, and they mean the same thing.

may refer to the funds as Structural Instruments, because they represent the actual tools through which the member states shall implement the Cohesion Policy.

Romania's first opportunity to absorb European funds was during the MFF 2007-2013. In the period before accession to the EU, it gained experience in dealing with the Commission and accessing pre-accession funds, by creating projects and programmes, providing assistance to beneficiaries (cf. National Strategic Reference Framework 2007-2013, 2007, pp. 77-81) in order to absorb the pre-accession funds that were being put on offer to all countries that were about to gain membership in the fifth wave. The pre-accession funds work in a similar fashion to the EU funds, and thus their experience pre-accession should have translated well post-accession.

In spite of what experience may have been gained during pre-accession, at the end of MFF 2007-2013 Romania absorbed the fewest funds of all EU states. Slovakia is second to last with only 0.2% over Romania's 60%, but from there on the gap gets larger with Italy having an 8% increase over Romania, Bulgaria 9%, *et cetera*. Compared to the EU27 average (82.7%; cf. Figure 1), one can clearly see just how behind on the Curve Romania was during this period. Thus, for one who is interested in the Cohesion Policy of the EU and all other areas adjacent to it, some questions may arise; such as why, where, and how did Romania go wrong in absorbing the Structural and Cohesion Funds?

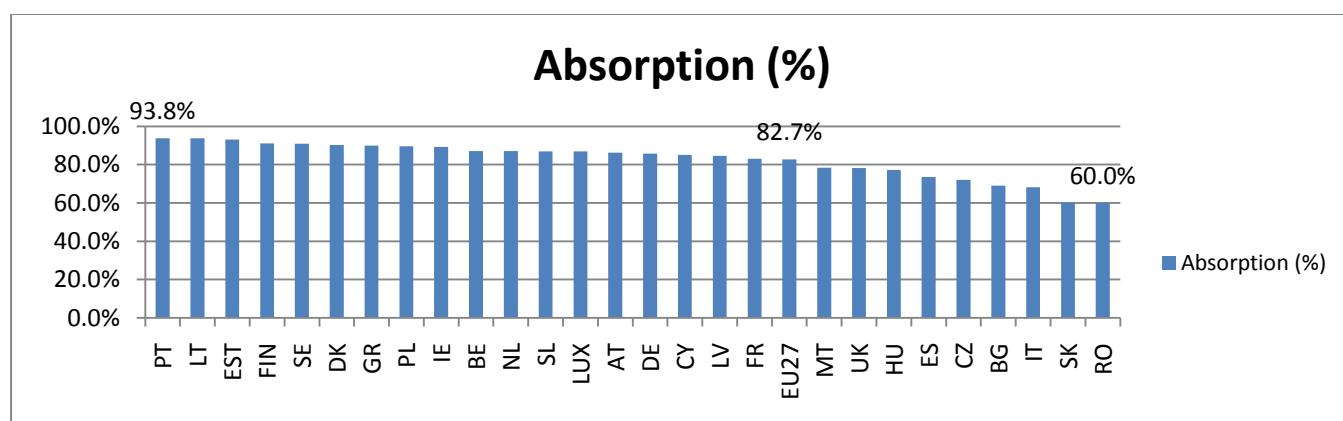


Figure 1. Absorption Rates (European Commission, 2015)

1.2. Practical Relevance

Owing to the fact that Romania has many problems in various sectors and regions (e.g. infrastructure, sustainable economic development, education), one might expect that authorities as well as private stakeholders would try take advantage of these funds to the best of their abilities. As Zaman and Georgescu (2009) have explained:

The EU structural funds absorption represents an opportunity to sustain economic growth and to reduce the development gap which, under the circumstances of global recession, is becoming a new challenge for Romania.

Thus, what the two authors try to highlight is that the higher the absorption of Structural and Cohesion Funds, the higher the economic growth, which will also lead to more sustainability. Furthermore, the higher the absorption, the lower the differences between Romanian regions and other EU regions will be.

This issue, i.e. what is stopping Romania from increasing its absorption rate, has also been highly mediatized, and since Romania is struggling to improve large deficiencies throughout all its regions, the practical motivation behind wanting to see what have been the causes of this low absorption is fairly high and twofold. Not only is it important for pointing out the culprits behind such an abysmal result, but also it is necessary to know what went wrong and where in order to improve. Without knowing what were the obstacles hindering absorption performance from 2007 until 2013, one is surely to fall into the same pitfall going further into the MFF 2014-2020. Moreover, as Bârgăoanu (2009) states: “about the European funds we [Romanians] speak a lot, sometimes excessively, but not always in an informed way”. Therefore, the aim of this thesis is to try, to some extent at least, to remedy this problem, and thus I will strive to come up with a comprehensive approach to the issue of the barriers that limit the absorption of Structural and Cohesion Funds, and furthermore create a stepping stone for further research on this matter.

Furthermore, this dissertation might provide valuable insights for Slovakia, because it shares an almost similar absorption rate (see above). It might also prove insightful for other EU candidate countries, particularly for Serbia, but also for Montenegro, and the Former Yugoslav Republic of Macedonia, to prevent them from repeating the mistakes or bad practices of Romania. For instance, in the case of Serbia, several articles (Rakić & Obradović, 2010; Knezevic, 2011; Đurić, Ivanovic, & Balaban, 2011; Popescu & Munteanu, 2012) as well as a report by the Commission (2014) indicate that Serbia has and continues to face several challenges similar to Romania during the implementation of some EU funds – i.e. challenges regarding the rule of law, corruption, organised crime, the economic situation and social cohesion (European Commission, 2014, p. 14). Therefore, if the challenges are similar, one might expect that the problems with absorption will also be the same. Even so, this assumption needs much more careful attention and study, but it is not the goal of this thesis to tackle it. Note however that since Serbia is a candidate country, the issues lay with

the Instrument for Pre-Accession Assistance (IPA II), not the Structural and Cohesion Funds. Nevertheless, the principles remain the same.

1.3. Theoretical Relevance

The field of study concerned with Structural and Cohesion Funds is relatively extensive, nonetheless studies interested in finding out the causes and mechanisms behind absorption rates have been rather few and far between especially in the period before 2000. Zaman & Georgescu (2009) have claimed that there is “a lack of adequate conceptual framework [and] the topic of better ways to manage these funds is less addressed” (p. 141). This statement is backed up by Horvat & Maier (2004), who furthermore believe the lack of literature on this particular study is due to the fact that “the EU’s Structural Policy is a relatively new field for investigation” (p. 4). However, over the years after 2000, more and more research has been developed. Some, for instance Wostner (2008), and Wostner and Šlander (2009), ask questions regarding the efficiency of these European funds, while others – e.g. Bauer (2002), and Bachtler and Mendez (2007) – question the effect of governance on the Cohesion Policy.

Moreover, recently, much research has been done regarding the absorption phenomena, (among others Horvat & Maier, 2004; Milio, 2007; Georgescu, 2008; Tosun, 2014). Hence, the reason behind this dissertation is to match and combine the different existing theories in order to bring about a new perspective on the issue of the absorption rate of Structural and Cohesion funds, and consequently contributing to the body of knowledge on this topic. In particular, the thesis sets out to combine the body of literature in order to get a full picture of the barriers hindering the absorption capacity, by creating an in-depth and clear conceptual framework, which could also be used by other scholars in future research. In addition, one of the methods employed by this dissertation, i.e. combining and analyzing Implementation Reports has not been used previously by others.

1.4. Primary and Secondary Research Questions

1.4.1. Primary Research Question

Taking into consideration the overarching puzzle and the motivation behind this dissertation, the following central research question has surfaced, followed by six subsequent sub-questions.

RQ: What has caused Romania’s low absorption capacity of Structural and Cohesion Funds during the MFF 2007-2013? Thus, the immediate goal of this thesis is to pinpoint the

determinants of the low absorption capacity in Romania. First, one needs to know what the causes of a low absorption capacity are in order to plan adequate strategies for future MFFs, so as to, ultimately, increase the absorption rate. In order to give a comprehensive answer to the central question, the following chapters (and their respective sections) are dedicated to answering their own sub-questions.

1.4.2. Secondary Questions

In chapter two – policy framework – one will ask and answer:

Sub-question 1: What is the EU's Cohesion Policy? More specifically, the objective of this sub-question is to assist one in finding out more about the origins of the policy, and how it has adapted throughout time.

Sub-question 2: How did the Cohesion Policy function during MFF 2007-2013? With this sub-question, the objective is to familiarize one with the policy's principles, its legal basis, as well as its purpose and its objectives, and the European Funds themselves, i.e. the European Regional Development Fund, European Social Fund and Cohesion Fund.

Sub-question 3: How was the Cohesion Policy implemented in Romania? The objective of this sub-question is to move the attention away from the Cohesion Policy at the European level, and zoom-in on how the policy was designed and implemented in Romania during MFF 2007-2013.

In chapter three on 'Theoretical Framework' the following sub-questions have been set:

Sub-question 4: What are the theories concerned with European Funds absorption?

Sub-question 5: How will these theories help one understand why Romania did not manage to achieve a better absorption capacity? The objectives of these two questions are, first, to introduce the reader to the body of literature on this topic of absorption capacity and, second, to present and explain the theoretical model that will be used to analyze the data.

In the fourth chapter – Methodology – one is interested in:

Sub-question 6: What are the research methods used in this thesis?

Sub-question 7: What type of data collecting methods will the researcher use?

In the fifth chapter – Analysis – one sub-question is asked:

Sub-question 5: What values will the variables take?

1.5. Theoretical Insights

After having restated the context and puzzle of the dissertation, it is now important to note some of the more important findings regarding the absorption rate of European funds. Following a scan of the relevant literature on absorption phenomena, one can clearly see that there never has been only a single factor which is capable of influencing the absorption rate of funds of member states (Zaman & Georgescu, 2009; Berică, 2011; Jaliu & Rădulescu, 2013; Tosun, 2014). A number of intermingling factors decide whether a state is capable to absorb more funds or less. Further on in this thesis, these factors shall be referred to as barriers or obstacles, because their increased presence diminishes the absorption rate of the state, and when their presence is reduced, one should see (at least in theory) an increase in the number of funds being absorbed. Furthermore, scholars have categorized these factors in two broad categories: (1) barriers that manifest at the level of the administration and (2) barriers that manifest at the level of the beneficiaries (Zaman & Cristea, 2011; Jaliu & Rădulescu, 2013; Berică, 2011).

Without going into great detail at this moment², it is important to note some principle barriers that have been identified to cause a reduced rate of absorption. The literature identifies, first, at the level of the administration the following chief obstacles: (1) absorption capacity, which is in turn affected by (a) the quality of civil and public service, (b) the level of training in project management and implementation coupled with (c) lack of sufficient personnel, and (d) the quality of policy formulation and implementation (Zaman & Cristea, 2011; Tosun, 2014; Jaliu & Rădulescu, Six Years in Managing Structural Funds in Romania. Lessons Learned, 2013). Secondly, at the level of the beneficiaries/project applicants, one finds, among other: (1) lack of the beneficiaries' willingness to participate in project writing, (2) lack of communication between beneficiaries and institutions offering consultancy (Berică, 2011), (3) strenuous bureaucratic procedures (Zaman & Cristea, 2011).

1.6. Research Methods

In the study of the social sciences (in particular public administration, political science) there are four types of research: descriptive, exploratory, explanatory and evaluative research (Miller & Yang, 2008). The nature of the research that will follow in this dissertation will be explanatory (sometimes known as causal research), because the goal is to identify what were the main causes that hindered one Eastern European member state (Romania) from absorbing

² The in-depth discussion on the theories will be present in the third chapter '*Theoretical Framework*'

a higher percentage of the Structural and Cohesion Funds allocated to it by the European Commission during MFF 2007-2013. Since, as its name suggests, the MFF is spread across a number of years, a secondary objective is to see whether the problems that have been discovered to have been present in one year, e.g. 2007, have persisted or have been ameliorated over the following years, or if they have been resolved altogether.

To achieve these goals, the dissertation will employ qualitative methods of analysis. First of all, through content analysis of each and every one of the seven Operational Programmes' Implementation Reports (IRs) prepared by the Romanian Government each year, the expectation is that the problems the authorities have faced during the implementation period of the Cohesion Policy shall surface. I believe this to be true, because, first, the government has put a great deal of effort into creating a detailed account of how the Operation Programmes have been implemented through MFF 2007-2013, and secondly and perhaps more importantly, these IRs have also passed the scrutiny of the Commission, who checks these reports before approving them.

Nevertheless, by analyzing only government issued documents one might fail to grasp the bigger picture. Therefore I will be conducting a series of on-line interviews with several people that have tried to access EU funds in the past or with experts that have either worked or are still working for public institutions or consultancy agencies that deal with the absorption of these funds or with specialists that study this issue. Thus, I expect to corroborate or to contradict the findings from the IRs.

Furthermore, I will also use secondary sources in the form of findings resulted from the previous research of several other Romanian experts in this field. The assumption is that the problems the Romanian researchers have found will be used to corroborate or contradict the findings resulted through the analysis of the IRs and from the interviews.

1.7. Reader's Guide

To recap, this thesis is about the Cohesion Policy of the EU and the factors that affect the absorption rates of Structural and Cohesion Funds. More specifically, the aim is to pinpoint what were the reasons for Romania having the lowest absorption rate out of all the member states, during the MFF 2007-2013. The present chapter has been dedicated to introducing and detailing the puzzle, presenting the research question, as well as laying out the reasoning behind the dissertation. Following the introduction, the policy framework shall be presented.

Chapter two will be dedicated to describing the overall context of the thesis. The second chapter is also split in two sections. Thus after reading the first part of the policy

framework chapter, one will be familiarized with the Cohesion Policy's principles, its legal basis, as well as its purpose and its objectives, and, more importantly, the policy's instruments, i.e. the European Regional Development Fund, European Social Fund and Cohesion Fund. In the second part, firstly, a description of the policy's legal basis in Romania will be provided, followed by an explanation of the strategic documents and the institutional framework.

In the chapter on 'Theoretical Framework' an in-depth review of the literature will be given, which will highlight the main theories and their critiques as well as some of the most important advances in the field so far. The chapter will be split in two: literature review, and theory and hypothesis.

The fourth chapter – Methodology – is dedicated to explaining in greater detail the methods, and data collection techniques. Here, I will introduce the research method, and the data gathering methods, as well as the conceptual framework. Furthermore, the research paradigms, unit of analysis, and the limitations of the dissertation will be addresses in this chapter as well.

Following the methodology, the next chapter is regarding the analysis of the data, and the presentation of the results. The chapter is divided in such a way as to reflect the analysis and results for all independent variable, as well as any emergent themes that might appear during the analysis. The final part of chapter five is concerned with the way these independent variables inter-relate.

Lastly, in the concluding chapter, I will summarize the findings of the analysis, thusly providing a lucid answer to the sub-questions (stated in sub-section 1.4.2) and to the main research question, and finally suggestions for further research shall be made.

2. Policy Framework

The objective of the Policy Framework chapter is twofold. The first objective is to familiarize the reader with the Cohesion Policy itself, i.e. how it originated, what was and what its purpose nowadays is, what its guiding principles and objectives are, and what the instruments used to implement it throughout the member states are. The second objective is in regards to how this particular policy has been implemented in Romania during the past multiannual financial period. Specifically, one is interested in finding out about how Romania is divided into the NUTS 2 regions, what type of Operational Programmes did it implement, what were the strategic documents used in the process of implementation, and finally, what type of institutional framework did it use.

2.1. The European Union's Cohesion Policy

The European Union describes its Cohesion Policy as being “an investment policy”. It has been stated that there are two reasons why the EU’s Cohesion Policy is unique among all other regional policies: first, the policy involves, in both the formulation and implementation stage, a large number of administrative levels and socio-economic groups; secondly, the use of the planning and implementation components, e.g. quantified objectives, a legal European framework, multi-annual planning documents and budgets, financial instruments, each with its own specificities, and a “multi-level and multi-subject form of interaction in the formulation of decisions and implementation of programmes and projects” (Leonardi, 2005, p. 1).

The goal of this chapter is to present, firstly, when the Cohesion Policy has been created, as well as how it developed through the years; secondly, to explain how the policy works at the EU level, specifically what are its objectives and guiding principles, as well as what are the Structural and Cohesion Funds; thirdly, to explain how the policy was designed to be implement in Romania during 2007-2013, i.e. what is the legal basis governing the Cohesion Policy in the country, how is Romania organized by regions, what were the strategic documents and institutional framework, and finally what were the Operational Programmes in effect at that time. It would be unnecessary to talk about how much money has been allocated to a fund, respectively how much money from said fund has been then allocated to one particular country, because the primary interest of this thesis is the actual percentage, i.e. the absorption rate, and not simply a lump sum of money. In other words, the goal is in finding out the determinants of a higher or a lower absorption rate.

2.1.1. History and Development

Before the Single European Act (SEA), the Cohesion Policy served a much smaller function than it does at present. The policy's objective was simply to provide financial aid to the member states in order for them to carry out their own regional developmental policies (Leonardi, 2005, p. 1; cf. European Commission, 1979). The Cohesion Policy, as we know it today, emerged with the adoption of the SEA in 1986. Back then, twelve EU member states set the basis for a policy which was meant to “reduce disparities between the various regions and the backwardness of the least-favoured regions” (Article 130a SEA). Furthermore, from 1989 onwards, the financial allocations to the structural funds have increased, and a set of new governing principles have been introduced: (1) additionality, (2) programming, and (3) partnership³. Nowadays, in the Consolidated Version of the Treaty on the Functioning of the European Union (TFEU), the aim has remained mostly the same to that stated in the SEA, but with the addition of another paragraph explaining that “particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions” (Article 158 TFEU). In practice, this means that the European Commission has the authority to develop and manage the rules and regulations for the implementation of the policy on the part of the member states and their regions (Leonardi, 2005, p. 2)

With the accession of Greece, Portugal and Spain, three countries which had quantitatively much poorer regions than the rest, the need for a more comprehensive policy was becoming increasingly more salient (Bache, Cohesion Policy, 2007, p. 239). This problem is still of paramount importance now, that is to say, there are still regions within Europe between which exists large disparities in wealth, which in turn can lead to other major social and political problems (Molle, 2008, p. 3). Hence, there is a need to find a way to balance the regions economy-wise.

2.2. The Workings of the Cohesion Policy 2007-2013

The EU uses three types of policies that affect the member states. These three types are as following: regulatory, distributive, and redistributive. What the Cohesion Policy entails is that the member states contribute money periodically, collected through state taxes, to the EU budget. In turn, the EU takes a part of this budget and allocates it back to the member states

³ A detailed description of these three principles will be given later on.

in the form of Structural and Cohesion Funds. The Structural Funds (of which there are two: European Regional Development Fund (ERDF), and European Social Fund (ESF)) and the Cohesion Fund (CF), as well as two other complementary ones (European Fund for Agriculture and Rural Development, and the European Fisheries Fund) can be used by the member states to alleviate problems in different domains, with the overarching goal of bridging the disparities in each European region. Furthermore, programming and implementation of structural funds are done through the Operational Programs (OP), documents prepared by the Member States and adopted by the European Commission as part of the National Strategic Reference Framework stemming from the National Development Plan (Council Regulation (EC) No. 1083/2006). Therefore, if one is to think in the taxonomy mentioned in the beginning, one has to understand the Regional Policy as “the main redistributive policy of the EU” (Bache, 2008, p. 39).

2.2.1. Policy Objectives

For the MFF 2007-2013, the Council Regulation governing the general provisions on the ERDF, ESF and CF has set three primary objectives. For a schematic view on how each fund is distributed to which objective, and also which regions are covered under which objective, consult Table 1.

Objective 1: Convergence. Targets NUTS 2⁴ regions whose gross domestic product⁵ (GDP) per capita measured in purchasing power parities is less than 75% of the EU average. Moreover, “the regions suffering from the statistical effect linked to the reduction in the Community average following enlargement of the EU are to benefit for that reason from substantial transitional aid in order to complete their convergence process”. Finally, all those member states whose gross national income⁶ (GNI) falls below 90% of the EU average shall benefit from the CF (Article 17, Council Regulation (EC) No. 1083/2006).

⁴ It is essential to explain, NUTS stands for Nomenclature of Territorial Units for Statistics, it is a classification system developed to divide up the economic territory of the EU for the purpose of: (1) the collection, development and harmonisation of European regional statistics, (2) socio-economic analyses of the regions, and (3) framing of EU regional policies. There are three types of NUTS: NUTS 1 - major socio-economic regions, NUTS 2 - basic regions for the application of regional policies, NUTS 3 - small regions for specific diagnoses (Eurostat, 2014; 2015).

⁵ As defined by the OECD (2008, pp. 236-237), GDP is “an aggregate measure of production equal to the sum of the gross values added of all resident institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs). The sum of the final uses of goods and services (all uses except intermediate consumption) measured in purchasers' prices, less the value of imports of goods and services, or the sum of primary incomes distributed by resident producer units”.

⁶ GNI is made up of a country's GDP with the addition of factor incomes earned by foreign residents, but subtracting the income earned in the domestic economy by non-residents (Todaro & Smith, 2011, p. 44; cf. OECD, 2008, p. 238).

Objective 2: Regional competitiveness and employment. This objective is financed through the ERDF and ESF, and targets regions that are not eligible to receive financial aid under the first objective. It encourages member states to take actions that target at least one of the following issues: increasing competitive regional development, increasing employment by anticipating economic and social changes, increasing and improving the quality of investments in human resources, and finally innovating and promoting the information society (Article 18, Council Regulation (EC) No. 1083/2006).

Objective 3: European territorial cooperation. The third and final objective sets out to increase cooperation between European regions on three distinct levels. First, interregional cooperation is meant to encourage the exchange of knowledge between EU regions, second, transboundary cooperation, and thirdly, transnational cooperation (Article 19, Council Regulation (EC) No. 1083/2006). This objective is financed entirely by the ERDF.

Funds used:	Regions covered:
Objective 1. Convergence	
ERDF, ESF	Regions with GDP/capita < 75% of GDP/capita EU25
CF	Member states with GNI/capita < 90% of GNI/capita EU25
Objective 2. Regional competitiveness and employment	
ERDF, ESF	All regions not covered under the previous objective.
Objective 3. European territorial cooperation	
ERDF	Regions having land or sea frontiers.

Table 1. Funds used, and regions covered under the three objectives of the Cohesion Policy

2.2.2. Policy Principles

Previously, I had mentioned that in 1989 three new principles have been introduced to govern the Cohesion Policy. However, since then, a number of other principles have been introduced, and together create the framework through which the member states have to operate in order to obtain funding. Six principles have been added to the three basic ones with the Cohesion Policy's reform that had taken place in 1999 in preparation for the EU's Eastern enlargement (Baun & Marek, 2014, pp. 32-38).

In total there are now nine. The three basic principles are: (1) *programming* – the objectives have to be achieved within a multiannual programming system that is comprised of several stages each with its own set of priorities, financing, and a system of management and control (Article 10, Council Regulation (EC) No. 1083/2006); (2) *additionality* – “contributions from the Structural Funds shall not replace public or equivalent structural expenditure by a member state (Article 15, Council Regulation (EC) No. 1083/2006). It is

noteworthy that with the introduction of both the principle of additionality and programming recipients cannot spend EU subsidies as they wish, nor can they use them as substitutes for their own spending (Pelkmans, 1997); and (3) *partnership* – EU actions are required to be carried out in consultation between the European Commission and the member states, together with relevant authorities and bodies designated by the member states, e.g. regional and local authorities, economic and social partners. Furthermore, the partnership principle covers the preparation of financing, monitoring and evaluation of financial assistance. The member states are obliged to foster the cooperation of relevant partners at different stages of programming (Article 11, Council Regulation (EC) No. 1083/2006);

The other six principles are as follows: (4) *complementarity* (Article 9, Council Regulation (EC) No. 1083/2006) – the EU will provide financial assistance through the funds which complements national actions; (5) *territorial level of implementation* – the implementation of operational programmes shall be the responsibility of the member state at the appropriate territorial level (Article 12, Council Regulation (EC) No. 1083/2006); (6) *proportionality* – the financial and administrative resources employed in the implementation of the funds shall be proportional to the total amount of expenditure allocated to an operational programme (Article 13, Council Regulation (EC) No. 1083/2006); (7) *shared management* – the budget of the EU allocated to the Structural Funds will be implemented within the framework of shared management between the member states and the European Commission (Article 14, Council Regulation (EC) No. 1083/2006); (8) *sustainable development* – the objectives need to reinforce the principle of sustainable development and to promote the goal of protecting and improving the environment (Article 16, Council Regulation (EC) No. 1083/2006); and (9) *equality between men and women and non-discrimination* (Article 16, Council Regulation (EC) No. 1083/2006);

2.2.3. Policy Instruments or the Structural and Cohesion Funds

After having discussed the necessity for a Cohesion Policy, the Policy's objectives as well as its guiding principles, the attention now shifts towards the Structural Funds themselves. Therefore, in what follows, a detailed description of the ERDF, ESF and CF will be provided. This description comprises of the funds' legal basis, as well as their main purpose as has it been set forth at the EU level.

First of all, the ERDF is governed through Regulation (EC) No. 1080/2006 on the European Regional Development Fund, and Council Regulation (EC) No. 1083/2006 laying down general provisions on the ERDF, ESF, and the CF. The ERDF was the first fund ever

created by the European Community, and according to the TFEU, it was created with the intent to help harmonize the main regional imbalances in the EU (Article 251, TFEU).

In other words, the fund's purpose is to contribute to the financing of assistance which aims to reinforce economic and social cohesion by redressing the main regional al imbalances through support for the development and structural adjustment of regional economies, including the conversion of declining industrial regions and regions lagging behind, and support for cross-border, transnational and interregional cooperation (Article 2, Regulation (EC) No. 1080/2006). As stipulated in Article 3 of the Regulation (EC) No. 1080/2006, the ERDF has four domains in which it can provide financial support: productive investment which contributes to creating and protecting sustainable jobs, investments in infrastructure, development of endogenous potential by measures which support regional and local development, and finally technical assistance.

The ESF, secondly, is governed through Regulation (EC) No. 1081/2006 on the European Social Fund, and the Council Regulation on general provisions No. 1083/2006. It is the primary instrument of the social policy, and it was created with the goal of improving employment and job opportunities, encouraging a high level of employment and more and better jobs (Article 2, Regulation No. 1081/2006). Within the framework of Objectives 'Convergence' and 'Regional competitiveness and employment' the ESF supports five primary types of actions: (1) actions that increase worker adaptability, but also that of enterprises and entrepreneurs with the underling goal of improving the anticipation and positive management of economic change; (2) actions that improve the social inclusion, and employment of job seekers, inactive people, and other types of socially excluded citizens with a long term goal of preventing unemployment, encouraging active ageing, longer working lives, and increasing participation in the labour market; (3) reinforcing the social inclusion of disabled people; (4) enhancing human capital; and (5) promoting partnerships, pacts, and initiatives through networking of relevant stakeholders (Article 3§1, Regulation No. 1081/2006).

The ESF has seven financing domains: promoting social inclusion, and equal chances for all, enhancing educational reforms and lifelong learning, promoting an adaptable and qualified work force, supporting innovation in labour organization, supporting entrepreneurs and creating new jobs, enhancing human capital in research and development, and lastly, increasing women's participation on the labour market (Article 3§2, Regulation No. 1081/2006).

The CF, thirdly, is governed through Regulation (EC) No. 1084/2006 on the Cohesion Fund, and also through the Council Regulation No. 1083/2006. The CF was created with the impetus to enhance and strengthen the economic and social cohesion of the EU (Article 1, Regulation (EC) No. 1084/2006). Its scope of assistance relies in one of the following three areas: trans-European transport networks, environmental protection, as well as any and all projects that support sustainable development, energy efficiency and renewable energy sources (Article 2, Regulation (EC) No. 1084/2006).

Following the explanation as to how the Cohesion Policy works at the EU level, the dissertation shall go in-depth and explain under what circumstances the policy was introduced in Romania, and how it was implemented during MFF 2007-2013. For a schematic view of how the Cohesion Policy works, consult Figure 2 below.

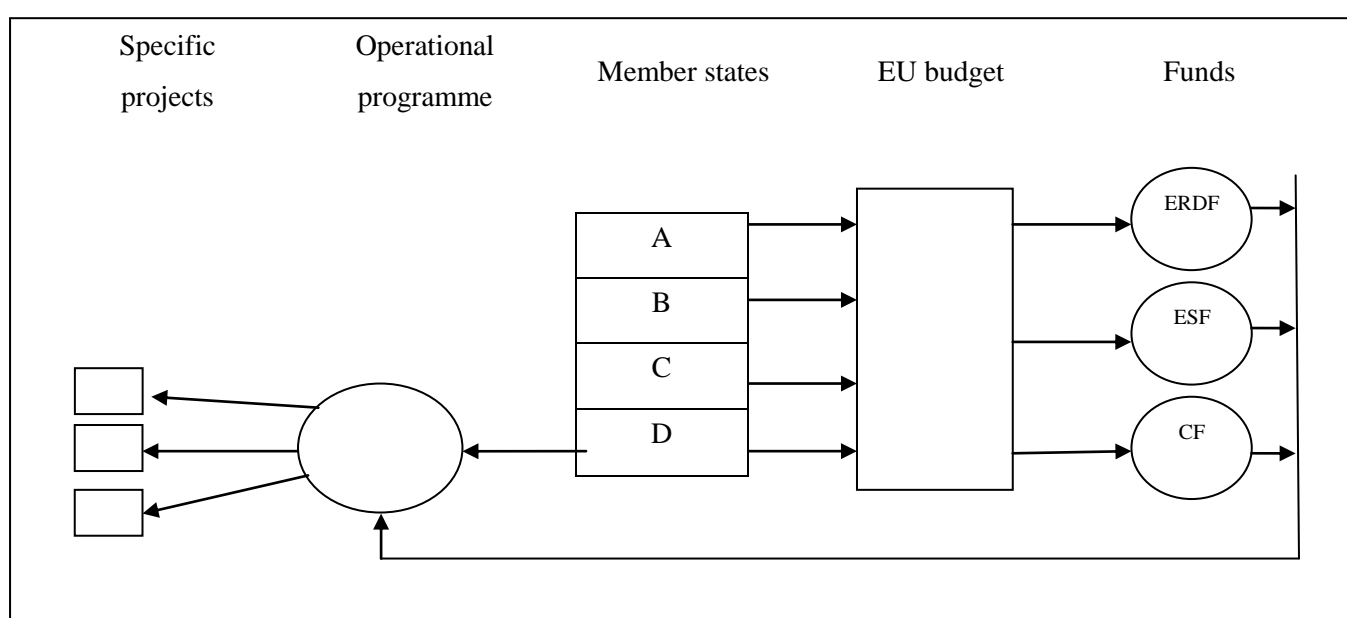


Figure 2. Schematic view of financial flows for structural support (adapted from Molle, 2008, p. 150)

The figure should be read starting from the middle, i.e. with the member states column. There it is shown that the member states, on the one hand, contribute money to the EU budget, and consequently to the funds, and on the second hand, they contribute directly to their own specific Operational Programmes. This is meant to emphasize the redistributive nature of the policy, as well as the fact that the EU funds are not and should not be the only sources of money used to finance the programmes, in accordance with the principle of complementarity.

2.3. The Cohesion Policy in Romania

One of Romania's first steps towards the implementation of the Cohesion Policy, and ultimately accession to the EU, began in 1996 during the operation of the PHARE programme, which was a pre-accession instrument used by the EU to help the countries⁷ from the fifth wave of enlargement (Romanian European Institute [*Institutul European din România*] 2003, p. 43). In 1998, the legal basis on which the Cohesion Policy has been developed nationally was established under Law no. 151/1998. This law has set national policy objectives, the institutions that were involved, and the skills and tools to promote the policy. Afterwards, this law has been complemented by other laws, ordinances, and governmental decisions. Furthermore, Chapter 21 on negotiations related to the criteria that must be fulfilled by Romania in order to achieve EU membership, and eligibility for Structural and Cohesion Funds, i.e. the *acquis communautaire* and the implementation arrangements (IER, 2003, p. 43). After the negotiations opened, Romania released a Position Document on Chapter 21, where it vowed to take the necessary measure in order to insure compliance with the *acquis* on Cohesion Policy and, *inter alia*, it also established eight development regions (see Table 2).

No.	Development regions (NUTS 2) in Romania	Counties
1	North-East	Bacău, Botoşani, Iaşi, Neamţ, Suceava, Vaslui
2	South-East	Brăila, Buzău, Constanţa, Galaţi, Tulcea, Vrancea
3	South (Muntenia)	Argeş, Călăraşi, Dâmboviţa, Giurgiu, Ialomiţa, Prahova, Teleorman
4	South-West (Oltenia)	Dolj, Gorj, Mehedinţi, Olt, Vâlcea
5	West	Arad, Caraş-Severin, Hunedoara, Timiş
6	North-West	Bihor, Bistriţa-Năsăud, Cluj, Maramureş, Satu-Mare, Sălaj
7	Centre	Alba, Braşov, Covasna, Harghita, Mureş, Sibiu
8	Bucharest-Ilfov	Municipiul Bucureşti, Ilfov

Table 2. List of Development Regions in Romania (Position Document on Chapter 21; IER, 2003, p. 45)

2.3.1. Romanian Strategic Documents

Romania only started accessing the Structural and Cohesion Funds in the MFF 2007-2013, right after accession. The country adopted the following strategic documents that helped facilitate the absorption of the funds: National Development Plan (NDP), National

⁷ 1 May 2004: Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovakia and Slovenia; 1 January 2007: Bulgaria and Romania

Strategic Reference Framework (NSRF), Operational Programmes (OPs), and Implementation Framework Documents (IFDs).

The NDP is the document, on which the NSRF was developed. It represents the strategy agreed upon by the Romanian government at that time, and the European Commission for the use of the Structural Instruments and the OPs, which will implemented the funds. The strategy through which the NDP was created reflects the developmental needs of Romania to reduce the discrepancies between its regions and those from other EU member states. In addition, the NDP 2007-2013 strategy focuses not only EU strategic guidelines on cohesion and the Lisbon Agenda priorities, but also on the Gothenburg objectives (National Developmental Plan 2007-2013 [*Planul Național de Dezvoltare*], 2005).

The NSRF is a strategic document, drawn up by each member state, which explains how the instruments should be implemented, in this case, in Romania. Its purpose is to strengthen the economic, social and regional cohesion of Romania, and to simultaneously create the appropriate connections to the other EU policies (NSFR 2007-2013, 2007). The NSRF, which is developed in the definition phase of the policy, contains a number of Operational Programmes which, if accepted by the Commission, shall run for the duration of a respective MFF.

An Operational Programme is a document submitted by Romania (or any other member state) and adopted by the Commission, which defines a development strategy, according to a consistent set of priorities, which requires financial aid coming from either the ERDF, or ESF or CF. OPs are management tools, through which the NSRF objectives are achieved (Articles 32 and 33, Council Regulation (EC) No. 1083/2006). Each OP has several, highly specific, priority axes upon which the actual projects are developed. In short, the OPs outline the priorities of the member state and/or its regions.

During MFF 2007-2013, Romania adopted seven OPs under the first two Cohesion Policy objectives (see Table 3) and eight under the third (see Table 4). Every year, for each OP under the first two policy objectives, the member state is obliged to release an Implementation Report in which it has to detail aspects regarding the socio-economic situations and trends, achievements, challenges and future prospects in relation to implementation of the agreed strategy, and lastly, examples of good practices (Article 29 Council Regulation (EC) No. 1083/2006). In other words, these reports are devised to give the authorities, as well as beneficiaries, a general overview of the situation of each OP, by keeping track of changes in the legislation, measuring the level of implementation,

identifying faults, etc. Furthermore, these reports have to be submitted to the Commission for approval.

No.	Operational Programme	Fund(s) used
1	Regional Operational Programme	ERDF
2	Sectoral Operational Programme Human Resource Development	ESF
3	Operational Programme Transport	ERDF & CF
4	Sectoral Operational Programme Environment	ERDF
5	Operational Programme Administrative Capacity Development	ERDF
6	Sectoral Operational Programme Increase Of Economic Competitiveness	ESF
7	Operational Programme Technical Assistance	ERDF

Table 3. OPs under the first two objectives

No.	Operational Programme	Fund used
1	Operational Programme Hungary – Romania	ERDF
2	Operational Programme Romania – Bulgaria	
3	Operational Programme Romania – Serbia	
4	Operational Programme Romania – Ukraine - Moldova	
5	Operational Programme Hungary – Slovakia – Romania – Ukraine	
6	Operational Programme Black Sea Basin	
7	Operational Programme South-East Transnational Cooperation	
8	Operational Programme Interregional Cooperation	

Table 4. OPs under the third objective

The IFDs are created to implement the strategy and the different priority axes of the OPs. Furthermore, the IFDs complement the OPs, in the sense that they introduce certain practical elements for the OPs, e.g. details about the projects, eligible expenditures, and potential beneficiaries. Unlike the previous documents, they are not subject to the approval of the Commission. The IFDs legal basis resides in the Government Decision no. 497/2004 establishing the institutional framework for coordination, implementation and management of structural instruments.

2.3.2. Romanian Institutional Framework

Of course, the above mentioned strategic documents have to be managed in some way by certain institutions designed to oversee the implementation of the Cohesion Policy in Romania. Therefore, the attention now focuses on this exact institutional framework. Below, follows a description of these institutions, specifically their legal basis, purpose and main tasks, and the ways in which they work together. The dynamic of these institutions is illustrated below in Figure 3. Note that although the European Commission is present in the

figure, it shall not be addressed below. The Commission is there only to highlight which institution has a direct relation with the EU level.

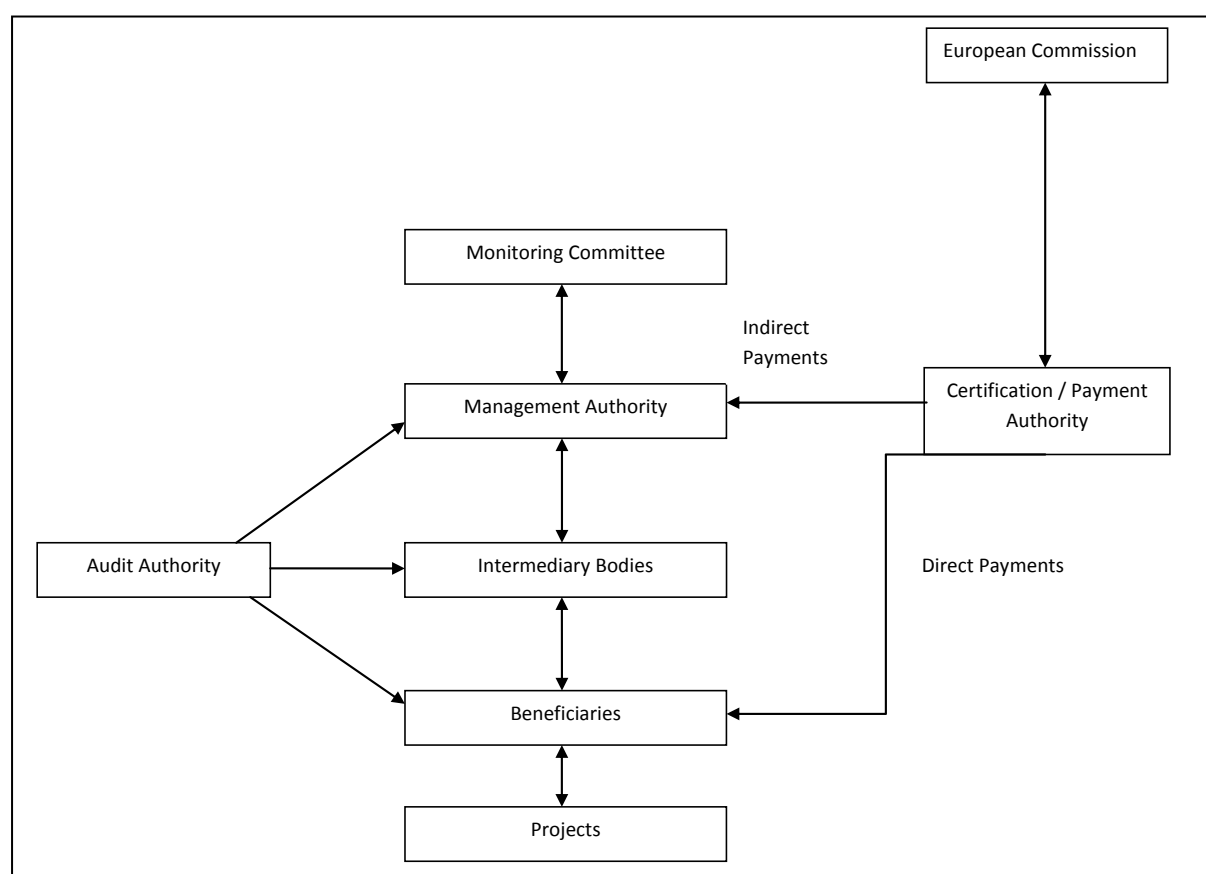


Figure 3. Standard Operational Programme implementation system (adapted from Jaliu, 2011, p. 57)

Central Institutions

Technically speaking, the central institution responsible for the Cohesion Policy in Romania is the Ministry of European Funds (*Ministerul Fondurilor Europene*). Through this Ministry of European Funds (MEF), all other branching institutions connected with the Structural and Cohesion Funds are being centrally coordinated. Practically though, it is the Authority for the Coordination of Structural Instruments (*Autoritatea pentru Coordonarea Instrumentelor Structurale*) that has handled centrally almost all matters relating to the EU funds during MFF 2007-2013.

As stated in the Governmental Decision 386/2007, the Authority for the Coordination of Structural Instruments (ACSI) is a Directorate-General, and a part of the MEF. The law further stipulates that ACSI is instrumental in coordinating the assistance granted by the EU's Phare programme, and the assistance granted bilaterally to Romania by the EU member states. Regarding the strategic documents, the ACSI is responsible for coordinating the development of the NDP, the development, monitoring and evaluation of the NSRF, OPs and IFDs. Moreover, ACSI is also required to develop administrative capacity, develop and

update procedures involved in managing structural instruments, as well as sustain information and communication campaigns about the Structural Instruments. In other words, the role of this institution is twofold: first, it helps coordinate the preparation and implementation of the legal, institutional and procedural framework for the management of structural funds, and furthermore it assists with the programming, the coordination, monitoring and evaluation of the use of the Structural and Cohesion Funds.

ACSI is not the only institution located centrally. Besides ACSI, the Certification and Payment Authorities (*Autoritățile de Certificare și Plată*) and the Audit Authority (*Autoritatea de Audit*) are the same for all OPs. However, the other institutions (i.e. Monitoring Committees, Management Authorities, and Intermediary Bodies) are specific to each OP in particular. The reason why each OP has its own implementation system was to promote a more decentralized approach, and hence to move away from the extremely centralized method of coordination which was present during the pre-accession period.

The Certification and Payment Authorities, like ACSI are an integrated part of the MFE. First of all, as its name might suggest, the Certification Authority is responsible for validating the expenditure and payment requests before submitting them to the Commission, in accordance with Article 61 of Council Regulation 1083/2006. In other words, certification is the process through which a part of the expenditures laid out in a project are deemed eligible to be financed through either the ERDF or ESF or CF respectively.

Certification is not only the responsibility of this authority. In fact, in order for a project to receive funding it has to go through four domestic stages of certification and one final verification at the EU level, as illustrated graphically in Figure 4. The first level starts at the beneficiaries who are responsible for the accuracy, correctness and eligibility of the project(s) they are proposing. Then, the following two levels are the responsibility of either the AM or the IB. Please note however, that for the implementation of some programmes there was no need for an IB, which is why sometimes there might be only three levels of certification. Finally, the Certification Authority submits to the Commission interim payment request, as well as the final payment request after they have been certified. If all goes and the documents are correct this means that the project has passed the fifth level (i.e. it has passed the scrutiny of the Commission) and, henceforth, can receive financing from the Structural Instruments. The Audit Authority acts as a safeguard, checking all institutions on each of the four domestic levels for signs of deliberate misconduct or negligence, in order for the Commission to not receive invalid or incomplete projects, thus trying to eliminate unnecessary bureaucracy and wasted time.

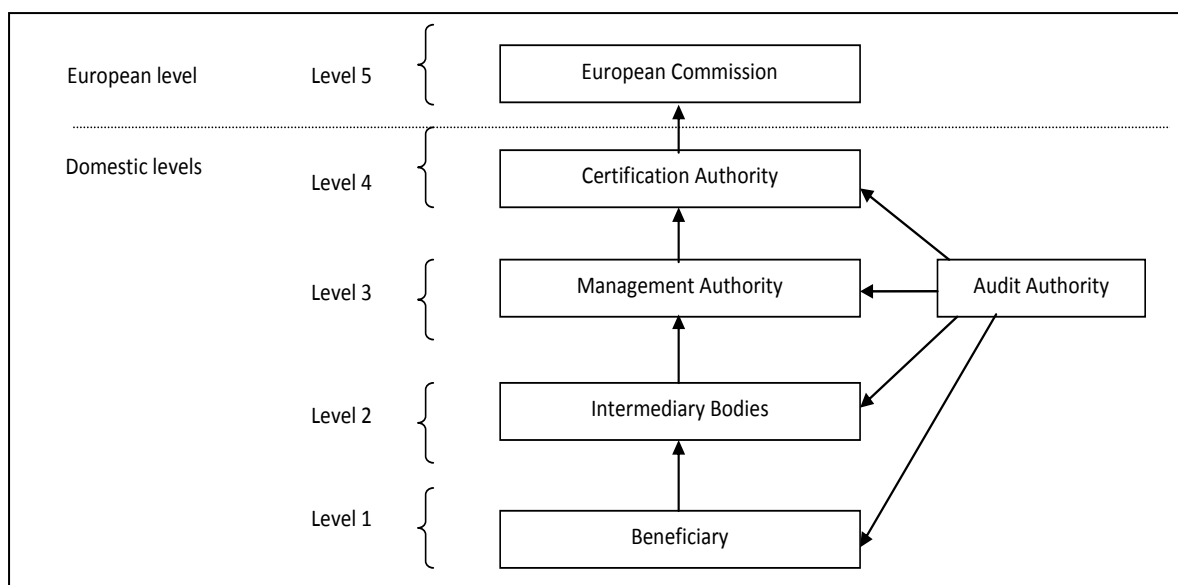


Figure 4. Levels of Certification (adapted from Jaliu, 2011, p. 63)

Secondly, the Payment Authority handles all payments received from the Commission related to the three EU funds (ERDF, ESF, and CF) for all OPs, and it is also responsible for the disbursement of the funds to the beneficiaries (through direct payment) or to the Payment Units (*Unitățile de Plată*) within the ministries that play the role of Managing Authorities (this is called indirect payment) (NSRF, 2006).

As stipulated by Article 59 of Council Regulation No. 1083/2006, the Audit Authority is an associated body of the Romanian Court of Auditors. The Audit Authority is operationally independent from the Management Authorities and from the Certification and Payment Authorities. The Audit Authority has several roles: system audit, sample-based verification and final audit, checks and external audit for the Structural Instruments, verifying declared eligible expenditures based on a representative sample, and finally verifying the existence and correctness of the co-financing element⁸.

The Management Authorities (*Autoritățile de Management*) (MAs) are responsible for the correct and efficient management and implementation of the programmes trying to access the Structural and Cohesion Funds. In accordance with Article 60 of Council Regulation No. 1083/2006, each MA is responsible for managing and implementing efficient, effective and correct implementation of its OP. For instance, the Ministry for Regional Development and Public Administration was responsible for the Regional OP, the Ministry of Transport was responsible for the Transport OP, and so on. In the Governmental Decision 497/2004 it is stated that each MA is “responsible for the efficient, effective and transparent use of funds

⁸ The ‘co-financing element’ simply relates to whether or not the beneficiary has enough of its own money to finance the project set forth, without relying solely on the EU funds. The need for co-financing is in accordance with the Cohesion Policy’s principle of additionality.

from the Operational Programmes and for achieving the tasks delegated to the Intermediary Bodies. The Monitoring Committees (*Comitetele de Monitorizare*) for each of the seven OPs are responsible for overseeing the overall coordination of operational programmes. The Monitoring Committees have been created after consultation between the MAs and respective partners.

Decentralized Institutions

The main task of all Intermediary Bodies (*Organisme Intermediare*) (IBs) is to manage the priorities and intervention areas of the OPs. Any and all tasks and attributes of the IBs are established through contract. The delegation of powers from the MAs and/or Payment Authority to the IBs takes into account the regional implementation of the respective OP, the capacity and total experience of the IB. The institution that delegates a certain task to an IB is responsible for the correct, effective and timely achievement of that respective task by the IB.

2.4. Summary

In sum, the above section has been dedicated to describing the overall context of this dissertation. In other words, it was meant to familiarize the reader with the Cohesion Policy both at the EU level and then at the Romanian level. In the first place, a brief history of the creation of the Cohesion Policy and its stages was provided. Then, the focus was set on the ways in which the policy has operated during MFF 2007-2013, the three primary objectives, i.e. convergence, regional competitiveness and employment, and European territorial cooperation, as well as the nine guiding principles, i.e. additionality, programming, partnership, complementarity, territorial level of implementation, proportionality, shared management, sustainable development, equality and non-discrimination. Afterwards, the policy instruments, i.e. the ERDF, ESF, and CF, have been presented, specifically, their legal basis, their purpose, as well as what objective they are covering.

In the second place, the context in which the Cohesion Policy was introduced and implemented in Romania was addressed. Here, the legal basis for the policy in Romania was presented, as well as a list of all the OPs during MFF 2007-2013, an overview of all the strategic documents adopted by the country, and finally the institutional framework that guided the implementation of the Cohesion Policy. From this section it is important to remember that: Romania gained its first experiences dealing with EU funds (e.g. PHARE, SAPARD) in the pre-accession period, and the MFF 2007-2013 was the country's first opportunity to attract Structural and Cohesion Funds (i.e. ERDF, ESF and CF). Furthermore,

Romania is divided into eight NUTS 2 regions (see Table 2) and it had eight active OPs between 2007 and 2013 (see Table 3 for the complete list), each with its own specific set of priority axes. Lastly, the institutional framework was comprised out of the Ministry of European Funds, specifically Authority for the Coordination of Structural Instruments, Certification and Payment Authorities, the Audit Authority. Several other institutions also play a role in the institutional framework; different institutions take on the responsibilities of the Monitoring Committees, Management Authorities and Intermediary Bodies. Moving forward, one will read about the underlining theories of this thesis.

3. Theoretical Framework

In this chapter, the focus is on the theories that are going to be used to pinpoint the exact barriers that have led to Romania having the worst absorption rate of Structural and Cohesion Funds during Multiannual Financial Framework (MFF) 2007-2013 of the EU27. First off, the chapter will start, in section 3.1., with a literature review highlighting the main theoretical breakthroughs and schools of thought that have governed the absorption capacity field of study. Following the literature review, I will present the theoretical framework with which the data gathered shall be analyzed in the coming chapter. In section 3.2, special attention shall be given, first, to the dependent variable – absorption capacity – and then, to the independent variables, i.e. the barriers that caused Romania's low absorption capacity of European funds.

3.1. Literature Review

The purpose of this section is to review the literature on absorption capacity. It begins chronologically with the early studies (before 2000) that have been done in this field, sub-section 3.1.2 moves on to describe how the theories and concepts have progress during the Multiannual Financial Framework (MFF) 2000-2006, and lastly sub-section 3.1.3 presents the emergent trends that have appeared from the start of MFF 2007-2013 onwards.

3.1.1. Early research

A selection of early research shows that the focus was mostly on the budgetary and structural funds assistance implications in the event of the EU accepting countries from the Eastern bloc (Brenton & Gros, 1993; Hallet, 1997; Grabbe & Hughes, 1998). Before the start of the Multiannual Financial Framework (MFF) 2000-2006, Barnier (2003) posed questions relating to the challenges arising from having to redistribute the funds to a wider range of states, as well as what should be the measures that the EU has to take to handle the challenges. Bernier was not the first scholar to question whether the Cohesion Policy was able to cope with the EU's enlargement to the East. Prior to the start of MFF 2000-2006, Grabbe and Hughes (1998) laid out a set of challenges that the policy, as well as the Central and Eastern European countries, were bound to face once the accession would be finalized. Their analysis of the Commission's proposed changes to the policy as well as their analysis of the candidate countries led the authors to believe that the policy is still in need of a revamp in order to narrow the economic disparities, because, even despite the Commission's proposed changes, the rather large disparities between the European regions will still be present for at least ten to

fifteen years (Grabbe & Hughes, 1998, pp. 675-676). In spite of a scarce body of literature in the 1980s and 1990s, a large number of articles and publications have appeared in the last decade and a half. It is important to note that before the late 1980s the Structural and Cohesion Funds did not have an efficiency-oriented design, and thus, until the start of the early 2000s, it proved premature to assess the impact of the funds on long-term convergence, due to the fact that supply-side effects take time to materialise (Funck & Pizzati, 2003). Hence there was a lack of extensive literature on the absorption phenomena prior to the 2000s (Horvat & Maier, 2004).

3.1.2. Research during MFF 2000-2006

In the starting phase of absorption capacity research, scholars have analyzed data gathered from the years prior to a respective country's accession, when it was still using pre-accession funds, i.e. Phare (among others Pires, 2001; Petkevicius, 2001; Papadopoulos, 2003; 2003a). These initial studies set the stage for further research in the field of absorption capacity, and have provided the preliminary stepping stones for future scholars.

It is essential to not forget the body of research created by the European Commission through their Annual Reports on the Structural and Cohesion Funds beginning in 1996. These reports, created in accordance with EU Treaties and Regulations, have covered the activities linked to Structural Funds assistance. Their goal was to signal certain negative aspects or inconsistencies in the way the member states have implemented the funds. Some authors, such as Horvat and Maier (2004), have built their preliminary theoretical frameworks from these Annual Reports.

Besides the Commission's internal research, other studies have been conducted by independent institutions on behalf of the Commission. Among some of the more relevant studies, one finds the NEI research (2002) in which the researching team has pinpointed several key indicators for candidate countries to effectively manage the structural funds. NEI was tasked by the Commission to develop a series of benchmarks and indicators for the Candidate Countries to know the administrative capacity requirements they have to fulfil to effectively manage Structural Funds (NEI, 2002, p. 1). The benchmarks and indicators developed by NEI have been used extensively in the literature and have been improved upon by a large number of authors (among others Horvat & Maier, 2004; Molle, 2008; Hapenciuc et al., 2013; Bachtler et al., 2014). In addition to the NEI research, ÖIR (2003) has studied the efficiency of the implementation methods for structural funds in EU15. Among the many research goals, one stands out as most relevant for this particular thesis – i.e. “to identify the

nature of the problems that arise in implementation taking account of different institutional and administrative contexts and forms of community intervention.” (p. 9).

3.1.3. Research during MFF 2007-2013

In more recent years, several authors have voiced their worries, saying that the way one studies absorption is still not as scientifically rigorous as it should be, due to an absence of an adequate conceptual framework (Zaman & Georgescu, 2009). As one will see from reading further, some of the literature found on the topic of administrative absorption capacity lacks certain details, which could be explained by the fact that this field of research is still in its infancy and thus there has not been enough time yet for more concrete theories to emerge. The conceptual frameworks found in the literature are of poor quality, mostly because scholars have found it difficult to assess the how well have the Structural and Cohesion Funds impacted the EU member states when it comes to convergence. Moreover, these past frameworks are lacking in appropriate measurement indicators, such as indicators that measure absorption capacity (Zaman & Georgescu, 2009, p. 141). This scarcity of measurement indicators is more prominent in qualitative researches (among others Šumpíková, Pavel & Klazar, 2004; Horvat & Maier, 2004; Zaman & Cristea, 2011), than in quantitative ones (cf. Tosun, 2014).

Analyzing the efficiency of the Cohesion Policy, and suggesting issues for future improvement has been an interesting topic, and also rather thoroughly researched after every MFF. Just following the end of the previous MFF, Bachtler and Wren (2006) published an article evaluating the policy’s performance as well as pointing out the challenges it went through and also what one should expect going further into the next MFF (Bachtler & Wren, 2006). One year later, Bachtler and McMaster (2007) investigated the role of the new member states’ regions in the implementation of the Structural and Cohesion Funds during MFF 2000-2006. Even for the MFF 2007-2013 studies regarding the Cohesion Policy’s new approaches (Mendez, 2011), performance (Mendez, 2013), and perspective for its future have surfaced (Hübner, 2008; Barca, 2009).

Other authors, for instance Wostner (2008), and Wostner and Šlander (2009), ask questions regarding the efficiency of the Structural and Cohesion Funds. These authors, alongside Hervé and Holzman (1997, as cited in Horvat and Maier, 2004), Endre (2008), Cace and colleagues (2010), and Gherman (2014) look towards EU funds through an economy-centric view. Although economic theories have been instrumental in improving the field of study related to Structural and Cohesion Funds, it is not the aim of this thesis to

venture into the economic side of the absorption rate issue. In fact, this thesis is intent on seeking theories regarding institutional designs. In other words, this thesis is engaged with theories that try to evidenciate problems in the institutional framework used to implement the Cohesion Policy, specifically in Romania during MFF 2007-2013. In the next section of the theoretical framework, the dependent and independent variables will be explained.

3.2. Theory and Hypotheses

As will become evident, the absorption rate can be affected by a myriad of factors during different stages of Cohesion Policy implementation. Before delving to the definition of the barriers, one has to first understand what the dependent variable is. In the beginning, it was stated that this thesis is concerned with the ‘absorption rate’, i.e. the percentage which shows the actual amount of money accessed by a particular country (in this case Romania) from the total amount allocated from the Structural and Cohesion Funds by the European Commission within a clearly delimited timeframe of six years. However, the dependent variable, which takes centre stage in this thesis, will be ‘absorption capacity’. In other words, what this means is that the absorption rate is dependent on the absorption capacity. Moreover, the absorption capacity is itself dependent on certain other variables within the country. In other words, I am interested to find out why Romania’s absorption rate was so low, but to understand this I need to look at and study its absorption capacity.

3.2.1. The Dependent Variable – absorption capacity

This part of the thesis discusses the dependent variable. On the global level, ‘absorption capacity’ is that which determines a low income country “to absorb productively a large volume of foreign aid” (Bourguignon & Sundberg, 2006, p. 1). Restricted to the EU level, the concept of ‘absorption capacity’ is generally understood to mean “the degree in which a country is able to effectively and efficiently spend the financial resources from the Structural [and Cohesion] Funds” (IER, 2005, p. 9) in order “to make a contribution to economic and social cohesion” (NEI, 2002). In plain English, absorption capacity should be understood as a country’s ability to successfully access the Structural and Cohesion Funds which have been allocated to it during a Multiannual Financial Framework. Verheijn (2002) and Tatar (2010) both state that absorption capacity was a downplayed issue before the fifth wave of enlargement, because previously acceded states had “well-functioning administrative systems and partial experience working inside the EU political system” (Tatar, 2010, p. 206). Therefore, it is perhaps unsurprising that since the concept has been introduced rather

recently, the theories surrounding it are, to a certain degree, less comprehensive and/or less parsimonious than one would have hoped or liked. This resulted in challenges in both the conceptualization and operationalization stages.

The significance of absorption capacity in the case of Central and Eastern European countries has been demonstrated by Jale Tosun. Tosun (2014) has conducted a comparative analysis of EU25 that was meant to establish the causes that improve or worsen the absorption rate of the ERDF for the MFF 2000-2006. In short, by drawing from the previously existing literature on Europeanization (Olsen, 2002; Lægreid et al., 2004; Méndez et al., 2006 as cited in Tosun, 2014) and from the literature on regional governance (Castles, 1999; Cooke and Morgan, 2000; Rodríguez-Pose and Kroijer, 2009; Tselios et al., 2012; Ezcurra and Rodríguez-Pose, 2013, as cited in Tosun, 2014), Tosun discovered that absorption capacity⁹ played an important role in the way member states absorbed the European funds.

This absorption capacity has been defined in different ways. First of all, the European Institute of Romania (*Institutul European din România*), among others, has explained that absorption capacity has two dimensions: (1) absorption capacity on the supply side; and (2) absorption capacity on the demand side, meaning how many interested parties are there in the funds, and as well as the ability to generate acceptable projects (Šumpíková, Pavel, & Klazar, 2004; IER, 2005). Furthermore, it is argued that the absorption capacity on the supply side is comprised of three components: (1) administrative absorption capacity (2) macro-economic absorption capacity, and finally (3) financial absorption capacity (Wostner, 2008; IER, 2005; Šumpíková, Pavel, & Klazar, 2004). For the purposes of this thesis, I will use the latter interpretation of absorption capacity.

The administrative absorption capacity firstly concerns the ability of central and local institutions to elaborate and adopt a series of plans, projects and programmes in a timely fashion, to organize an efficient partnership framework, to monitor administrative and reporting duties, and finally, to finance and supervise the implementation process by avoiding any irregularities (IER, 2005, p. 10; Šumpíková, Pavel, & Klazar, 2004; Horvat & Maier, 2004). Bachtler et al. (2014) have also analyzed the concept of administrative absorption capacity; however they have termed it ‘administrative performance’. For them, the concept refers to “the functions of programme design, project selection, financial management, reporting, monitoring and evaluation” (Bachtler et al., 2014, p. 737). Furthermore, absorption

⁹ The author originally terms it as government capacity.

capacity is related to aspects that have to do with the administration of the funds, i.e. institutional framework designed to implement, monitor, evaluate and communicate with partners, project applicants, and beneficiaries; and, at the same time it is also related to aspects dealing with project applicants/beneficiaries¹⁰ themselves.

Secondly, macro-economic absorption capacity is defined and measured in relation to a country's GDP. In other words, the component sets a limit for how much money a member state can benefit from the Structural and Cohesion Funds (IER, 2005; Šumpíková, Pavel, & Klazar, 2004). Finally, financial absorption capacity is, according to Šumpíková and colleagues (2004, p. 2), “the ability to co-finance EU supported programmes and projects, to plan and guarantee these national contributions in multi-annual budgets, and to collect these contributions from several partners (state, regional and local authorities, private bodies) interested in a programme or project”. Figure 5 gives a schematic overview of what the absorption capacity is comprised of.

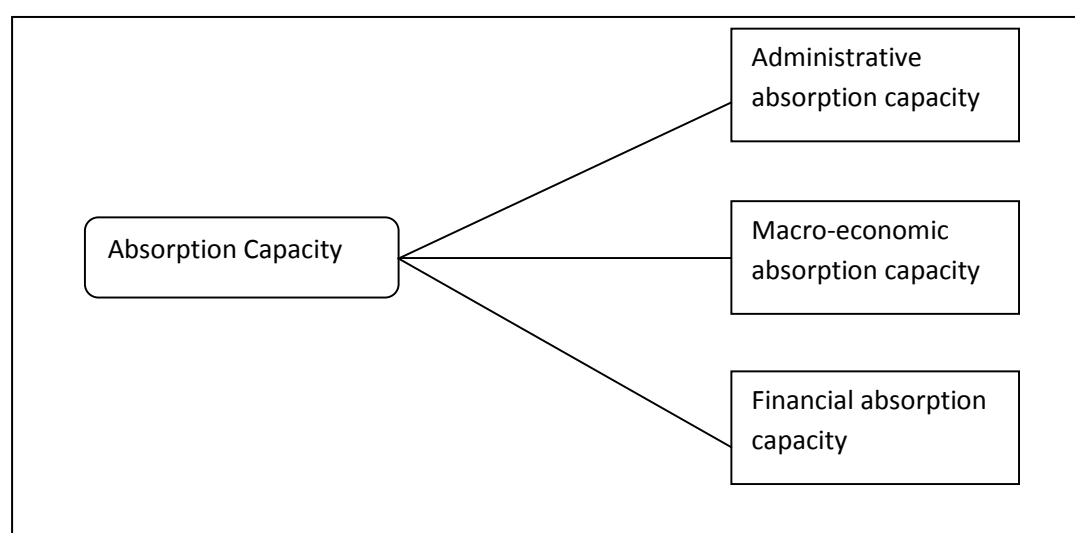


Figure 5. Overview of Absorption Capacity

Due to constraints of time and data, this thesis can only focus on one dimension of absorption capacity. In addition, the interest of this particular thesis falls neither with macro-economic factors, nor financial factors, but with administrative factors. Therefore, this research will analyze the administrative absorption capacity of Romania, with the goal of identifying problems in the institutional architecture. The following section is dedicated to scanning the literature to examine the barriers that hinder the achievement of increased absorption capacity.

¹⁰ On a general side note, it is important to know that project applicant may, in addition, be the beneficiary of a project funded by Structural and Cohesion Funds. Nevertheless this does not always have to be the case. The project applicant may just as well be a separate entity with the goal of helping a more disenfranchised set of beneficiaries.

3.2.2. The Independent Variables

In this sub-section, the thesis will provide an explanation of the independent variables (also referred to as ‘barriers’) that have been identified in the literature to affect in a negative way the administrative absorption capacity of a member state. It is important to note before going further that some of the literature found on the topic of administrative absorption capacity lacks certain details¹¹ which made it difficult to rigorously operationalize the independent variables. Thus, the researcher has a large room for interpretation which can in fact be considered a limitation of this thesis.

Bureaucracy

Researchers have now hypothesized a link between excessive bureaucracy and a lower absorption capacity (Braşoveanu et al., 2011; Zaman & Georgescu, 2014). Bureaucracy is seen as the manifestations of incumbent and laborious public procurement procedures, but also a relative high amount of documents necessary to get a project application approved. (Jaliu & Rădulescu, 2013, p. 92). Difficulties with the bureaucratic processes have been reported to stem from miscommunication by the authorities who have been shown guilty of providing either conflicting or rather insufficient information regarding funding opportunities (Jaliu & Rădulescu, 2013, p. 92; Zaman & Georgescu, 2014, p. 10). On the same note, Braşoveanu et al. (2011) has suggested that less bureaucracy is necessary for a normal development of procedures for refund claims, shorten the time for reimbursement and to also simplify all other related procedures.

Staff

Jaliu and Rădulescu (2013) after having conducted an online survey in 2008 with 3310 Romanian respondents (of which 63% representatives of the business environment, 18% representatives of the NGO/Education/Research sector, 11% representatives of the management/consultancy sector, and 8% representatives of the public sector) came to the conclusion that “poor management of structural funds is [primarily] a consequence of low institutional capacity” (Jaliu & Rădulescu, 2013, p. 93). Their respondents have declared that a lack of properly trained staff is a major obstacle when it comes to developing and managing a project that will be financed through structural funds. Strictly speaking, Jaliu and Rădulescu’s respondents report that absorption capacity has taken a drastic hit due to a lack

¹¹ This could be explained by the fact that this field of research is still in its infancy and thus there has not been enough time yet for more concrete theories to emerge.

of sufficient staff on the one hand, and due to that staff's lack of proper training in this domain. Another noteworthy contribution has been made by Zaman and Cristea (2011) in which the authors have identified several problems at different stages, i.e. stage of project application launching, project selection and contracting stage, and implementation stage at the beneficiaries' level. Their findings strengthen those of Jaliu and Rădulescu (2013), in the sense that in both studies lack of well-trained staff has hindered the absorption capacity of Romania (cf. Susanu, 2008).

One has to also take into consideration the level of expertise. The NEI research (2002, p. 8) suggests that Management Authorities should be staffed by people with a background finance, law, and/or economics. Jaliu and Rădulescu (2013) add that one can consider the level of expertise adequate if the staff (or at least some of the staff) has had previous work experience dealing with pre-accession funds, such as Phare.

Evidence from more recent studies (Zaman & Georgescu, 2014; Gherman, 2014) continue to suggest that lack of staff and their lack of training are crucial factors in determining a member state's absorption capacity. The evidence also shows that a lack of staff and training could be caused by rather weak financial incentives. Thus, one can see that because the personnel does not find the job financially rewarding, it is difficult to keep certain positions occupied. The reason why these positions are not financially rewarding was determined to be because there is simply not enough budget allocations to maintain competitive salaries and/or because of better working conditions in the private sector (Jaliu & Rădulescu, 2013; Zaman & Georgescu, 2014)

Miscommunication

In addition to the previous barriers, the local and central authorities failed to provide clear and comprehensive facilitating methodologies and supporting documents documents, such as Project Applicant Guides (Zaman & Cristea, 2011). Furthermore, it is seen as a communication problem when the authorities fail to provide help to the beneficiaries/project applicants by means of help desks, tutorials, and communication sessions to discuss procedures.

Moreover, keeping the lines of communication open with partners from the community is of paramount importance when it comes to the correct implementation of the Cohesion Policy, as all the projects have to be based on partnerships between the authorities, the project applicants and the beneficiaries. Before the final list of Operational Programmes is adopted, the authorities have to facilitate several feedback rounds with potential beneficiaries

in order to see what their interests are, and whether or not the proposed list of OPs fit their particular needs. If the opinions of the beneficiaries are not taken into consideration, Zaman and Cristea (2011, p. 71) have phrased the issue as being a failure of the local and central public authorities to properly “identify, establish priorities and prepare projects of special interest and attractive in terms of their impact and quality”.

Basically, communication between the authorities and the beneficiaries can be seen in terms of: (1) number and quality of methodologies and issued by the authorities to help the beneficiaries, (2) the amount of information the public authorities provide the project applicants throughout the project verification stage, and (3) the attractiveness of the Operational Programmes,.

To recap, it has been made apparent, by studying the literature, that the administrative absorption capacity can be affected by several barriers. For a graphical representation of the theoretical framework consult Figure 6 below. As one can clearly see from the figure, *bureaucracy* is influenced by both *staff* and *miscommunication*. Furthermore, the variable *staff* is affected by three other variables, *financial incentives*, *staff number* and *training*. When the staff is deemed insufficient, due to an insatisfactory number of employees, weak financial incentives, which are coupled with improper training, may also lead to problems in communication. Thus, excessive bureaucracy, staff, and miscommunication issues all affect the *absorption capacity* of Romania, which ultimately will impact on its absorption rate.

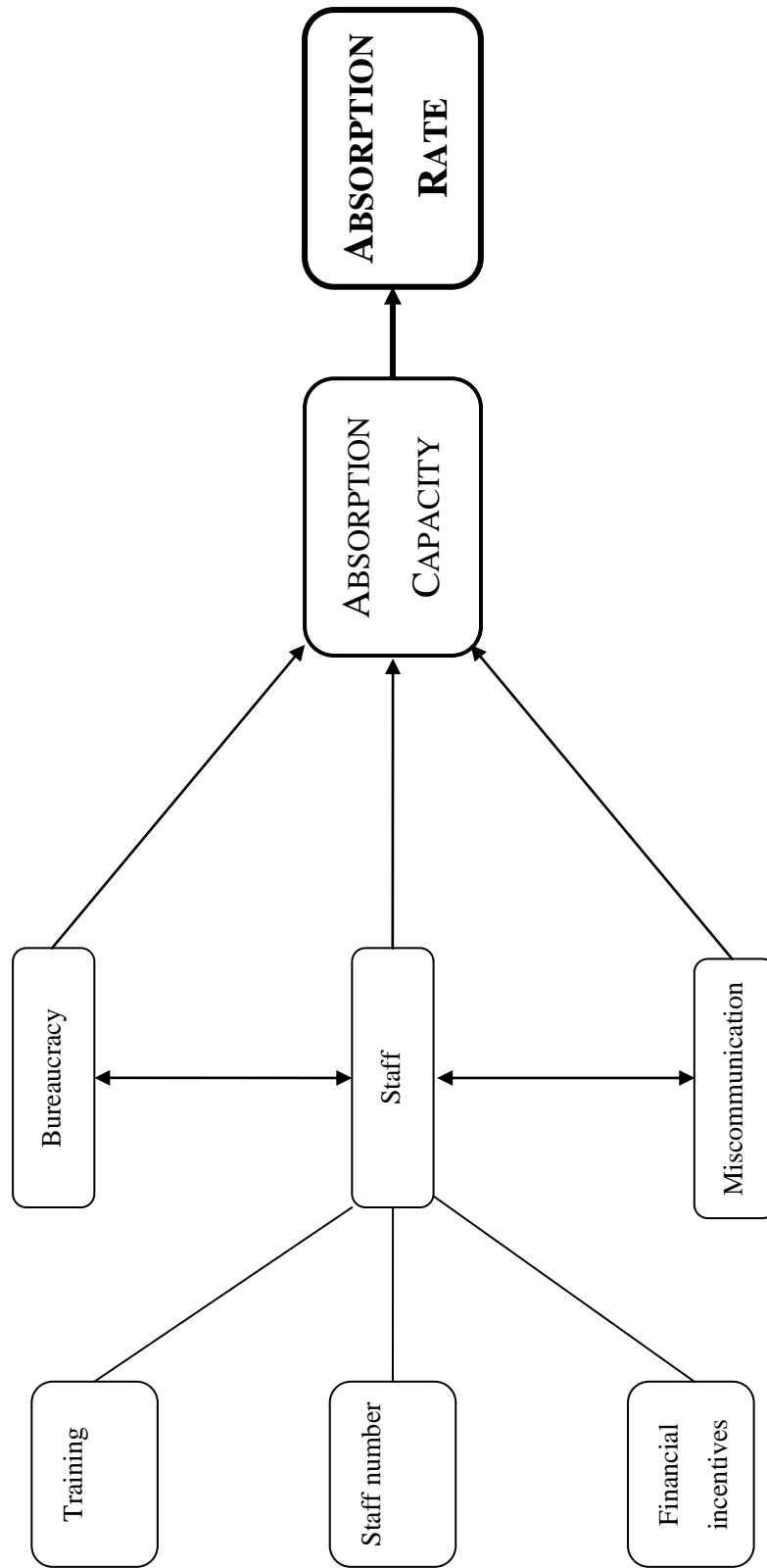


Figure 6. Schematic Representation of the Theoretical Framework
(Source: Author)

3.3. Summary

To sum up, in the first part of this chapter, one has read about the different types of studies that have been carried out in the field of EU member states' absorption capacity of Structural and Cohesion Funds. Secondly, it has been shown that the absorption rate of a member state is determined by its absorption capacity. Furthermore it has been shown that absorption capacity has three dimensions (administrative macro-economic, and financial), but only one of those shall be analyzed in this thesis, i.e. administrative absorption capacity.

By studying the literature, it has been made apparent (consult Figure 5 for graphical representation) that the administrative absorption capacity – dependent variable – can be affected by the following barriers – independent variables: *excessive bureaucracy* which can be caused by *laborious public procurement procedures*, as well as a *lack of communication* or due to *miscommunication*. Furthermore, excessive bureaucracy is inter-related with a *lack of a sufficient number of staff members*. The lack of staff can be explained by the *lack of strong financial incentives*, e.g. salaries, benefits. Insufficient staff, coupled with improper training, may also lead to problems in communication. Lastly, if the staff suffers in terms of expertise, it may very well lead to a failure in establishing priorities and preparing projects.

4. Methodology

Chapter 4 is dedicated to listing and explaining the research methods that are going to be used to analyze the data gathered for this thesis. First, a few remarks about what type of research method will be employed and what type of research paradigms exist. Then in section 4.3 the unit of analysis is presented, followed by section 4.4 where the data gathering methods (interview, content analysis, secondary empirical sources) are discussed at length. Section 4.5 is concerned with the operationalization of the variables, section 4.6 addresses the notion of validity and reliability, and after this the problems with the research will be discussed in section 4.7 ‘Limitations.’ Lastly, section 4.8 concludes this chapter with a summary.

4.1. Research Method

In the social and natural sciences, there exist three methods of data collection: qualitative, quantitative, and a mixed method approach. To give a brief overview, the quantitative method is “the systematic empirical investigation of observable phenomena via statistical, mathematical or computational techniques” (Given, 2008). Qualitative research is a term meant to define a plethora of study methods used to analyze the natural social life. It is different from quantitative research, since the data collected and analyzed is primarily non-quantitative in nature, e.g. interviews, field notes, documents, and/or visual materials (Saldaña, 2011). Qualitative research is considered to be most appropriate when analyzing the complex character of a phenomenon (Yin, 2003). Although some authors (Goertz & Mahoney, 2012) have considered that the quantitative and qualitative methods are fundamentally different, others (King, Keohane, & Verba, 1994) believe the two are complementary. Thus, this is why some studies take the mixed methods approach, which, as its name suggests, is a combination of the two.

Determining why a member state failed to attract more EU funds is a complex endeavour, as there are many factors at work simultaneously over the span of multiple years; thus, a meticulous analysis is needed in order to achieve the most accurate assessment. Furthermore, because of the complex nature of the case itself, and of the interpretable nature of the variables, there is no solid way to quantify the data through usual quantitative means. Therefore, this thesis shall employ a qualitative approach. A case study is a qualitative research method, which is meant to facilitate such an endeavour as it allows for in-depth examination (Saldaña, 2011, p. 8; Verschuren & Doorewaard, 2010). In essence, a case study “tries to illuminate a decision or set of decisions: why they were taken, how they were

implemented, and with what result” (Schramm, 1971 as cited in Yin, 2003, p. 12). In this case, one already knows the result (lowest absorption rate)¹², hence what is left to find out is the *why* and the *how*.

The literature distinguishes between three types of case studies: exploratory, explanatory, and descriptive. Exploratory case studies are primarily concerned with questions of *what*. As Yin (2003, p. 6) states, “this type of question is a justifiable rationale for conducting an exploratory study, the goal being to develop pertinent hypothesis and propositions for further inquiry.” Descriptive case studies ask questions of *who*, *what*, *when*, *where*, *how many*, and *how much* (Miller & Yang, 2008, p. 85). These types of questions generally help to describe the incidence or prevalence of a phenomenon or when it is to be predictive about certain outcomes (Yin, 2003, p. 6). For the sake of this study, one is only interested in seeing *how* and *why* Romania managed to achieve the lowest absorption rate of Structural and Cohesion Funds out of all the EU member states; hence this thesis is an explanatory case study (Miller & Yang, 2008; Yin, 2003).

4.2. Research Paradigms

The social sciences literature recognizes two perspectives or paradigms of data analysis: positivism and interpretivism (among others Corbetta, 2003; Miller & Yang, 2008, Saldaña, 2011). In broad terms, one associates ‘positivism’ with objectivity, while ‘interpretivism’ is connected to subjectivity. Quantitative research is mostly used in this a positivist research, however qualitative research is possible as well. Positivism is usually concerned with facts and analysing the relationship between facts.

“It is fundamentally inductive, where induction means ‘moving from the particular to the general the process by which generalizations or universal laws are derived from empirical observation, from the identification of regularities and recurrences in the fraction of reality that is empirically studied.” (Corbetta, 2003, p. 15)

Positivism has been characterized as ‘critical realism’ in that it assumes that cause-effect relationships exist in reality outside the human mind, and because it underlines the view that the scientist must always be prepared to question every scientific acquisition. Moreover, a positivist sets out with the intent of formulating generalizations in the form of

¹² However, this was not the only reason for why I picked Romania for the case study. For a more detailed reasoning behind this option, revisit the Practical (p.3) and Theoretical Relevance (p. 5) sections in the first chapter of the dissertation.

laws, even though these laws can be limited in scope, probabilistic and provisional. A positivist will conduct experiments, statistical analyses or quantitative interviews, thus detaching himself from the object studied (Corbetta, 2003, p. 20). This research however, will use a rather soft version of positivism. To explain, I will proceed by looking for factual data in governmental reports, e.g. number of institutions, of documents, of employees in an organization; however there will be no statistical analysis, or any other type of mainstream positivist research method, performed on this data. The numbers will be used in order to underpin certain other arguments.

Subjective interpretivism is opposite to positivism. An interpretivist perspective looks at how information is influenced by interpretations and experiences of people. The interpretivist paradigm originates from Max Weber. For Weber, to understand an individual action is to acquire sufficient means of obtaining information to understand the motives behind it (Boudon, 1984, as cited in Corbetta, 2003, p. 22). Interpretivism is characterized by ‘constructivism’ and ‘relativism.’ Constructivism states that “the knowable world is that of the meanings attributed by individuals” and relativism adds “these meanings vary among individuals” or among groups (Corbetta, 2003, p. 24). In other words, “there are multiple and different perspectives from which people perceive and interpret social facts” (Corbetta, 2003, p. 24). One it comes to the goal, interpretive scientists are not in search of laws, but instead they are in search of meanings, in which the central categories are those of value, meaning and purpose (Geertz, 1973, as cited in Corbetta, 2003). Furthermore, analysis of the data is based on the interpretation of experiences and behaviour, but not on the interpretation of the language used (Miller & Yang, 2008).

This research tries to combine both paradigms; nevertheless it is going to be predominantly interpretivist. It will use qualitative methods in order to understand the meanings in the accounts of the interviewees and also it will try to find the latent meaning in the Implementation Reports. It will use positivism to sometimes, where possible, gather factual data for some variables.

4.3. Unit of Analysis

This research is interested in one particular case: Romania – the member state with the lowest absorption rate. It is because of the country’s unique factor (lowest absorption rate out of the whole EU) that determined the deliberate selection of this case. Therefore, the unit of analysis for this thesis will be Romania in its entirety, i.e. all eight of its regions and all seven of its Operational Programmes. Choosing Romania as a whole to be the unit of analysis was done

in order to allow for a broader selection area of interviewees and to allow a better overall generalization of the findings. As this is a small-*N* qualitative research the main concern is to find within-case processes that have led to Romania scoring the lowest absorption rate in the previous financial period (Goertz & Mahoney, 2012; Gerring, 2006). Despite this, the researcher acknowledges the fact that a lack of cross-case comparison could work to the detriment of the thesis's findings, as it lacks the comparative aspect (Gerring, 2006).

4.4. Data Collection

There can be a great number of qualitative data gathering methods, such as ethnography, phenomenology, interviews, focus groups, content analysis and so on (Booth et al., 2008; Miller & Yang, 2008; Saldaña, 2011). For the purposes of this study, however, and for reasons to be explained in the coming sections, I shall use only the following three methods: interviews, content analysis, and secondary empirical resources. The findings gathered through the methods, shall be compared with the findings of other scholars in the field in order to see whether or not they match. Opting to collect data from multiple sources (documents, interviews, and literature) has been proven to be beneficial in the field of public administration (Miller & Yang, 2008, p. 38). In the following sub-sections the reasons for choosing these methods will be explained, along with a more detailed description of the methods themselves.

4.4.1. Interviews

Qualitative interviews are used to collect data by asking individuals questions about the way they perceive a certain reality (Corbetta, 2003, p. 264). The literature distinguishes between different types of interviews depending on: (1) the type of questions asked – the interviews can thus be (a) structured, (b) unstructured or (c) semi-structured; (2) the number of interviewees questioned simultaneously – (a) individual or (b) group interviews; and (3) method in which the interviewees have been selected – (a) random or (b) specialized (Miller & Yang, 2008, pp. 156-157; cf. Babbie, 1990; Fontana & Frey, 1994).

This thesis shall make use of structured, individual interviews, with the interviewees being selected through a specialized method and not at random. I have opted for the structured interview because the issue under investigation in this thesis – i.e. barriers that have diminished the Romanian absorption capacity – is a rather large issue which involves so many aspects that an exhaustive list would generate an almost infinite number of response categories (Corbetta, 2003, p. 270). By definition, a structured interview entails that all

participants will be asked “the same questions with the same wording and in the same sequence” (Corbetta, 2003, p. 269). A structured interview is similar to a questionnaire, except for the fact that the interviewees are free to express themselves as they wish; the questions are open-ended and allow for a wider range of responses.

These interviews will be individual, i.e. they will be conducted one-on-one, researcher and interviewee, in order to grasp the subject’s perspective (Corbetta, 2003, p. 266). However, they will not be conducted in the traditional face-to-face style. Due to constraints of time, and financial resources, the interviews will take place on-line via a ‘voice over IP’¹³, programme. In this way, the researcher closes the geographical gap between himself (the Netherlands) and the interviewees (Romania), because the ‘voice over IP’ programme simulates the face-to-face interaction without the two having to physically be in the same location. The language used to conduct the interviews will be Romanian, because the researcher and interviewees are native speakers of Romanian.

Interview data sampling

Furthermore, the sampling design for these interviews is as follows. The thesis aims at gathering data from three different categories of people: Firstly, people that have worked during MFF 2007-2013 in any of the public institutions responsible with the implementation of the Cohesion Policy in Romania. By targeting this group, one tries to see how the people who were actively involved in drawing up the procedures, verifying and monitoring different project, *et cetera*, perceived the process as a whole, and where its largest flaws were. The second category is comprised of the beneficiaries. By looking at the beneficiaries, one tries to identify the causes of a low absorption capacity, as seen through the eyes of those who actually conceive and write a project from the ground up. The third category encompasses employees of consultancy agencies, who have provided assistance to beneficiaries in writing their project. These people are important because they technically have enough experience and can provide an objective account of what went wrong in the previous financial period. Combined, the insights from all of these three groups should provide the best description of the main barriers that made it difficult for Romania to absorb a higher percentage of the Structural and Cohesion Funds. The minimum number of interviews aimed for is ten, with at least one representative from all three categories. The list of interview respondents can be seen in Table 5 below.

¹³ Voice over IP is a group of technologies for the delivery of voice communications and multimedia sessions over Internet Protocol (IP) networks, such as the Internet. The programme used for the purposes of this thesis will be Skype.

Even though the interviews will be structured, different questions have to be posed to members of the different categories. To clarify, interviewees from the first category (i.e. people that have worked in public institutions) will have questions formulated in a different manner than those from the other two categories (i.e. beneficiaries, and consultants). This is done because the interviewees have experienced the Structural and Cohesion Funds implementation process from different perspectives, thus a question that might be relevant for a person working in a Monitoring Committee, for example, might not be relevant for a beneficiary. Despite different formulations, all the interview questions will ultimately reflect the same issue. For an overview of the interview questions, please consult Annexes A and B (available both in English and Romanian). Annex A is addressed to the second (beneficiaries) and third (consultants) categories. Beneficiaries and consultants should be asked and are able to answer the same questions, because both categories will talk about their experiences working with the public institutions from the same perspective, i.e. as project applicants. Annex B is addressed to the first category – i.e. employees that have worked in any of the public institutions responsible with the implementation of the Cohesion Policy in Romania.

Interview no.	Interviewee category	Field of expertise	Region
1	Beneficiary	SOP HRD	Bucharest-Ilfov
2	Consultant; Management Authority	R OP; SOP IEC	Centre (as a consultant)
3	Regional Development Agency	R OP	North-West
4	Consultant	SOP HRD; SOP IEC	Bucharest-Ilfov
5	Beneficiary	SOP HRD; OP ACD	South
6	Consultant	SOP HRD; SOP IEC; R OP	North-East
7	Beneficiary	SOP HRD	Bucharest-Ilfov; South
8	Intermediary Body	SOP HRD	North-West
9	Intermediary Body	SOP E	Bucharest-Ilfov
10	Management Authority Intermediary Body Management Authority Intermediary Body	R OP; SOP E;	Bucharest-Ilfov (only for when working for the IBs)
11	Management Authority	OP ACD	Covers all regions
12	Management Authority	SOP HRD	Covers all regions

Table 5. List of interviews

As shown in Table 5, each category of interviewees has at least two participants. Furthermore, the interviewees' combined expertise stretches across almost all the Operational Programmes, with the exception of OP Technical Assistance and SOP Transport. However, one can also note that the majority of the interviewees are experts in SOP Human Resource Development (seven interviewees). Unfortunately, not all eight Romanian regions (consult Table 2 for full list of regions) have been covered. No interviews have been conducted with people from the South-East, South-West, and West regions.

This lack of data from three regions is troublesome as it does not account for certain variation between regions. Specifically, as it was made clear by almost all interview candidates, some problems surrounding the OPs might be different from region to region. To give a hypothetical example: in the West region, there could be a report of insufficient staff at the Intermediary Body for SOP Human Resource Development, but in the Centre region insufficient staff might not have been an issue. The Implementation Reports play a significant role in controlling for this lack of data, as they are drafted at the central level which means that problems are reported when they are significant enough, thus prevalent across almost all regions.

Ethical Considerations

Ethics should be important in every type of research, especially in those that use interviews as a method of data collection. Because interviews allow the researcher to collect and analyze an individual's opinions, the candidate should be no worse off than previously (Halai, 2006). Therefore, in order to protect the identity, opinions and experiences of the interviewees, each candidate was asked at the beginning of the interview whether or not they wish to remain anonymous. Furthermore, they were asked if there was anything else that could not be disclosed in the research.

4.4.2. Content Analysis

Furthermore, in order to facilitate a detailed case study, this thesis shall analyze a series of official Romanian Government documents: Operational Programmes' Implementation Reports, and Project Applicant's Guides (to see the full list of documents, consult Annex C). All the previously mentioned documents fall under the category of institutional documents, specifically bureaucratic/administrative documents (Silverman, 2004, p. 73). Implementation Reports have been chosen because they should point out troubles and challenges that have appeared during the implementation process. Project Applicant's Guides have been chosen

for analysis because they can provide insights into how clear and easy to follow the bureaucratic procedures were or were not during MFF 2007-2013. Furthermore, these guides can provide insights into how well the public institutions communicated with the project applicants. Owing to the fact that there is an extremely large amount of documents to go through, it would be an unfeasible endeavour for the researcher to try and analyze all these documents in the time span allocated for this thesis. Each Operational Programme has multiple Priority Axes, and each Axis can consist of multiple Intervention Domains, with the exception of the 'Technical Assistance' Axis. For example, the Regional Operational Programme has six Priority Axes, and a total of fourteen different Applicant's Guides. Therefore, the documents will be selected at random, as they are written in a semi-standardized fashion, which should provide the researcher the possibility to generalize the findings.

Qualitatively, one analyzes a series of documents by examining and interpreting the meanings of the texts found within (Corbetta, 2003, p. 297). In other words, content analysis is a technique applied in qualitative research to understand the latent meaning in certain bits of the text (Hsieh & Shannon, 2005; Saldaña, 2011). When one decides to do a content analysis of documents, one has to take into consideration two factors: (1) who has produced the documents, and (2) who has read the documents or who is the target audience for these documents. One does this in order to establish the relevance of the documents which are going to be analyzed (Silverman, 2004, p. 73).

There are multiple reasons for why a content analysis of these documents has been chosen. First, "documents are produced by individuals or institutions for purposes other than social research, but can be utilized by the researcher for cognitive purposes" (Corbetta, 2003, p. 287). Other reasons for doing content analysis of documents include the fact that the information derived from these documents is non-reactive, i.e. "it is not subject to possible distortion due to the interaction between the researcher and the subject studied" (Corbetta, 2003, p. 287). Moreover, documents allow the researcher to study events that have transpired in the past. Thus, one can reveal certain contradictions that appear between that which is stated in the Implementation Reports and that which is reported by the interviewees and by secondary empirical sources (Corbetta, 2003, p. 288).

On the other hand, the disadvantages of doing content analysis on documents are (1) the researcher does not have the ability to inquire further, and (2) "document accounts depict their own kinds of reality and do not transparently refer to the social world" (Silverman, 2004, p. 74). In other words, the researcher works with what the government deemed

necessary to report. Thus, certain notes, details, facts may have been left out either by omission or deliberately, and the researcher cannot establish the full story. Therefore, other types of data have to be collected. Furthermore, to make the content analysis more rigorous, the researcher will analyze the text documents with the Computer Aided Qualitative Data Analysis Software (CAQDAS) Atlas.ti (Demo Version: WIN 7.5 (Build 6); Atlas.ti GmbH, Berlin)¹⁴. The software is used to support the researcher in keeping order and oversight of the data (Lewins & Silver, 2007). Moreover, Atlas.ti enables the researcher to analyze the data in an organized fashion by first marking concepts with quotes and by open coding, organizing those quotes into sub-categories (codes) and categories (code families), as well as by reaching conclusions from the sorted data (Miles, Huberman, & Saldaña, 2013).

4.4.3. Secondary Empirical Sources

The literature, which will be used as secondary empirical sources, is comprised of academic journal articles that have employed either qualitative research methods or quantitative research methods. Thus, combined, the findings resulting from all these sources have emanated from multiple research methods. Booth *et al.* (2008) recommend that when gathering and using secondary data, to check to see whether it is reliable, suitable, and adequate (p. 92). One verifies whether the data is reliable by asking ‘who collected the data?’, ‘was the data collected using proper methods?’, ‘what were the sources of data?’, and finally ‘at what time was the data collected?’ The suitability of secondary literature is established by careful examination of the object, scope, and nature of the research questions, as well as the definition of various terms and units of analysis that have been used and/or derived from primary sources. Lastly, secondary sources are deemed adequate if they fall precisely within the area explored in this thesis (Booth et al., 2008, p. 77-79). Thus, for all intents and purposes, the secondary empirical sources gathered in this thesis will be examined with due precaution.

4.5. Operationalization

This section is concerned with the operationalization of the independent variables. It is important to note before going further that some of the literature found on the topic of administrative absorption capacity lacks certain details which made it difficult to rigorously operationalize the independent variables. Thus, the researcher has a large room for interpretation which can in fact be considered a limitation of this thesis. Nevertheless, it is the

¹⁴ Other CAQDAS are available (e.g. NVivo). Atlas.ti was chosen because of its free and unlimited trial version.

goal and also the responsibility of the researcher to develop a comprehensive operationalization of the variables.

There is one measurement method that will be employed, i.e. 'Interpretation.' In this way, I will ask the interviewees certain questions which will show their interpretation of certain details, based on their experiences. To give the same example as before, during the interview, the candidate will be asked to give their opinion about the number of documents needed. Thus, they will have the opportunity to appraise whether the amount of documents was too high or adequate.

Furthermore, it is important to also bear in mind that although the literature has identified the following independent variables, it does not necessarily mean that others do not exist. Therefore, to control for this, the interview questions have been developed in such a way as to allow the candidates to give their own interpretations as to what influences the absorption capacity. For instance, if an interviewee does not believe that the following factors have diminished Romania's administrative absorption capacity, but mentions another, which has not been identified previously in the theoretical framework, the interviewee's remark will still be reported in the findings section of the thesis.

4.5.1. Potential scoring of the variables

As mentioned above, there are two means of measuring the variables, 1) objective and 2) interpretation. Therefore, there are going to be two ways of scoring. For the objective method, there will be a quantitative scoring board, and for the second method, interpretation, a qualitative scoring board. To give examples, if one is to look at the number of documents that a beneficiary has to submit when applying for funding, quantitatively the data shows that there are three (hypothetical number) documents needed. Qualitatively, when asked how the beneficiary perceives this number of documents, he/she can say that it is 'too high' or 'adequate'. Note however that not all variables can be measured in both ways.

4.5.2. Bureaucracy

This first variable is measured in (a) the number of documents necessary to get a project application approved, (b) the number of institutions involved in the implementation of the Operational Programmes, and (c) problems with the public procurement procedures. The literature (Braşoveanu, 2011; Jaliu & Rădulescu, 2013; Zaman & Georgescu, 2014) has pointed out that all three dimensions have an impact on the absorption capacity. For example, the more documents a project applicant needs to elaborate, the more institutions are involved

in the implementation process, and the more complex the public procurement procedures are, the less absorption capacity a country will have. The interviewees will have the chance to express their opinions on this matter in question 4, sub-questions 4.1 and 4.2 of Annex A, and question 3, sub-questions 3.1 and 3.2 of Annex B. One should be able to measure objectively the number of documents and the number of institutions through content analysis.

4.5.3. Staff

The second variable is concerned with the staff and how it might impact the absorption capacity.

Staff number

This pertains to the number of staff employed in an institution that was (1) responsible for the implementation of the Structural and Cohesion Funds (e.g. a Monitoring Committee, Management Authority, and Intermediary Body) or (2) the beneficiary of a project funded through European Funds and/or (3) the project applicant who initiated the project. It is hard to operationalize what the sufficient amount of staff members should be. As one study shows, there are no strict EU regulations demanding a set number of employees in the institutions related to Structural and Cohesion Funds implementation (NEI, 2002, p. 6). Thus, member states can decide on their own what the right number of people is. It was shown however that on average “a minimum of 4-7 and a maximum of 12-14 dedicated staff are commonly required for carrying out the key tasks of OPs” (NEI, 2002, p. 6).

In order to assess whether or not an institution had enough staff on hand during MFF 2007-2013, the interviewees will be asked if they perceived the number of employees in their institution to have been enough to manage the workload (consult Question 5, Annex B). Interviewees who belong to the categories of either beneficiary or project applicant will also be asked to state which institution they perceived as having an unsatisfactory number of employees (consult Question 5, Annex A). Furthermore, in the documents that will be investigated, the researcher will look for any reference that marks a lack of staff.

Staff training

This variable is concerned with the amount and proper training of the employees mentioned above. Research such as that conducted by (NEI, 2002, p. 8) has suggested that institutions should be staffed by people with a background finance, law, and/or economics. In order to assess the level of training the interviewees will be asked “*would you say that the staff has had enough experience and/or formal training working with EU funded projects?*” (consult

question 6 in both Annex A and B). Furthermore, the interviewees will be asked to give background information about themselves, and will subsequently be asked whether that background has helped or hindered them in their job.

Staff training might also encompass experiences the employee has accumulated during his/her past jobs. Therefore, the interviewees can also be required to answer whether their past jobs has helped or hindered them during their work at their respective public institutions. This dimension might be difficult for the interviewees to assess, and it can also prove impossible for the researcher to measure objectively since one cannot find out, in all instances, the work background of each interviewee.

Staff training could also be understood in terms of specialization courses (e.g. a specialization course in public procurement procedures). These specialization courses are taken into consideration since it is possible for an employee to receive special training in his/her area of expertise while he/she is an employee of a certain institution. In other words, one should not only focus on an employee's education that he/she might have received in, for example, university, because an employee can and should obtain knowledge useful to his job, while he/she is currently employed.

Staff's financial incentives

This variable is concerned to see whether staff members were financially incentivised. Financial incentives come in the form of salaries and benefits (Jaliu & Rădulescu, 2013; Zaman & Georgescu, 2014). Therefore, to understand if the employees have been properly incentivized financially, in sub-question 5.1 of Annex A and sub-question 4.2 of Annex B, the interviewees are given the possibility to state how they perceived their salaries and benefits. This variable cannot be measured 'objectively' with concrete numbers and figures, because this data is confidential in nature.

4.5.4. Miscommunication

This last variable has to do with the way public institution manage to interact with beneficiaries and/or with project applicants. To determine if miscommunication had indeed posed as a barrier for the absorption capacity interviewees will have the possibility to elaborate on this in question 7 and sub-question 7.1 of Annex A and question 6 and sub-question 6.1 of Annex B (*Was there enough communication between your institution and the Monitoring Committee, Management Authority, Intermediary Bodies, and/or other relevant institutions / Was there enough communication between your institution and the*

beneficiaries/project applicants?; and if there was not, how did you perceive these problems in communication?).

Miscommunication can be identified as a failure on behalf of the public institution to provide adequate facilitating methodologies and supporting documents. Adequate facilitating methodologies and supporting documents should be understood as clear and precise Project Applicant Guides, and any and all other type of documents that the beneficiaries might require. Objectively, one can measure the amount of documents provided, but not whether they were up to par with the beneficiaries' expectations. Therefore, the interviewees will be asked to interpret how they perceived miscommunication in question 7.1 and question 8.1, respectively.

Miscommunication could also be defined as a failure on behalf of the public institutions to "identify and establish priorities and prepare projects of special interest" (Zaman & Cristea, 2011, p. 71). The ability to identify and establish priorities and special interest projects is about whether or not there are Operational Programmes which capture and hold the attention of beneficiaries, as well as being useful to the beneficiaries.

Finally, misinformation can be measured in terms of information provisions. These provisions can take the following forms: help-desks and information sessions. Help-desks are direct lines of communication between the beneficiaries/project applicants and public institutions, e.g. Management Authorities or Intermediary Bodies. Information sessions are meetings where representatives from the public institutions (e.g. a Management Authority or an Intermediary Body) sit down with representatives of the beneficiaries and exchange thoughts about certain OPs, and it is also a good opportunity for beneficiaries to receive clarifications in regards to certain aspects of the various procedures. The interviewees will be asked to give their opinions on this again in questions 7.1 (Annex A) and 8.1 (Annex B). To sum up, Table 6 provides a concise, schematic representation of the operationalization section.

INDEPENDENT VARIABLES	MEASURING UNITS		MEASURING METHOD
Bureaucracy	Number of documents		Interpretation
	Number of institutions		
	Public procurement procedures		
Staff	Training	Formal/academic education	
		Past employment	
		Specialization courses	
	Number of staff members		
	Financial incentives	Salaries	
		Benefits	
Miscommunication	Failure to provide...	... facilitating methodologies	
		... supporting documents	
	Failure to identify and establish priorities		
	Insufficient information provisions		

Table 6. Schematic Representation of the Operationalization (Source: Author)

4.6. *Validity and Reliability*

All research should be concerned with aspects regarding its validity and its reliability (Patton, 2002). Validity is the same as trustworthiness, which refers to the relevance of the data, that is to say, does the data show what it was intended to show. If the validity can be maximized then that means that the results yielded are credible and defensible (Johnson, 1997, as cited in Golafshani, 2003). Reliability refers to how similar the results would be to the original, if the initial research would be repeated (Miller & Yang, 2008).

The validity and reliability of qualitative research often comes into question, especially when it has gathered data from interviews. The researcher is both the person who conducts the interviews, and the person who connects the data to the theories. Thus, the results are linked to the researcher's own interpretation of the data. To counter this, one employs the method of triangulation, which usually means to include "several kinds of methods or data, including using both quantitative and qualitative approaches" (Patton, 2002,

p. 247). This thesis does not use both quantitative and qualitative research methods, but it does gather qualitative data from multiple sources, as explained in the sub-sections 4.4.1., 4.4.2, and 4.4.3., in order to perform the triangulation.

To render the sources of the findings in an easy to read fashion, for each dimension of each variable, a table has been designed and placed in Annex D. These tables will feature three columns: one column for the Operational Programmes, listed in no particular order, the second column for the variable (e.g. Bureaucracy – Number of documents), and the third for the source. The number under ‘source’ is attributed depending on whether or not the issue was mentioned in either the Implementation Report or in the interview, in both or in none. In the case of SOP Transport, unfortunately no data could have been collected, thus this situation is marked accordingly. In addition, secondary empirical sources gathered from the literature is used to corroborate or contradict the findings resulted from the primary sources. By using three data sources the researcher performs a triangulation, thus ensuring the reliability and validity of the findings.

4.7. *Limitations*

Limitations in the research design are an integral part in most other papers that exist. This thesis is no different, and this section is meant to highlight these limitations. It is important to note that limitations can, most often time, appear because there was a lack of time and/or resources (cf. Zajdlic, 1956). Moreover, in the words of Schonfield (1971), one has to understand that:

“In the social sciences it is rarely possible to pose questions and provide answers in the manner of some of the natural sciences [...]. It is the nature of most of our work that it tends to produce useful ideas and an increasingly firm factual base, rather than clear-cut answers to major policy questions. We must try to tease out the relationships which have a crucial effect on policy and, in doing so, provide not so much widely applicable generalizations as a sound, informed basis for decision-making and, at the same time, cut down the area of reliance on guesswork and prejudice.”

The first limitation of this paper comes from the fact that the literature did not provide the researcher with a clear conceptual framework or with parsimonious theories in order to be tested. Thus, the researcher had to rely on experience and logic in order to combine the different theoretical insights, thus developing the conceptual framework present in section 4.5.

Secondly, the time frame did not allow for sufficient data to be gathered in order to cover all Romanian regions and OPs. In the case of the interviews, there are three regions and two OPs with no respondents. As for the Implementation Reports, only one OP is missing data, SOP Transport. Unfortunately, the reason as to why SOP Transport does not have any published Implementation Reports could not be found, and moreover, the Ministry of European Funds did not respond when asked about this situation.

Thirdly, regarding the measurement of the independent variables, it was stated in section 4.5 that there will be one method, i.e. an interpretation method. Only the interpretation method will be used because, it has proven impossible to measure all independent variables in a way that employed quantitative methods of analysis. For example, it would be extremely complex and time-consuming to find factual data about the public procurement procedures (the third dimension of the first independent variable) or, in a different case, the actual facts and figures are confidential and it represents a sensitive issue for the interviewees (e.g. salaries).

The fourth, and final, limitation is that the thesis does not make use of any comparisons. Although the researcher takes into account the variations between regions and variations between the interviewees' responses, it would have been beneficial to test the validity of the findings had the research also compared Romania to a similar case, e.g. Poland or another Eastern European member state (see e.g. Hallet M., 1997).

4.8. Summary

The thesis employs qualitative research methods to analyze the gathered data. The thesis makes use of two types of primary sources: interviews and official government documents. First of all, half of the primary data has been gathered by means of interviews. Furthermore, the content analysis has been done on a total of thirty-three Implementation Reports, as can be seen in Annex C. Atlas.ti has been used in order to attach codes to certain pieces of text within the reports. For example, the following piece of text “high volume of documents solicited to be verified in accordance with the rules and procedures” has been coded as pertaining to the “number of documents”. The Project Applicant Guides (again, consult Annex C for the full list) have been used only to check for factual data and to corroborate or contradict some of the statements given by the interviewees. No codes have been attached to the text from any of the Project Applicant Guides.

In section 4.5 Operationalization, it has been stated that the independent variables will be measured in two ways: ‘objective’ and “interpretation.” These two methods correspond

with the two researching paradigms of ‘positivism’ and ‘interpretivism.’ Furthermore, the unit of analysis will be all seven Operational Programmes spread across all eight Romanian regions. The penultimate section of this chapter discusses the four limitations of the thesis.

5. Analysis

This chapter is concerned with the analysis of the data gathered and presenting the results obtained from the analysis. The chapter is divided into six sections. Sections 5.1, 5.2 and 5.3 are about the analysis of the independent variables that have been identified in the literature, i.e. bureaucracy, staff, and miscommunication respectively. Section 5.4 deals with three emergent themes (high workload, delayed procedures and institutional issues) that have appeared during the analysis. These variables have been termed ‘emergent’ because they became evident as the analysis proceeded, rather than before. In section 5.5 the actual causes of low administrative absorption capacity will be presented. Section 5.6 concludes this chapter with a summary of the analysis and results.

5.1. Bureaucracy

This section is concerned with the first independent variable – bureaucracy. Sections 5.1.1, 5.1.2 and 5.1.3 analyze and report the results of the three dimensions of bureaucracy, i.e. number of documents, number of institutions and public procurement procedures respectively.

5.1.1. Number of documents

As Table 20 (Annex D) shows, issues with the number of documents have been reported in three of the six OPs analyzed. In the case of the Regional OP and OP Administrative Capacity Development, problems not only with the amount of documents, but also with the high level of complexity of those documents have been signaled. In both cases, a high amount of documents have been shown to be a cause of low absorption capacity in two consecutive years, i.e. for the Regional OP from 2008 until 2009 and for OP Administrative Capacity Development from 2011 until 2012. For example, in the 2012 Implementation Report of the OP Administrative Development Capacity it was stated that “a large number of documentary evidence is needed to justify expenditures.” Furthermore, in the 2008 Regional OP Implementation report it was stated that:

Another issue [concerning low absorption capacity] is the complexity of the technical documents that the beneficiaries of hospital rehabilitation projects have to draft in order to obtain financing from such projects.

For the SOP Human Resource Development, it was mentioned by Interviewee 1 from the Bucharest-Ilfov region, and in Implementation Reports that, at times, the number of

documents solicited was too high. Interviewee 7, from the North-West region, was one of those who did not think that the number of documents was excessive. Also, Interviewee 12 (MA SOP Human Resource Development) considered that the crux of the issue does not stand with the number of documents, but with their complexity.

I do not believe that there is an issue with too many documents. Definitely not for the application procedure. The number goes up in later stages, in the verification stage, specifically during the verification of reimbursement claims (Interviewee 12).

When asked, the interviewees revealed that the application procedure is not their largest concern. The documents required stack up in later stages, for example, during verification. This, of course, is with the exception of SOP IEC which clearly requires an excessive number of documents from the beginning (consult Table 7).

What is considered to be a high number of documents differs between OPs, and respectively between their stages. To exemplify, in the case of SOP Human Resource Development people have complained about the number of documents during the verification stage, while for SOP Increased Economic Competitiveness, people thought that the number of documents was excessive during the application stage.

Table 7 shows the exact number of documents a beneficiary had to complete before applying for funding. After that, Table 8 presents the interpretation score for the first dimension of the ‘bureaucracy’ variable. The two potential scores are ‘unobtrusive’ or ‘high.’

Operational Programme	Number of documents for application
R OP	3
SOP HRD	3
SOP IEC	18
OP ACD	1
SOP E	1
OP TA	1
SOP T	5

Table 7. Number of documents required (Source: Project Applicant Guides; consult Annex C)

Operational Programme	Number of documents for application
R OP	Unobtrusive
SOP HRD	High
SOP IEC	High
OP ACD	Unobtrusive
SOP E	Unobtrusive
OP TA	Unobtrusive* ¹⁵
SOP T	N/A

Table 8. Interpretation Score for Variable 1.1 (Source: Implementation Reports/Interviews)

5.1.2. Number of institutions

Table 9 compiles the interpretation scores for this dimension. The scores that can be attributed are ‘high’ or ‘unobtrusive.’ As one can clearly see from the previously mentioned table, it appears that for three programmes (Regional OP, SOP Human Resource Development and SOP Increase of Economic Competitiveness), the number of institutions a project had to go through was considered too high. What is striking about these results is that only the interviewees who belong either to the beneficiary or consult categories agree that a project has to go through a fairly high number of institutions before it receives final approval. For example, Interviewees 1 and 5 concur that in the case of SOP Human Resource Development, in two regions – Bucharest-Ilfov and South – a project application has to go through a high number of institutions, and each one of those institutions has to approve of the application, which in turn can lead to delays. This is also corroborated by a couple of past studies (Braşoveanu et al., 2011; Zaman & Georgescu, 2014).

On the contrary, Interviewee 3 (Regional Development Agency, North-West) disagrees with the previous argument stating that: “Most projects require the approval or, how some called it, the initial filter of an intermediate body and a ministry [Management Authority].” Basically, this individual was of the opinion that, at least for the Regional OP, the number of institutions is hardly part of the reason why there has been a low absorption capacity. Interviewee 12 also agrees with Interviewee 3; both of them believe the number of institutions to be a non-issue: “To my knowledge, the verification stage is the problem; that is where a lot of institutions are involved.”

¹⁵ * = Data gathered only from Implementation Reports

Objectively speaking however, only for SOP Human Resource Development and Regional OP the actual number of institutions has been identified. In both cases, to get approval a project goes through an Intermediary Body and then through a Management Authority. Also noteworthy is the fact that no Implementation Report mentions a high number of institutions. From the data gathered it appears that there is a divide between what the beneficiaries believe to be a high number of institutions, and what the people working in some of those institutions believe it to be.

Operational Programme	Number of institutions
R OP	High
SOP HRD	High
SOP IEC	High
OP ACD	Unobtrusive
SOP E	Unobtrusive
OP TA	Unobtrusive*
SOP T	N/A

Table 9. Interpretation Score for Variable 1.2 (Source: Implementation Reports/Interviews)

Finally, the sources, where problems with the number of institutions were reported, have been listed in Table 21 of Annex D.

5.1.3. Public procurement procedures

In regards to problems arising during the public procurement procedures, judging by what has been written in the Implementation Reports, and what has been described by all interviewees, it has been made clear that these procedures have been a hindrance throughout MFF 2007-2013. In other words, almost all results point towards the same direction, i.e. the public procurement procedures have stood in the way of more financing. There almost seems to be a consensus among interviewees and Implementation Reports when it comes to the problems that have stemmed from these procedures over the course of the past financial period. It is curious though, why the Implementation Reports for SOP Human Resource Development do not mention problems in the public procurement procedures. Furthermore, the results here are also similar to those presented by Jaliu and Rădulescu (2013). In both instances, the public procurement procedures were identified, by project applicants, as causes of low administrative absorption capacity.

The bulk of the legislation that exists to regulate public procurement has been described as being either ‘lengthy’ or ‘overly complicated.’ Interviewee 1’s opinion was that:

The [public procurement] procedures are excessively rigid. They allow for no exceptions whatsoever, which means that the applicant has to invest so much more time and effort in order to do things ‘by the book.’ [...] If exceptions would be added to the legislation, it would make our [project applicants’] lives so much easier.

Interviewee 3 acknowledged the fact that public procurement procedures have been a hindrance for some project applicants, but tries to excuse this by stating:

Procurement procedures comply with Community [EU] rules; very big steps have been made in terms of simplifying public procurement procedures for private beneficiaries¹⁶.

Interviewee 6 agreed that public procurement procedures are difficult, and that every project team is required to have an expert or a team of experts that know how to deal with these procedures. However, the individual also thinks that the procedures are ‘reasonable enough,’ and understands the reason for why they have to be this complicated

Table 10 compiles the interpretation score for ‘public procurement procedures.’ The possible interpretation scores for the public procurement procedures are ‘simple’ and ‘complex.’ In Table 22 of Annex D, one can find the sources where public procurement problems have been identified.

Operational Programme	Public procurement procedures
R OP	Complicated
SOP HRD	Complicated
SOP IEC	Complicated
OP ACD	Complicated
SOP E	Complicated
OP TA	Complicated*
SOP T	N/A

Table 10. Interpretation Score for Variable 1.3 (Source: Implementation Reports/Interviews)

5.2. Staff

Section 5.2 is concerned with the second independent variable, ‘staff,’ and its three dimensions, i.e. staff training, staff number, and financial incentives. As it will be explained later, while conducting the analysis two other dimensions of the staff variable have been

¹⁶ By ‘private beneficiaries’ the person meant beneficiaries that did not solicit the help of consultants.

discovered, i.e. limited career opportunities and staff restrictions. They have been classified as ‘emergent themes’ and they will be duly explained in section 5.2.4 and 5.2.5 respectively.

5.2.1. Staff training

The conceptual framework presents three aspects of training: 1) academic education, 2) experiences gained in previous jobs, and 3) specialization courses. Only interviewees who have worked in public institutions could have answered on all these aspects (Interviewee 2, 3, 8, 9, 10, 11 and 12). The beneficiary (Interviewee 1 and 2) and consultants (Interviewee 2 and 6) could only say whether or not they perceived staff training as being adequate or not. Unfortunately, this issue was rather sensitive for most of the interviewees working in the public institutions and they did not want to comment on their education, past employment, or specialization courses. The only exception was Interviewee 12. When analyzing the Implementation Reports, it was considered to be a problem of staff training whenever ‘insufficient specialized personnel’ or ‘insufficient training’ or ‘insufficient experience’ was mentioned.

Table 11 compiles the interpretation score for this dimension. As mentioned previously it is only based on the general perception gathered from Implementation Reports and Interviews. The data did not allow for a proper breakdown of ‘staff training’ in its three aspects. The scores can be either ‘adequate’ or ‘lacking.’

Operational Programme	Staff training
R OP	Lacking
SOP HRD	Lacking
SOP IEC	Lacking
OP ACD	Lacking
SOP E	Lacking
OP TA	N/A
SOP T	N/A

Table 11. Interpretation Score for Variable 2.1 (Source: Implementation Reports/Interviews)

Table 23 (found in Annex D, showing which sources have mentioned problems with the staff’s training) and Table 11 show that there were gaps reported in training in five out of the seven OPs. Nevertheless, for OP Technical Assistance and SOP Transport no data on this variable was gathered. In the case of the SOP Human Resource Development, SOP Increase of Economic Competitiveness and SOP Environment, problems with the staff training has been signaled in both Implementation Reports and in interviews. For these cases, the only

outlier was Interviewee 9 (Intermediary Body for SOP Environment, Bucharest-Ilfov region) who did not believe that her colleagues did not have adequate experience and training. Interviewee 12 held the opinion that the staff's lack of proper training was the cause of many other problems (e.g. high workload, failure to reach deadlines) which eventually lead to a lower number of projects getting funded. In addition, the interviewee added that much of her training has been done "on the job;" the education received in university did little to prepare the person and many opportunities to take part in specialization courses were not taken, simply due to the fact that it would have meant even fewer staff present. One other interviewee alluded to the notion that the employees are "too robotic." With this remark, the interviewee tried to explain that the people who are in charge of processing the required documents are only following certain guidelines and procedures, "without rationalizing what they are doing," thus they will send a project back at the slightest sign of a mistake.

Secondly, for the Regional OP only one person encountered deficiencies in the staffs training which eventually led to less absorption. For example, Interviewee 6 outlined the problem:

There has been a decentralization process sometime between 2011 and 2012 that saw the transfer of tonnes and tonnes of R OP projects from Bucharest to different Regional Development Agencies throughout the country, without taking the time to instruct the personnel on how to deal with these projects [...] there has not been, however, a 'know-how' transfer alongside the projects.

In the case of OP Administrative Capacity Development, it is noteworthy to point out that there is a contradiction between what one interviewee declared and what was reported in the Implementation Reports. On the one hand, Interviewee 5 (beneficiary, South region), who had been involved in SOP Human Resource Development and OP Administrative Capacity Development since 2008, said that she had not ascertained any problems related to staff training, neither in her institution nor in the public institutions. On the other hand, Implementation Reports highlight a lack of trained personnel throughout most of the MFF, from 2009 until 2012.

5.2.2. Staff number

Although at first it was considered possible to gather factual data on this dimension, it has proven tantamount to impossibility in the end, primarily because public institutions do not necessarily release staff number reports, and there is no legal basis for which to ask a public

institution to provide these figures. The sources from which the data was obtained can be observed in Table 24 of Annex D.

Below, Table 12 presents the interpretation scores. The score is given depending on how the number of staff was perceived, in Implementation Reports or by the interviewees. For instance, one looks to see whether the number of staff was adequate or inadequate in relation to the amount of work in an institution. Therefore, the scores can be set to either 'adequate' or 'inadequate'. As the data shows, there has been a lack of staff in the public institutions throughout the six OPs analyzed. Furthermore, both Implementation Reports and interviews have linked insufficient staff with low absorption capacity. For example, Interviewee 12 has declared:

In 2011, only a single person was working in the verification department. One person to deal with almost fifty to sixty projects [...] This situation did not last for too long, a couple or so months, but even after hiring five more people, the workload did not improve.

In the Implementation Reports, one of the most commonly referred to causes of low absorption has been the lack of staff. Looking at almost all Reports, with the exception of those from OP Technical Assistance, one can see that lack of staff was mentioned throughout the MFF and throughout the OPs. One example from the 2009 OP Administrative Capacity Development read:

The number of positions earmarked to MA OP ACD proved insufficient in relation to both the diversity and the complexity of specific duties and responsibilities, and especially in relation to national and Community requirements on the financial management of EU funds.

In contrast, Interviewees 3, 6 and 7 stated that they did not perceive an issue with the number of staff. For example, Interviewee 7 said of the issue: "I do not think that there were not enough people, regardless of the institution, [the problem was that] they were simply inefficient." In addition, Interviewee 6 added "there have been enough employees; it is just that the workload was probably too high for them and they were inexperienced to deal with the situation."

Operational Programme	Staff number
R OP	Inadequate
SOP HRD	Inadequate
SOP IEC	Inadequate
OP ACD	Inadequate
SOP E	Inadequate
OP TA	N/A
SOP T	N/A

Table 12. Interpretation Score for Variable 2.2 (Source: Implementation Reports/Interviews)

5.2.3. *Financial incentives*

Due to the sensitive nature of things such as salaries and benefits, the interviewees were hesitant to talk about financial incentives in terms of actual figures. Furthermore, these figures are also confidential and they are never disclosed by the public institutions. As before, the sources have been listed below in Table 25.

Financial incentives, or lack thereof, have been identified in the literature as variables that can determine the number of staff in a public institution. If these incentives are low, then the number of staff will technically be low as well. Financial incentives have been reported to have caused a reduced number of employees. More specifically, the Implementation Reports, all except those from SOP Increase Economic Competitiveness and OP Technical Assistance, and interviews point towards a serious issue when it comes to the financial motivation of people working in Management Authorities or Intermediary Bodies. All interviewees, with the exception of Interviewees 3 and 10, have confirmed that because the employees were paid less than they deserved for the amount of work they had to do, some of them sought employment elsewhere. As was stated by Interviewee 7:

If you come [to work] in an IB, then you acquire a sort of expertise that can be sold really well in the private sector. You know exactly what to look for, you know exactly what the IB [for which you previously worked for] wants to see in a project, and because of this, your advice becomes very precious for someone who wants to create projects.

This statement was later confirmed by Interviewee 12 who, while working at a Management Authority, believed that her work might be better paid in a consultancy agency. The results obtained after the analysis of this particular dimension fall in line with those presented by Jaliu and Rădulescu (2013), as well as Zaman and Georgescu (2014). That is to

say, the results from all sources show that inadequate financial incentives will eventually lead to a lower number of employees within the institutions.

Table 13 compiles the scores. As in the case of dimension 2.2 ‘staff number’, the score is given depending on how the financial incentives were perceived, in Implementation Reports or by the interviewees. For instance, one looks to see whether the financial incentives were adequate or inadequate in relation to the amount of work in an institution. Therefore, the scores can be set to either ‘adequate’ or ‘inadequate’.

Operational Programme	Financial Incentives
R OP	Inadequate
SOP HRD	Inadequate
SOP IEC	Adequate
OP ACD	Inadequate
SOP E	Inadequate
OP TA	N/A
SOP T	N/A

Table 13. Interpretation Score for Variable 2.3 (Source: Implementation Reports/Interviews)

5.2.4. Emergent theme: Institutional staff restrictions

Section 5.2.5 discusses the emergent theme of the ‘staff’ variable. The term ‘emergent theme’ signals the fact that this dimension had not been previously encountered in the literature, but proved to be of significant relevance in either Implementation Reports or interviews in order to be considered a problem for the absorption capacity. This particular emergent theme is linked to the ‘staff’ variable because it has been shown, as it will be presented later, that it directly influenced the number of staff. Institutional staff restrictions are, to be put simply, the impossibility of an institution to hire more staff than it has been allocated to it.

The sources where this emergent theme has been reported can be found in Table 26 (Annex D). This dimension of the ‘staff’ variable could not be interpreted in any way, because staff restrictions are in effect or not. Therefore Table 26 does a sufficient job of confirming where these restrictions were present.

The results show that the Implementation Reports and interviewees have found public staff restriction to be a major barrier that kept staff numbers low and consequently reduced the absorption capacity. In the case of OP Administrative Capacity Development and SOP Environment the reports and interview seem to agree on this aspect, while for Regional OP and SOP Increase Economic Competitiveness just the Implementation Reports mention this

issue. What is surprising is that for SOP Human Resource Development all interviewees who worked with this OP mentioned that public staff restrictions in the Management Authority and Intermediary Bodies, while the Implementation Reports for this OP do not mention it at all. The Implementation Reports for OP Technical Assistance also do not mention staff restrictions in either Management Authorities or Intermediary Bodies.

5.3. *Miscommunication*

This section discusses the third independent variable, ‘miscommunication.’ Furthermore, the following four sub-sections discuss the four dimensions of miscommunication, which are ‘facilitating methodologies’ (section 5.3.1), ‘supporting documents’ (section 5.3.2), ‘failure to identify and establish priorities’ (section 5.3.3), and finally, ‘information provisions’ (section 5.3.4).

5.3.1. *Facilitating methodologies*

At first, it was theorized that there had to be a lack of certain methodologies which eventually caused some projects to fail. The analysis shows, however, that there has not been a complete lack, but a delayed publication of these methodologies. To give a couple of examples, one Implementation Report of the OP Technical Assistance states clearly that there has been a “lack of uniform standards and methodologies for the implementation of public procurement legislation,” while a Implementation Report of the Regional OP mentions “the existence of an incomplete legislative framework regarding the management of structural funds.” Some of the methodologies shown to have been missing in certain years have been elaborated and published later; however, it is clear that when they were missing the absorption capacity was considerably low.

Speaking in terms of interpretation, Table 14 compiles the results for this dimension. The scores can be set to ‘present,’ ‘missing,’ or in some cases, ‘delayed’ depending on what the Implementation Reports specified, and on what the interviewees thought. The sources where problems with the facilitating methodologies have been identified are presented in Table 27 (Annex D).

Operational Programme	Facilitating methodologies
R OP	Present
SOP HRD	Missing
SOP IEC	Present
OP ACD	Delayed
SOP E	Delayed
OP TA	Missing*
SOP T	N/A

Table 14. Interpretation Score for Variable 3.1 (Source: Implementation Reports/Interviews)

As can be seen in the table above, methodologies have been present only in the case of the Regional OP and SOP Increase Economic Competitiveness. Interviewees and Implementation Reports alike never mention problems in the methodologies. Furthermore, missing methodologies have been reported by Implementation Reports and interviewees in the case of SOP Human Resource Development and OP Technical Assistance. A good example of how methodological problems lead to miscommunication was reported by Interviewee 8:

Due to a large number of projects under implementation, and due to the large number of changes affecting the implementation methodology, we [Intermediary Body for SOP HRD, North-West region] did not approach problems in the same way as the Management Authority, fact which sometimes created plenty of confusion.

Lastly, for SOP Administrative Capacity Development and SOP Environment, a few methodologies were delayed, in the sense that they have not been published on time. For Environment, delayed methodologies have been reported from 2007 until 2008, and for Administrative Capacity Development, from 2010 until 2011. Thus, from then on the situation had been rectified since there has been no further mention. At least in the case of SOP Environment, the situation was clearly improved because Interviewee 10 who worked for the Management Authority and some Intermediary Bodies after 2008 believes that all necessary methodologies for the beneficiaries and employees existed.

5.3.2. Supporting documents

The data shows that issues with supporting documents were signalled in almost all OPs, with the exception of SOP Environment, and, of course, SOP Transport, a programme for which

no data has been collected (consult Table 28 of Annex D). These problems were related to the poor quality of some of the documents. More specifically, poor quality refers to bad or missing definitions, clarifications, *et cetera*. Table 15 compiles the interpretation scores for this variable. Thus, the scores can range from either ‘poor quality’ or ‘good quality.’ Objectively speaking, the only fact that can be remarked is that the primary supporting document for each OP, i.e. the Project Applicants’ Guide, was present in all OPs, for each of their respective Priority Axis.

Operational Programme	Supporting documents
R OP	Poor
SOP HRD	Poor
SOP IEC	Poor
OP ACD	Poor
SOP E	Good
OP TA	Poor*
SOP T	N/A

Table 15. Interpretation Score for Variable 3.2 (Source: Implementation Reports/Interviews)

Although the Implementation Reports mention some deficiencies in the supporting documents (e.g. “insufficient necessary clarification regarding beneficiary categorization” (Implementation Report – SOP HRD, 2008), “inconsistencies between documents which detail the implementation of Priority Axis 1, and the Regional Operational Programme” (Implementation Report – R OP, 2009), “persistent ambiguities or deficiencies in terms of regulations which have direct impact on the [SOP Increase Economic Competitiveness]” (Implementation Report – SOP IEC, 2009), not all interviewees agree that these documents were of general poor quality. For example, Interviewees 2 (R OP, SOP IEC, Centre region), 3 (R OP, North-West region), 5 (SOP HRD; OP ACD, South region), 8 (SOP HRD, North-West Region), and 12 (SOP HRD, Bucharest-Ilfov region) found no real issues with the Project Applicant Guides. What is common for all these people, except Interviewee 5, is that they have all worked, or are working, for either Management Authorities or Intermediary Bodies.

The interviewees who have actually reported problems are beneficiaries and/or consultants, and their opinions seem to somewhat converge on the following two characteristics: “ambiguous,” “convoluted,” and/or “lacking in details.” To give an example:

There were so many times the Applicant's guide did not cover all the information we needed, such as eligible expenditure, eligible sub-expenditure, eligible sub-tasks, and types of costs. The guide failed to detail these in full, even though we desperately needed it (Interviewee 7).

Furthermore, Interviewee 4, when asked, stated:

The eligibility conditions mentioned in the guides very often were inconsistent with the conditions imposed by the banks, and because of this, the beneficiaries could not receive financing from the banks, and in turn their projects failed too.

As more interviews came in, it was becoming more and more apparent that beneficiaries are those who struggle with the Project Applicant's Guides most. Those working in the public institutions believe that what they publish is adequate enough for everyone, while consultants still struggle with some aspects from these documents. However, it is easier for consultants to deal with certain gaps because of their experience, as evidenced by Interviewee 2 and 6.

5.3.3. Failure to identify and establish priorities

Failure to identify and establish priorities is connected to communication problems, since all the OPs and their respective Priority Axes, are designed with feedback from the project applicants in order to not create programmes that do not any interest. The sources, in which a failure to identify and establish priorities was identified, are listed in Table 29 (Annex D).

Evidence is scarce when it comes to failures in identifying and establishing priorities. In the Implementation Reports for the Regional OP there are only two registered instances where some priority axes did not attract a large number of proposals. The first one in 2008, where it was reported that there was a "lack of attractiveness of operations aimed at developing health tourism," only affect Priority Axis 5.2. One year later, in 2009, there have been three reports of low applications in four regions, i.e. Bucharest-Ilfov, South, South-West, North-West and Centre. Out of all the interviewees only Interviewee 10 briefly mentioned unattractive priorities for SOP Environment, but did not make special reference to which ones were the worst.

This variable could not be measured with the objective method. Table 16 compiles the interpretation scores for this dimension of the 'miscommunication' variable. The scores were given based on answer to the question 7.1 of Annex B "Do you believe the priorities set were relevant to project applicants?" In the content analysis, whenever the phrase "low level of

applications received” was used, it was considered a failed priority. Therefore, the scores can be either ‘yes’ or ‘no.’

Operational Programme	Failure to identify and establish priorities
R OP	Yes
SOP HRD	No
SOP IEC	Yes
OP ACD	No
SOP E	Yes
OP TA	No*
SOP T	N/A

Table 16. Interpretation Score for Variable 3.3 (Source: Implementation Reports/Interviews)

From the data gathered, it was made clear that although some priorities received a lower number of applications than others, this was clearly not a defining characteristic of any programme as a whole. As accounted by most interviewees, the responsible authorities had taken the feedback of beneficiaries and consultants into account when developing the Priority Axes. The results obtained through this analysis disprove to some extent Zaman and Cristea’s (2011) hypothesis, which stated that the failure to identify and establish priorities was one of the key barriers of absorption capacity.

5.3.4. Information provisions

In the operationalization part of chapter 4, specifically sub-section 4.5.4, it was stated that information provisions encompass information sessions and help-desks. Objectively speaking, throughout MFF 2007-2013 there have been information sessions organized for each OP. To get an overview of how many sessions were organized, consult Table 17. Secondly, help-desks have functioned in each Management Authority. Though, during some periods, for various reasons, some help-desks have been shut down. Most interviewees that have complained about information provisions did not have a problem specifically with the actual number of information session, but with the way they were organized, and the type of information they received from these sessions.

Operational Programme	Number of information sessions (2007-2013)
R OP	~ 1217** ¹⁷
SOP HRD	~ 211 **
SOP IEC	676
OP ACD	25
SOP E	374
OP TA	15
SOP T	N/A

Table 17. Total number of information sessions per OP from 2007 until 2013 (Source: Implementation Reports; consult Annex C)

Furthermore, the interviewees, especially the beneficiaries and consultants were disappointed in the way the help-desks worked. Therefore, on the interpretation side, the results are displayed in Table 18. The scores for information sessions and for help-desks can be either ‘adequate’ or ‘inadequate’ depending on what was found within the Implementation Reports, and on what the interviewees stated. The sources which reported insufficient information provision can be found in below in Table 30.

Operational Programme	Information sessions	Help-desks
R OP	Inadequate	Inadequate
SOP HRD	Inadequate	Inadequate
SOP IEC	Inadequate	Inadequate
OP ACD	Adequate	Adequate
SOP E	Inadequate	Inadequate
OP TA	Adequate*	Adequate*
SOP T	N/A	

Table 18. Interpretation Score for Variable 3.4 (Sources: Implementation Reports/Interviews)

The data shows that only for OP Administrative Capacity Development were the information provisions adequate. Neither the Implementation Reports nor the interviewee reported otherwise. For the Regional OP and SOP Human Resource Development, Interviewees 1, 6, and 7 were very vocal in explaining that “there was no dialogue during the information sessions,” “there was no predisposition to negotiate with the attendees, simply to dictate and read from the guides.” Interviewee 1 sees the cause of this to lay in the fact that “the public [for most information sessions] is non-homogenous. Interviewees 8 and 10 both

¹⁷ ** = approximate number; in some years, the exact number of information sessions is not provided

agree that, not only information session, but communication in general with beneficiaries has been lacking in certain aspects. In addition, Interviewee 12 also believes that the information sessions are sub-par. When speaking about this issue the interviewee said:

Yes, we do organize information sessions. But, unfortunately, they are not organized with people from the Management Authority who have not worked there directly [...]. Only new and inexperienced people go [to these sessions], and they are not experts. They go there and read a conference manual hoping to answer some potential questions. They are vague, they read what the legislation dictates, but people there are looking for concrete answers. They cannot give concrete answers because they have not been working [in the Management Authority] for all that long; they are not prepared to face a crowd which is yearning for details.

On the other side of the spectrum, Interviewee 3 thinks that these information procedures are ‘good enough’ as they are in accordance to the guidelines.

In terms of help-desks, the same interviewees (1, 6 and 7) are again vocal when it comes to their dissatisfaction with how things performed. Interviewee 7 claims: “the help-desks did not work; they did not work either because they did not exist to begin with, or, more commonly, because they were over-solicited. Interviewee 12 confirms what 7 said:

The people working for the help-desk (SOP HRD) were never experts. They ran from department to department trying to find out the answers to the beneficiaries’ questions and this made for some very large waiting times.

The data in this case properly exemplifies how communication problems lead to multiple other problems for both beneficiaries and employees of the public institutions. Because the project applicants sometimes do not find enough or clear explanations in the Project Applicant’s guides, they rely on information sessions and help-desks. As one can clearly read in the statements above, the large amount of information requests was at times simply too great for the number of people working for the help-desks. Moreover, during the information sessions, inexperienced employees would attend leading to dissatisfaction and unanswered questions from the beneficiaries or consultants.

5.4. Emergent themes

The fourth section presents three emergent themes (high workload, delayed procedures, and institutional issues) that have appeared during the content analysis and during the interviews. These new variables stem from the interaction of the previous three variables discussed in the

thesis. The difference, between the following emergent themes and the one that has been discussed in section 5.2.4, is that the previous one was directly connected to the ‘staff’ variable, whereas the next ones are connected to two or more variables from before.

5.4.1. High workload

Table 31 of Annex D presents the sources where high workload has been reported. This table is revealing in several ways. First, one can clearly see that Implementation Reports and interviewees give an account of situations where the absorption capacity was diminished because of the high workload.

Interviewee 12 gave a good example of how the high workload affected efficiency and ultimately the absorption capacity: “For a few months in 2011, in the verification department, there was only one person working with fifty to sixty project applications.”

The results are as illustrated Table 19 below. The interpretation scores can range from either ‘high,’ ‘adequate,’ or ‘low.’ It is apparent from Table 19 that the general consensus is that the workload during MFF 2007-2013 was too high for the amount of workers available. For interviewees, whenever question 5, Annex A or question 4, Annex B (both questions are related to number of staff) were asked, they would mention the fact that the employees were never enough for the amount of work coming in and the deadlines they had to work with. In Implementation Reports, high workload was almost always mentioned in correlation with the lack of employees or with the lack of experienced or specialized employees. In addition, Implementation Reports link the high number of documents required during some procedures to an increased workload. In the case of SOP Increase Economic Activity, it was the high number of documents during the application stage that led to an increased workload, and in the case of SOP Human Resource Development, the problem with the number of documents appeared during the verification stage.

The same problems related to high workload were encountered at the help-desks. The employees working at those help-desks could not keep up with the amount of information requests they were receiving each working day. Without the requested information, the project applicant was unable to properly complete the application, and thus drastically reduced the chance of his/her project being approved for funding.

Therefore, one can be led to conclude that the sheer number of applications in combination with insufficient (or inexperienced) staff in certain departments created high workload for the employees in institutions, which in turn determined a lower number of applications to be accepted. In other words, high workload means that there were simply not

enough people to check/verify/approve all the applications coming in, thus logically, a lower number of applications were finally approved.

Operational Programme	Workload
R OP	High
SOP HRD	High
SOP IEC	High
OP ACD	High
SOP E	High
OP TA	Workload not mentioned*
SOP T	N/A

Table 19. Interpretation Score for Variable 4.1 (Sources: Implementation Reports/Interviews)

5.4.2. *Delayed procedures*

The figures in Table 32 (which mentions where delayed procedures have been reported) show that delayed procedures have been reported throughout all OPs, with the exception of OP Technical Assistance. Judging by some Implementation Reports and interviewee accounts it is made apparent that high workload leads to delayed procedures. However, delayed procedures may relate to other things as well. For instance:

Delays in project evaluation, namely the long duration of technical and financial evaluation process, caused by delays in contracting the assessment of funding applications submitted under the OP due to ongoing difficulties in the procurement process [...] have produced significant delays in the submission of response to requests [made by beneficiaries] for clarification during the evaluation process (Implementation Report – OP ACD, 2011).

In the case of SOP Increase Economic Competitiveness, one Implementation Reports stated:

The evaluation and selection procedures, especially for operations where the number of applications greatly exceeded our estimates, sometimes lasted for six to ten months. This was caused because [among other factors] limited evaluation capacity of the Intermediary Bodies and the complicated documents the applicants had to submit” (Implementation Report – SOP IEC, 2008).

A recurrent theme in the interviews was a sense amongst interviewees 1, 2, 4, 6, 7, 11 and 12 that delayed procedures were a considerable source of frustration for project

applicants and for the people working in the institutions. On the one hand, if the reimbursement procedures were delayed for a long period of time, the applicant's own funds would eventually run out and he/she would be unable to pay any expenses, e.g. salaries, materials. In this scenario, the applicant would thus be forced to halt and in some instances even abandon the project altogether.

On the other hand, delayed procedures are frustrating for the employees of Management Authorities or Intermediary Bodies because they are unable to reach their deadlines. As Interviewee 11 and 12 recount being unable to meet deadlines puts considerable stress on an individual. In some case, this stress will eventually force an employee to look for employment somewhere else.

5.4.3. Institutional issues

The following sub-section addresses the last emergent theme. Note that 'institutional issues' is meant to be a catch-all category for problems that have directly or indirectly affected the administrative absorption capacity, but could not be placed in the previous sub-sections in this chapter. Table 33 presents the sources where institutional issues have been mentioned. Since this variable had multiple aspects and was supposed to serve as a 'miscellaneous' category, one in which to add all problems of administrative absorption capacity that did not belong in the other categories, it was impossible to measure it through either objective or interpretive method.

Throughout the Implementation Reports, the following institutional issue has been reported: *failing to establish inter-community development associations* (Implementation Report – R OP, 2007; Implementation Report – SOP E, 2009, 2010). To explain, inter-community development associations are created in order to provide, administrate, and develop the cooperation and partnership between 1) the city halls, 2) county councils, 3) the counties' localities, and 4) internal and 5) international bodies; Furthermore, these associations offer information and present the opportunities about domestic and foreign cooperation with all interested institutions or individuals. They try elaborate eligible projects and try to obtain information about the non-reimbursable EU funds to be used for the implementation of certain projects (Bucharest-Ilfov Inter-community Development Association, n.d.).

Another institutional issue is *discretionary processing of reimbursement claims* (Implementation Report – SOP HRD, 2012; 2013). Another reported theme categorized an institutional issue was concerned with the structure of institutions. Problems of this nature

were reported in Implementation Report – OP ACD (2010; 2011), Implementation Report – R OP (2008), and Implementation Report – SOP IEC (2013). Related to this, the reports signal a common problem, i.e. changes in the management structure of a Management Authority or Intermediary Body will have consequences in the way the project applications are processed, which could cause confusion among the project applicants. This problem echoes in the accounts of several interviewees, e.g. Interviewee 1, 2, 6 and 7.

5.5. *The Causes of Low Administrative Absorption Capacity*

From all previous sections and sub-sections of this chapter one fact is certain: all variables analyzed and presented above are inter-related. Some variables become more pronounced with the presence of other variables. With the way the research was conducted in this thesis (i.e. qualitatively), it is impossible to say, as you would in a quantitative research, what the exact correlation between variables is. However, a link of direct proportionality between certain variables was undoubtedly established. In addition, there are some variables that do not interact with each other, but may still affect in a negative way the administrative absorption capacity. Finally, the data demonstrates that the outcome – i.e. low administrative absorption capacity – emerged in two cases via a different set of independent variables. This condition is most often called ‘equifinality’ or ‘multiple causality.’ The two causal pathways identified are explained below and they are also illustrated graphically in Figure 7 and Figure 8 respectively.

First of all, the data shows that a high number of documents, combined with a lack of staff had in fact led to a high workload. A high workload eventually led to delayed procedures. When looking just at the ‘staff’ variable, one notices that the number of staff is directly influenced by ‘financial incentives’ and whether or not there are ‘public staff restrictions’ in effect. Financial incentives are always judged by the amount of work available. To elaborate, the general impression coming from the interviews was that the financial incentives (i.e. salaries) were too low when compared to the amount of hours people had to work. If financial incentives are perceived as inadequate (which they were) then the staff number also drops, since, for most people, it is not worth it to work in an institution that does not reward their efforts properly. In the ‘bureaucracy’ variable, the public procurement procedures were considered by many to be among the primary causes of low absorption capacity. These procedures also impacted the workload. Since the majority of interviewees agreed that public procurement procedures were complicated, at times ambiguous, and difficult to deal with, this meant that more time had to be dedicated in order to see whether an

application follows the procurement procedures to the letter. The interaction between these variables is thus the first causal pathway and it is illustrated in Figure 7.

Secondly, if a Management Authority and/or an Intermediary Body lack trained staff, then they will encounter difficulties when communicating with project applicants. This is very clearly observed in the case of information provisions. For example, if a Management Authority was to organize an information session for beneficiary, but instead of sending experienced speakers, it would send people with little or no experience whatsoever, then the purpose of such a session is defeated, since the beneficiaries would leave without learning anything important. The same is true for help-desks. As in the case of SOP HRD, for a long period of time, the help-desk was over-solicited. Since there were not enough employees working there, the project applicants would receive answers after waiting for a considerably large amount of time. This interaction is the second causal pathway and it is represented graphically in Figure 8.

In the ‘miscommunication’ variable, the ‘supporting documents’ dimension showed that lowered absorption capacity, because the Project Applicant Guides were sometimes seen as: ambiguous, providing insufficient or, in rare instances, contradictory definitions, too complex for some beneficiaries, *et cetera*. The confusion with these documents meant that some beneficiaries were unable to correctly fill out their applications

One dimension, ‘facilitating methodologies,’ yielded mixed results. The interviewees were asked whether they thought that some methodologies were missing, and when analyzing the Implementation Reports, the researcher looked for any evidence pointing toward a lack of methodologies. In the majority of the cases, the methodologies that were found missing in some years, for some OPs, were published at a later date. Thus, while performing the content analysis, the reports only mentioned missing methodologies; however while conducting the interviews, the participants did not perceive any lack of methodologies. Therefore, where applicable, the interviewees were asked a follow-up question to check whether or not they had felt a lack in previous years, when the Implementation Report signalled missing methodologies.

Other dimensions of certain variables did not seem to affect the administrative absorption capacity in a significant way. First, there was not enough evidence, from either Implementation Reports or interviews, to connect the number of institutions to a lowered absorption capacity. Second, in the ‘miscommunication’ variable, the ‘failure to identify and establish priorities’ did not gather sufficient evidence to link it to low absorption capacity. The interviewees, as well as the Implementation Reports, allude to the fact that a few Priority

Axes from certain OPs did not attract interest from beneficiaries, as it was initially expected. However, these cases are few and far between, and the general opinion is that priorities were established well within the interests of the beneficiaries.

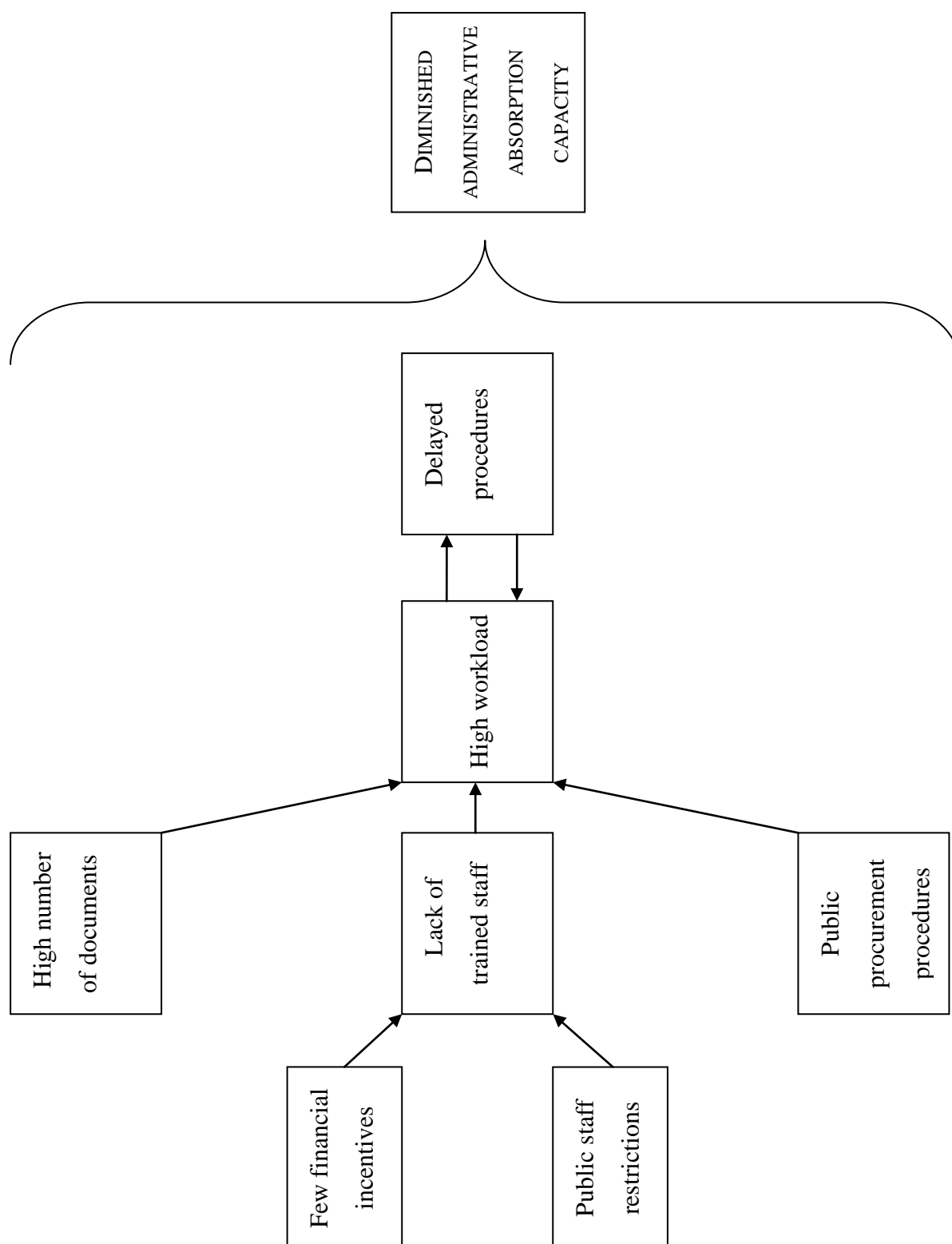


Figure 7. Graphical Representation of the First Causal Pathway (Source: Author)

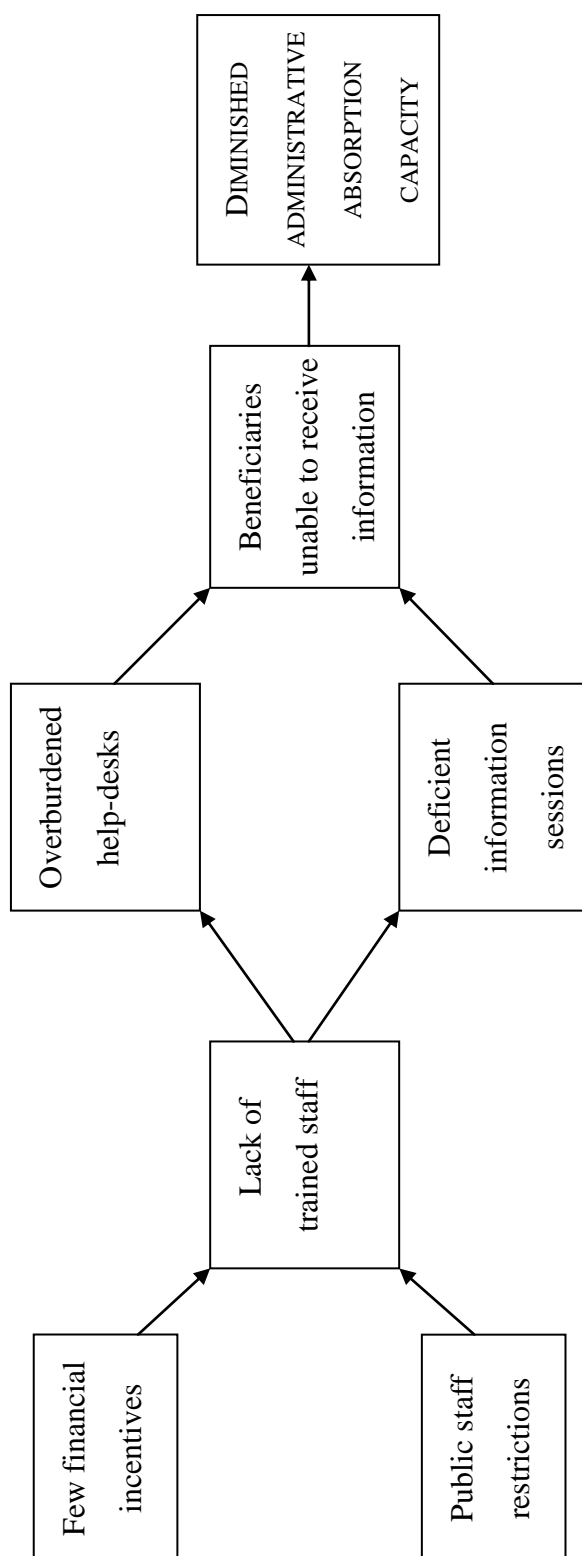


Figure 8. Graphical Representation of the Second Causal Pathway (Source: Author)

5.6. *Summary*

This chapter was concerned with the analysis and the results. In sections 5.1, 5.2, 5.3, and 5.4 each independent variable was analyzed along with their respective dimensions. To recap, section 5.1 was about the ‘bureaucracy’ variable, followed by section 5.2 with the ‘staff’ variable, followed by ‘miscommunication’ in section 5.3. Lastly, in section 5.4, attention was brought to the emergent themes that have surfaced during the content analysis and the interviews. After looking at the individual variables, section 5.5 explained how they interact with each other, and, most importantly, section 5.5 presented the actual causes of Romania’s low administrative absorption capacity.

All in all, the data gathered highlights the fact that low administrative absorption capacity happened because of multiple causes compiled in two causal pathways, which were explained and illustrated graphically in section 5.5. In short, the first pathways shows that the lack of trained personnel, in combination with a high number of documents, and problems with the public procurement procedures led to a high workload and to delayed procedures, and because of this, the administrative absorption capacity was lowered as a result. The second pathway exemplifies that a lack of trained staff led to inefficient help-desks, and inadequate information sessions. This then led to beneficiaries being unable to obtain the information they required, which ultimately caused a lowered administrative absorption capacity.

6. Conclusions

Chapter 6 concludes this thesis, first by providing a summary of the thesis (section 6.1), then by outlining the findings (section 6.2), and lastly, offering some suggestions for further research (section 6.3).

6.1. Summary of the thesis

The main goal of this study was to determine the causes that led Romania to be the EU member state with the lowest Structural and Cohesion Funds absorption rate. To pursue this endeavour, the literature showed that one has to look at the country's absorption capacity in order to understand the absorption rate. Thus, the research question for this thesis was: *What has caused Romania's low absorption capacity during the Multiannual Financial Framework 2007-2013?*

To answer the research question, I first explained what the Cohesion Policy is, both at the EU, and domestic level in Romania. In short, the Cohesion Policy is the primary redistributive policy of the EU. It emerged as a way to “reduce disparities between the various regions and the backwardness of the least-favoured regions” (Article 130a SEA). Basically, the member states receive, over a period of several years, a set amount of funds, allocated to them by the European Commission, with the long term goal of achieving socio-economic equilibrium among all European regions. The funds, which are also considered to be the policy instruments, are split in two categories: 1) the Structural Funds, i.e. the European Regional Development Fund (ERDF), and European Social Fund (ESF); 2) the Cohesion Fund. During MFF 2007-2013, the EU set three objectives for the Cohesion Policy: Objective 1 – convergence; Objective 2 – regional competitiveness and employment; and Objective 3 – European territorial cooperation.

In Romania, the Cohesion Policy was introduced in 2007, right after the country gained EU member status. According to the rules and regulations of the policy, Romania split its territory into eight development regions and it has developed seven Operational Programmes under the first two policy objectives and eight OPs under the third objective; however this thesis was concerned only with the seven under the convergence and regional competitiveness and employment objectives. Furthermore, Romania adopted several national documents to help facilitate the policy's implementation: National Development Plan, National Strategic Reference Framework, Operational Programmes, and Implementation Framework Documents. Institution-wise, the Cohesion Policy in Romania was managed

centrally by four institutions common for all OPs (the Authority for the Coordination of Structural Instruments – part of the Ministry of European Funds, the Certification and Payment Authorities, and the Audit Authority) and seven Management Authorities and Monitoring Committees (one of each institution, for each programme). Within the regions, the Intermediary Bodies were managing the correct use of the Structural and Cohesion Funds.

In the Theoretical Framework it was revealed that absorption capacity has three sides: 1) an administrative side, 2) a macro-economic side, and 3) a financial side. The scope of the thesis was only to analyze the administrative side. The literature made possible the construction of three main hypotheses, one related to bureaucracy, the other to staff, and the last one to miscommunication. Due to the vastness of these variables, it was deemed necessary in the Operationalization section to split them further into several dimensions. Therefore, by studying the literature, and by using the researcher's own logic, bureaucracy was comprised of the number of documents, number of institutions and public procurement procedures; staff encompassed the staff's training, the total number of staff, and financial incentives; lastly, miscommunication was comprised of failure to provide facilitating methodologies and/or supporting documents, failure to identify and establish priorities and insufficient information provisions.

As shown in the Methodology chapter, the research method employed in this thesis was qualitative with data collecting methods consisting of individual, structured interviews, content analysis of governmental documents, and secondary empirical sources. The interview participants were either people working in the public institutions (Management Authorities, Intermediary Bodies), beneficiaries of the EU funds, or consultants that have helped beneficiaries develop project for EU funding. The documents, on which the content analysis was performed, included Implementation Reports and Project Applicant guides. The unit of analysis was chosen to be Romania, as a whole, i.e. its eight regions and seven OPs.

6.2. Findings

This study has argued that bureaucracy, staff and miscommunication play an important role when determining the administrative absorption capacity of a country, in this case, Romania. The study strengthens the idea that excessive bureaucratic procedures, a lack of staff and communication issues were factors that lowered Romania's administrative absorption capacity in the past financial period.

In regards to the first variable, bureaucracy, several things have been made apparent during the analysis. The investigation of bureaucracy's three dimensions has shown that both

the high number of documents and the public procurement procedures have lowered absorption capacity. Taken together, they create a high workload for the people working in the institutions.

The second major finding is concerning the staff variable. It has been proven that in public institutions, such as Management Authorities and Intermediary Bodies, for large periods of time, there have not been sufficient employees. The data shows that either for reasons of underwhelming financial incentives and/or public staff restrictions, most Management Authorities and Intermediary Bodies have failed to maintain an adequate staff level to handle the ever-increasing workload. The implication being that due to the high workload, caused by the high number of documents, cumbersome public procurement procedures, and sufficient staff, all the procedures had to be delayed. If certain procedures get delayed, the workload also increases, as deadlines get closer.

After analyzing the third variable, miscommunication, the results point toward the following conclusions. First, the most pressing miscommunication issues stem from inadequate information provisions. Both in terms of information sessions, and help-desk support, the Management Authorities and Intermediary Bodies fail to satisfy the needs of the majority of the project applicants. All beneficiaries and consultants interviewed in this thesis have confirmed that they have attended information sessions in order to receive a better understanding of some of the procedures by asking the institutions' representatives questions, for which they expect concrete answers. The reality however shows that this seldom happens. Regarding help-desk support, the results highlight the fact that project applicants submit a large number of information requests that cannot be processed within a reasonable time frame. This is because there are sometimes not enough people working in the help-desk department, but most commonly, those who are working there do not have the answers to those questions, and have to travel from one department to another to obtain the necessary information. The reasons why these communication problems affect the administrative absorption capacity is because if the project applicants do not have sufficient information at their disposal it becomes highly unlikely that they will submit a correct application or manage a project throughout the subsequent stages.

The third variable's other dimensions failure to provide facilitating methodologies, supporting documents, and failure to identify and establish priorities are also present. Nevertheless they prove to not be as relevant in all cases. Some facilitating methodologies which were missing in some years were adopted later, in turn fixing the issue. In the case of supporting methodologies, some project applicants reported troubles with the interpretation

of the Project Applicants' Guides. However, as stated earlier, these problems were isolated, and although they may have lowered the absorption capacity for some time in some areas, they cannot be generalized to all OPs. As for failing to identify and establish priorities, there has almost been a consensus among interviewees that this was not, in fact, a major issue at all. There have been reports that a couple of Priority Axes for a few OPs were less attractive than others, but as a whole, no programme proved to be uninteresting for beneficiaries.

What can definitely be concluded is that the Romania's low absorption capacity was resulted from an amalgamation of bureaucratic, staff, and miscommunication related factors. With the previous statement in mind, the reader still has to take note of the following caveats: the researcher was unable to acquire sufficient data for all Romanian regions and OPs. Interview data is missing for the following regions: South-East, South-West, and West; and for the following OPs: SOP Transport and SOP Technical Assistance. Implementation Reports are missing only for SOP Transport. Furthermore, the second major caveat is that the thesis does not use comparison in order to strengthen the causal mechanisms between the previously mentioned bureaucratic, staff, and miscommunication factors to low absorption capacity. The third possible caveat is that the OPs, although structurally similar, could have some different causes that only pertain to them, and which do not manifest in for other programmes. Several ways of avoiding these caveats will be presented in the following section.

Notwithstanding the limitations, the empirical findings in this study provide a more complete image of why Romania failed to absorb more EU funds in the past financial period. In addition, this thesis makes several contributions to the current literature. In the past, there has not been a comprehensive theoretical framework with which to study a country's administrative absorption capacity. This thesis has taken a step in developing an extensive theoretical and operational framework that has, so far, proven effective, and which can also be used in the study of administrative absorption capacity for the following financial periods (2014-2020, and beyond) both in Romania and in other member states. This is not to say that the framework presented here is flawless, it is simply a good foundation for further research that with enough polish, over time, can lead to a parsimonious theoretical and operational framework on administrative absorption capacity.

6.3. Discussion and Suggestions for Future Research

The aim of this thesis was to investigate the causes of low administrative absorption capacity in Romania. However, absorption capacity has two other sides apart from the administrative

one. Therefore, further research could usefully explore the macro-economic and financial sides of absorption capacity. Only after exploring all three sides could a perfect image of why Romania had the lowest absorption rate in the EU be rendered.

Strictly regarding the study of administrative absorption capacity, improvements can definitely be made to the methodology, theoretical, and operational framework used in this thesis. Firstly, if allowed enough time, more interviews should be conducted that stretch across all eight Romanian regions and all seven OPs. In doing so, one strengthens the conclusions of the analysis, and the chance of missing potential emergent themes diminishes as well. The theoretical and operational framework developed here could be used in future research to also target specific OPs or specific region, thus further minimizing the chances of missing the actual causes of low absorption capacity by only focusing on the macro-level as was done in this thesis. Secondly, using a similar country (e.g. Poland) for comparisons might prove beneficial in confirming or revoking the causal mechanisms between the independent variables and low administrative absorption capacity. Further studies could also try to improve the categorization of the emergent themes found here. In this regard, special attention should probably be given to the 'institutional issues' emergent theme.

If the debate on why Romania is failing to absorb Structural and Cohesion Funds is to be moved forward, a better understanding of absorption capacity needs to be developed in order to enhance the absorption rate in future years. The findings from this study might also benefit new member states, and the theoretical and operational framework developed here might potentially help other member states maximize their absorption rates.

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Annex A. Interview guide for beneficiaries and consultants¹⁸


1. Personal information

Name and surname	
Name of the institution you work for	
Your role in the institution	
E-mail	

2. In your own words, how would you evaluate your level of knowledge regarding the Cohesion Policy, the Structural and Cohesion Funds, and their implementation?

--

2.1. Have you ever worked for:

	Yes (please state which)	No
European Commission – DG Regio		
Any Monitoring Committee		
Any Management Authority		
Any Intermediary Body		
Audit Authority		
Certification / Payment Authority		

¹⁸ Romanian follows English

2.2. Have you or your institution/organization provided assistance¹⁹, in any way shape or form, to any Monitoring Committee, Management Authority, Intermediary Bodies, Certification / Payment Authority, Audit Authority, European Commission?

Yes	
No	

3. Has your institution/organization tried to attract financing from the Structural and/or Cohesion Funds for a project during MFF 2007-2013?

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4. In your opinion, do you believe that the bureaucratic procedures have been too excessive during MFF 2007-2013?

Yes	
No	

4.1. If yes, do you believe that

The number of documents for an application is too high	
A project has to go through too many institutions before it gets final approval:	
The public procurement procedures are excessive, unclear etc.	
Other definition of excessive bureaucratic procedures	

4.2. Could you also identify what were the causes for the excessive bureaucracy? Please give an explanation for each case if necessary.

Lack of communication / miscommunication on behalf of the authorities	
Lack of sufficient staff members	
Lack of training of the staff members	
Other reasons	

¹⁹ By assistance I refer to anything that has helped the respective institution to streamline its working conditions, procedures etc.

5. In regards to the personnel, do you believe that there were enough employees to manage the workload during MFF 2007-2013?

Yes		
No		
	There was insufficient staff at the Monitoring Committee	
	... at the Certification / Payment Authority	
	... at the Management Authority	
	... at the Intermediary Body	
	My own institution suffered from insufficient staff	

5.1. If not, could you perhaps identify the reasons for the lack of sufficient personnel? Please explain where necessary.

Weak financial motivations	
Weak career prospects	
Public staff restrictions	
Other reasons	

6. In regards to expertise, would you say that the staff has had enough experience and/or formal training working with EU funded projects?

Yes		
No		
	The Monitoring Committee lacked experience	
	The Certification / Payment Authority...	
	The Management Authority...	
	The Intermediary Body...	
	My own institution's staff did not have enough experience	

6.1. Would you say that a lack of expertise is the reason for:

Delayed procedures	
Unclear procedures	
Why a project does not receive approval	
Other	

7. Was there enough communication between your institution/organization and the Monitoring Committee, Management Authority, Intermediary Bodies, and/or other relevant institutions?

Yes	
No	

7.1. If not, where have you encountered problems in communication?

Monitoring Committee	
Management Authority	
Intermediary Body	
Other institution(s)	

7.2. If not, how did you perceive these communication problems?

Lack of facilitating methodologies	
Lack of supporting documents	
Failure to identify and establish priorities	
Lack of information sessions for the beneficiaries	
Lack of a help-desk	
Other	

8. Finally, do you have any other comments or remarks in regards to how the implementation of the Cohesion Policy has taken place during the past financial period?

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1. Informații personale²⁰

Nume și prenume	
Numele instituției	
Funcția ocupată	
E-mail	

2. Pe scurt, cum vă auto-evaluați cunoștințele legate de politica de coeziune a UE și fondurile structurale și de coeziune?

--

2.1. Ați lucrat pentru:

	Da (menționați care)	Nu
 Comisia Europeană – DG Regio		
Comitet de Monitorizare		
Autoritate de Management		
Organism Intermediar		
Autoritate de Audit		
Autoritatea de Certificare și Plată		

2.2. Ați oferit asistență vreunui Comitet de Monitorizare, Autoritate de Management, Organism Intermediar, Autorității de Audit, Autorității de Certificare și Plată, Comisiei Europene?

Da	
Nu	

²⁰ Din considerente etice, aveți dreptul să rămâneți anonim

3. Ați încercat să accesați fonduri structurale și/sau de coeziune în perioada financiară 2007-2013?

Da	
Nu	

4. În opinia dvs. credeți că procedurile birocratice au fost excesive în perioada 2007-2013?

Da	
Nu	

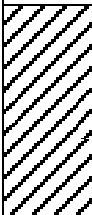
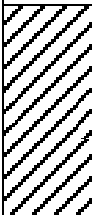
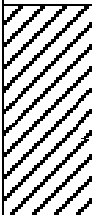
4.1. Dacă da, credeți că:

Număr de documente necesar pentru a aplica este prea mare
Un proiect trebuie să treacă printr-un număr prea mare de instituții
Procedurile de achiziții publice sunt prea complicate, neclare etc.
Altă definiție

4.2. Puteți identifica cauzele pentru birocrăția excesivă? Oferiți un exemplu pentru fiecare caz, dacă este relevant.

Comunicare defectuoasă	
Instituțiile publice nu au avut suficienți angajați	
Angajații instituțiilor publice nu au fost bine pregătiți	
Alte cauze	

5. Credeți că au lucrat suficienți oameni în cadrul următoarelor instituții în perioada financiară 2007-2013?

Da	
Nu	
 Nu au fost suficienți angajați în Comitetul de Monitorizare	
 ... în Autoritatea de Certificare și Plată	
 ... în Autoritatea de Management	

	... în Organismul Intermediar	
	Instituția mea nu a avut suficient personal	

5.1. Puteți identifica cauzele lipsei personalului? Oferiți un exemplu pentru fiecare caz, dacă este relevant.

Lipsa motivație financiară	
Lipsa oportunităților de avansare	
Restricții de personal	
Alte motive	

6. Credeți că angajații următoarelor instituții au fost suficient de bine pregătiți?

Da		
Nu		
	Comitetul de monitorizare	
	Autoritatea de Certificare și Plată	
	Autoritatea de Management	
	Organismul Intermediar	
	Instituția mea nu a avut suficientă experiență	

6.1. Care credeți că au fost consecințele lipsei de experiență a personalului?

Proceduri întârziate	
Proceduri neclare	
Lipsa comunicării cu alte instituții/autorități	
Lipsa comunicării cu beneficiarii	
Lipsa experienței a rezultat mai multe proiecte anulate	
Alte consecințe	

7. Au existat probleme de comunicare între instituția dumneavoastră și alte instituții/autorități, ex. Autoritatea de Management, Comitetul de Monitorizare, etc. Dar între dumneavoastră și beneficiari?

Da	
Nu	

7.1. Dacă da, unde ați întâlnit problemele de comunicare?

Comitetul de Monitorizare	
Autoritatea de Management	
Organismul Intermediar	

7.2. Dacă da, ce formă iau aceste probleme?

Nu au fost elaborate sau nu au fost puse la dispoziție metodologii clare	
Nu au fost elaborate sau nu au fost puse la dispoziție documente explicative	
Nu au fost identificate și stabilite priorități sau proiecte de interes	
Nu au existat suficiente sesiuni de informare între instituție și beneficiari	
Lipsa unui help-desk	
Altă formă	

8. În final, mai doriți să adăugați ceva în plus pe lângă ceea ce ați declarat mai devreme?

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Annex B. Interview guide for public institution employees²¹

1. Personal information

Name and surname ²²	
Name of the institution you work for	
Your role in the institution	
Field of expertise	
Telephone	
E-mail	

2. In your own words, how would you evaluate your level of knowledge regarding the Cohesion Policy, the Structural and Cohesion Funds, and their implementation?

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3. In your opinion, do you believe that the bureaucratic procedures have been too excessive during MFF 2007-2013?

Yes	
No	

a. If so, can you pinpoint where exactly these procedures were too cumbersome?

The number of documents for an application is too high	
A project has to go through too many institutions before it gets final approval:	
The public procurement procedures are excessive, unclear etc.	

²¹ Romanian follows English

²² Should you desire, you have the right to remain anonymous

Other definition of excessive bureaucratic procedures	
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b. Could you also identify what were the causes for the excessive bureaucracy? Please give an explanation for each case if necessary.

Lack of sufficient staff members	
Lack of training of the staff members	
Other reasons	

4. In regards to the personnel, do you believe that there were enough employees to manage the workload during MFF 2007-2013?

Yes ²³	
No	

a. If not, which department was lacking the most in terms of personnel?

--

b. If not, could you perhaps identify the reasons for the lack of sufficient personnel? Please explain where necessary.

Weak financial motivations	
Weak career prospects	
Public staff restrictions	
Other reasons	

5. In regards to expertise, would you say that the staff has had enough experience and/or formal training working with EU funded projects?

Yes	
No	

²³ Optional: could you specify the approximate number of employees

6. Was there enough coordination between your institution and other relevant institutions? Please explain.

Yes	
No	

a. If not, could you please explain why you think they were not well trained?

Lacking formal/academic training	
Past experiences were irrelevant	
Did not take part in specialization courses	
Other	

b. What do you think were the consequences of a lack of expertise?

Delayed procedures	
Unclear procedures	
Why a project does not receive approval	
Other	

7. Was there enough communication between your institution and project applicants/beneficiaries?

Yes	
No	

a. If not, how did you perceive these communication problems?

Lack of facilitating methodologies	
Lack of supporting documents	
Failure to identify and establish priorities	
Lack of information sessions for the beneficiaries	
Lack of a help-desk	
Other	

- 8. Finally, do you have any other comments or remarks in regards to how the implementation of the Cohesion Policy has taken place during the past financial period?**

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1. Informații personale

Nume și prenume ²⁴	
Numele instituției în care lucrați	
Funcția ocupată	
E-mail	

- 2. Pe scurt, cum vă auto-evaluați cunoștințele legate de politica de coeziune a UE și fondurile structurale și de coeziune?**

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- 3. Pe scurt, în opinia dumneavoastră, credeți că procedurile birocratice aferente procesului de accesare a finanțării prin fondurile europene sunt excesive? Dați explicații acolo unde este necesar.**

Yes	
No	

a. Dacă da, sunteți de părere că:

Numărul documentelor necesare este excesiv	
Un proiect trebuie să treacă printr-un număr prea mare de instituții înainte de a fi validat	
Procedurile de achiziții publice sunt complicate și/sau neclare	
Altă interpretare a procedurilor birocratice	

²⁴ Din considerente etice, în cazul în care doriți, aveți dreptul să rămâneți anonim.

excesive	
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b. Ați putea, de asemenea, să identificați cauzele pentru care există aceste proceduri birocratice excesive

Nu există personal suficient	
Personalul nu are experiența necesară	
Alte motive	

4. În legătură cu personalul, credeți că în perioada 2007-2013 au lucrat suficienți oameni în cadrul instituției dumneavoastră?

Da ²⁵	
Nu	

a. Dacă nu, în ce departament(e) ați simțit lipsa personalului

--

b. De asemenea, puteți identifica motivul pentru care nu au existat suficienți angajați?

Motivare financiară slabă	
Perspective de carieră slabe	
Numărul angajaților a fost restricționat	
Alte motive	

5. În legătură cu nivelul de experiență al angajaților, credeți că aceștia au fost suficient de bine pregătiți să lucreze cu proiecte cu finanțare europeană?

Da	
Nu	

²⁵ Opțional: puteți specifica (aproximativ) numărul angajaților

a. Dacă nu, credeți că puteți identifica motivele pentru care aceștia nu erau bine pregătiți?

Nu aveau pregătire formală/academică în domeniu	
Experiențele dobândite în trecut la alți angajatori nu se pliau cu nevoile postului ocupat în instituția publică	
Nu au participat la cursuri de formare/specializare	
Alte motive	

b. Care credeți că au fost consecințele lipsei de experiență a personalului?

Proceduri întârziate	
Proceduri neclare	
Lipsa comunicării cu alte instituții/autorități	
Lipsa comunicării cu beneficiarii	
Lipsa experienței a rezultat mai multe proiecte anulate	
Alte consecințe	

6. Au existat probleme de comunicare între instituția dumneavoastră și alte instituții/autorități, ex. Autoritatea de Management, Comitetul de Monitorizare, etc. Dar între dumneavoastră și beneficiari?

Da	
Nu	

7. Ați întâmpinat probleme în comunicarea cu beneficiarii?

Da	
Nu	

1. Dacă da, ce formă iau aceste probleme?

Nu au fost elaborate sau nu au fost puse la dispoziție metodologii clare	
Nu au fost elaborate sau nu au fost puse la dispoziție documente explicative	
Nu au fost identificate și stabilite priorități sau proiecte de interes	
Nu au existat suficiente sesiuni de informare între instituție și beneficiari	
Lipsa unui help-desk	
Altă formă	

8. În final, mai doriți să adăugați ceva în plus pe lângă ceea ce ați declarat mai devreme?

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Annex C. List of Documents

No.	Operational Programme	Document Title	Issuing Authority
1	Regional OP	Annual Implementation Report (AIR) 2007 ²⁶	Ministry of Development, Public Works and Housing
2		Annual Implementation Report 2008	
3		Annual Implementation Report 2009	Ministry of Regional Development and Tourism
4		Annual Implementation Report 2010	
5		Annual Implementation Report 2011	
6		Annual Implementation Report 2012	Ministry of Regional Development and Public Administration
7		Project Applicant's Guide: Priority Axis 1.1 (2011) ²⁷	Ministry of Regional Development and Tourism
8	Sectoral OP Human Resource Development	Annual Implementation Report 2007	Ministry of Labour, Family and Equal Opportunities
9		Annual Implementation Report 2008	Ministry of Labour, Family and Social Protection
10		Annual Implementation Report 2009	
11		Annual Implementation Report 2010	
12		Annual Implementation Report 2011	
13		Annual Implementation Report 2012	Ministry of Labour, Family, Social Protection and Elderly People
14		Annual Implementation Report 2013	Ministry of European Funds
15		Project Applicant's Guide: Priority Axis 1.2 (2013)	
16	Sectoral OP Increase of Economic Competitiveness	Annual Implementation Report 2007	Ministry of Economy and Finance
17		Annual Implementation Report 2008	Ministry of Economy
18		Annual Implementation Report 2009	Ministry of Economy, Trade and Business
19		Annual Implementation	

²⁶ All Annual Implementation Reports can be found by accessing the following link: <http://www.fonduri-ue.ro/documente-suport/rapoarte/> (available only in Romanian). Accessed June, 26th 2015

²⁷ The Project Applicant's Guides for all OPs can be downloaded or viewed on the following website: <http://fonduri-structurale.ro/> (available only in Romanian). Accessed June, 26th 2015

No.	Operational Programme	Document Title	Issuing Authority
		Report 2010	
20		Annual Implementation Report 2013	Ministry of European Funds
21		Project Applicant's Guide: Priority Axis 4.3 (2012)	Ministry of Economy, Trade and Business
22	OP Administrative Capacity Development	Annual Implementation Report 2008	Ministry of Administration and Internal Affairs
23		Annual Implementation Report 2009	
24		Annual Implementation Report 2010	
25		Annual Implementation Report 2011	
26		Annual Implementation Report 2012	Ministry of Regional Development and Public Administration
27		Project Applicant's Guide: Priority Axis 1.3 (2008)	Ministry of Internal Affairs and Reform
28	Sectoral OP Environment	Annual Implementation Report 2007	Ministry of the Environment and Sustainable Development
29		Annual Implementation Report 2008	Ministry of the Environment
30		Annual Implementation Report 2009	Ministry of the Environment and Forests
31		Annual Implementation Report 2010	
32		Annual Implementation Report 2011	
33		Project Applicant's Guide: Priority Axis 5.2 (2010)	
34	Sectoral OP Transport ²⁸	Project Applicant's Guide: Priority Axis 2.4 (2011)	Ministry of Transport and Infrastructure
35	OP Technical Assistance	Annual Implementation Report 2007	Ministry of Economy and Finance
36		Annual Implementation Report 2008	Ministry of Public Finance
37		Annual Implementation Report 2009	
38		Annual Implementation Report 2010	
39		Annual Implementation Report 2011	
40		Project Applicant's Guide (2012)	

²⁸ For this OP there were no Annual Implementation Reports available

Annex D. List of sources for each dimension of each variable

Operational Programme	Variable	Source
R OP	Bureaucracy	1
SOP HRD		3
SOP IEC		2
OP ACD		1
SOP E		0
OP TA		0
SOP T	Number of documents	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 20. Source for Variable 1.1: Number of documents

Operational Programme	Variable	Source
R OP	Bureaucracy	2
SOP HRD		2
SOP IEC		2
OP ACD		0
SOP E		0
OP TA		0
SOP T	Number of institutions	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 21. Source for Variable 1.2: Number of institutions

Operational Programme	Variable	Source
R OP	Bureaucracy	3
SOP HRD		2
SOP IEC		3
OP ACD		3
SOP E		3
OP TA		1
SOP T	Public procurement procedures	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 22. Source for Variable 1.3: Public procurement procedures

Operational Programme	Variable	Source
R OP	Staff	2
SOP HRD		3
SOP IEC		3
OP ACD		1
SOP E		3
OP TA		0
SOP T	Staff training	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 23. Source for Variable 2.1: Staff training

Operational Programme	Variable	Source
R OP	Staff	1
SOP HRD		3
SOP IEC		1
OP ACD		3
SOP E		2
OP TA		0
SOP T	Staff number	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 24. Source for Variable 2.2: Staff number

Operational Programme	Variable	Source
R OP	Staff	1
SOP HRD		2
SOP IEC		0
OP ACD		2
SOP E		3
OP TA		0
SOP T	Financial incentives	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 25. Source for Variable 2.3: Financial incentives

Operational Programme	Variable	Source
R OP	Emergent theme (Staff)	1
SOP HRD		2
SOP IEC		1
OP ACD		3
SOP E		3
OP TA		0
SOP T	Staff restrictions	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 26. Source for Variable 2.4: Staff restrictions

Operational Programme	Variable	Source
R OP	Miscommunication	0
SOP HRD		3
SOP IEC		0
OP ACD		3
SOP E		1
OP TA		1
SOP T	Facilitating methodologies	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 27. Source for Variable 3.1: Facilitating methodologies

Operational Programme	Variable	Source
R OP	Miscommunication	1
SOP HRD		2
SOP IEC		3
OP ACD		1
SOP E		0
OP TA		1
SOP T	Supporting documents	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 28. Source for Variable 3.2: Supporting documents

Operational Programme	Variable	Source
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R OP	Miscommunication	1
SOP HRD		0
SOP IEC		1
OP ACD		0
SOP E		3
OP TA		0
SOP T	Failure to identify and establish priorities	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 29. Source for Variable 3.3: Failure to identify and establish priorities

Operational Programme	Variable	Source
R OP	Miscommunication	2
SOP HRD		3
SOP IEC		3
OP ACD		0
SOP E		3
OP TA		1
SOP T	Insufficient information provisions	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 30. Source for Variable 3.4: Information provisions

Operational Programme	Variable	Source
R OP	Emergent theme	3
SOP HRD		3
SOP IEC		3
OP ACD		3
SOP E		3
OP TA		0
SOP T	High workload	N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 31. Source for Variable 4: High workload

Operational Programme	Variable	Source
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R OP	Emergent theme Delayed procedures	3
SOP HRD		3
SOP IEC		3
OP ACD		3
SOP E		2
OP TA		0
SOP T		N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 32. Source for Variable 5: Delayed procedures

Operational Programme	Variable	Source
R OP	Emergent theme Institutional issues	2
SOP HRD		3
SOP IEC		3
OP ACD		1
SOP E		3
OP TA		0
SOP T		N/A

Legend: 0 = Issue not registered; 1 = issue mentioned in Implementation Report; 2 = issue mentioned in interview(s); 3 = issue mentioned in both Implementation Report and interview(s); N/A = no data available

Table 33. Source for Variable 6: Institutional issues