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Oana Raluca GLAVAN

DOCTORAL DISSERTATION

COMPARATIVE STUDY OF STRUCTURAL FUNDS ADMINISTRATION IN THE FRAMEWORK OF EUROPEAN UNION'S REGIONAL POLICY IN ROMANIA AND LITHUANIA

SOCIAL SCIENCES,
MANAGEMENT (03 S)
VILNIUS, 2015

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ABBREVIATIONS

ACSF	Authority for Coordination of Structural Funds
CF	Cohesion Fund
CSF	Community Strategic Framework
EARDF	European Agriculture and Rural Development Fund
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EFF	European Fisheries Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
ESPD	European Spatial Development Perspective
EU	European Union
EUROSTAT	European Statistical Office
DEA	Department of European Affairs
DG	Directorate General
DMS	Duomenų mainų svetainė
ESIF	European Structural and Investment Funds
GD	Government Decision
GDP	Gross Domestic Product
I&P	Information and Publicity
KAI	Key Area of Intervention
MEA	Ministry of External Affairs
MEI	Ministry of European Integration
MEF	Ministry of European Funds
MRDPA	Ministry of Regional Development and Public Administration
NSRF	National Strategic Reference Framework
NUTS	Nomenclature of Territorial Units for Statistics
OLAF	European Anti-Fraud Office
OP	Operational Programme
RDAs	Regional Development Agencies
ROP	Regional Operational Programme
SF	Structural Funds
SMIS	Single Management Information System
SOP HRD	Sectoral Operational Programme Human Resources Development
SOP IEC	Sectoral Operational Programme Increase of Economic Competitiveness
TAOP	Technical Assistance Operational Programme
TFUE	Treaty on the Functioning of the European Union

CHAPTER I

INTRODUCTION

1.1 The relevance and importance of the research

The aim of this doctoral thesis is to propose a definition of 'good practices' in the field of Structural Funds administration mechanisms (institutional framework, programming and project level administration and implementation) and to make a comparative analysis at the three implementation levels between Romania and Lithuania in order to identify what practices could represent good examples in terms of tools to absorb more efficiently the EU money. A set of factors will be proposed in order to analyse how they impact on the implementation systems in the above-mentioned member states and what is the relationship with the absorption rate and achievement of the objectives of the cohesion policy. The selection of these countries is not at all incidental: they are countries with diverse forms of government and come from parts of Europe with different traditions and cultures, have different sizes in terms of population and territory, and as a consequence, number of votes within the EU Council and members in the European Parliament and, as well, they have different stages of development and have different experiences in the integration process, coming from separate waves of enlargement.

The subject is relevant and worthy of research from several points of view. Firstly, because it has a strong novelty aspect: no similar comparative study has been made yet between the two countries. Secondly, because it proposes a definition of 'good practices' in the field of Structural Funds implementation and it analysis its applicability within in-country and cross-countries comparative study. Thirdly, it has a practical aspect reflecting on the good and bad experiences met in the daily process of Structural Funds administration and implementation.

The doctoral thesis is willing to contribute to the efforts already existing in EU regarding the definition of 'good practices' in the implementation of the European Regional Development Fund, contributing to the research and studies ongoing in the European Union on this issue. Its innovation consists in presenting a definition which considers the Structural Funds administration situation in two new member states, Romania and Lithuania and the analysis of its applicability in the framework of a comparative study.

In the framework of formulating the research problems, the following general questions will be taken into consideration:

- Why there is no common agreed implementation scheme on Structural Funds and what would be the advantages of having such a scheme?
- What could be a 'good practice' in implementation systems, how to identity it and what would be its added-value to other European member states?
- What is the role of the national policies on regional development of the Member States? Is there any competition between European regional policy and the regional policies of the Member States? How is the principle of subsidiarity implemented?
- What should be the role of the regions in development and implementation of the regional policy and of the operational programmes? Should they enhance their

legitimacy? How could the multi-level governance theory be compatible with the reality of the inter-governmentalist bargaining?
- How could be linked absorption of Structural Funds with the impact on local, regional, national and EU's development?
- What institutional structure would be more recommended at local and regional level in order to absorb more efficiently the EU structural funds and to avoid corruptive activities?

1.2 Aim and objectives of the research

The aim of this thesis is to propose a definition and a model of analysis for 'good practices' in the implementation mechanisms of Structural Funds in Romania and Lithuania at three levels: institutional, operational programme and projects level. The practices identified in each country will be analysed within their system and against each other.

The objectives of this study are:

1. To analyse and compare several practices within the processes and systems of administration and implementation of Structural Funds in Romania and Lithuania.
2. To assess the performance of the implementation schemes of Structural Funds from Romania and Lithuania and compare against each other, in terms of efficiency.
3. To identify the implementation problems, diagnose and propose solutions for addressing them.
4. To identify several good practices in Structural Funds administration and to reflect over their transferability.

1.3 Formulation of the research problems

The implementation of Structural Funds depends very much on the administrative capacity of a Member State's institutions to manage the use of funds, to implement sustainable policies and to create the proper legal and administrative framework for project implementers. The research questions are:

- How could be defined 'good practices' in the administration of Structural Funds in a process of in-country self-evaluation and within a cross-country analysis?
- Which country's administration system of Structural Funds is better performing and how it can be measured?
- What factors can influence the application of a model of 'good practices' implementation in the field of Structural Funds?

1.4 The approach to the research

The present research refers to the evaluation and study of the regional policy of the European Union as it is applied in two member states, Romania and Lithuania. Evaluation or policy studies typically serve instrumental uses. According to Rossman and

Rallis[1], the evaluation or policy study describes, analyzes, and informs decision makers about the effectiveness of the political decisions and efficiency of the public instruments engaged in the application of the policy. The regional policy of the EU is studied through one of its means of putting it into practice that are the European Structural Funds. The implementation of the policy through the use of Structural Funds is evaluated through the analysis of the institutional, legal and administrative framework put in place by each of the two Member States and on the basis of the evaluation reports issued by the European institutions and the authorities of the Member States.

The research contains two meta-evaluation case studies representing an overview of the entire implementation system of each of the two countries, Romania and Lithuania, as well as a within-case analysis and cross-case analysis, containing interpretations of the meaning of the case.

By using a case study, a larger phenomenon tries to be understood through the intensive study of one specific instance[2]. Therefore, it is researched what are the key institutional actors in the process and system of implementation of Structural Funds, what are their roles, why and how are they performing these roles, as well as what are the power relationships among different national and supra-national or sub-national actors. Additionally, the legislative and administrative framework is analysed in relationship with the European requirements and internal legislative and administrative traditions, along with the efforts for simplification and elimination of bureaucracy.

The cross-case study analysis tries to address questions such as:

- What are the main differences of processes and structures between the two countries?
- Which is the leading institution in the whole process of implementation in each country and how can its role be comparatively assessed?
- How do key institutions define their effectiveness and efficiency and who or what is influencing these indicators?
- Overall, which system is performing better by relating one to each other and why?
- Did any of the countries involved identify innovative ways of doing things better and faster?
- Did the countries rely more on internal extended performance improvement mechanisms or rather implemented external recommendations or examples of good practices from other systems?

In order to answer the research questions, the following information will be gathered and assessed: number and type of institutions involved; stability of the institutions calculated in years in a multiannual financial framework; number of legal acts and their temporal availability reflecting the level of legislative load and stability; the size and stability of the administrative machinery expressed in the number of employees, costs with human resources and the fluctuation of the personnel; the Structural Funds' absorption rates and implementation process stages, as questions of cost-effectiveness.

1 Rossman and Rallis, (2003), Learning in the field: An Introduction to Qualitative Research, 2nd ed., Thousand Oaks, CA:Sage

2 *ibidem*

The measurement of cost-effectiveness will tackle the following aspects:

- The absorption capacity. The focus will concentrate mainly be on aspects of administrative absorption capacity, considering the following indicators: level of strategic planning, decision-making procedures, co-ordination capacities, transparency, anti-fraud strategies, corruption index, innovation capacity, level of partnerships, transferability, sustainability, adjustability;
- Implementation progress at different stages: biannual mandatory self-evaluations and assessments made by the European institutions.

1.5 The research methodology and novelty

During the initiation process of this study, the researcher has considered several philosophical questions and the answers impacted on the choice of the research design. The main philosophical questions that the researcher asked herself were:

1. What point of view should be considered: a realist or a social constructivist one?
2. On what type of approach will the research be based on: a theorist or empiricist one?
3. What type of methods of evidence collection will be used: positivist, interpretivist or a mixture of both?
4. To what extend the researcher considers herself a pragmatist?

According to Remenyi and Bannister[3], 'the mainstream of business and management research follows a realist perspective' and 'traditionally, research in this field was largely positivist and empiricist'. The above-mentioned authors point out that pragmatism is nowadays seen as a distinct research philosophy and the business and management researchers are more and more concerned today with providing valuable knowledge for both academics and practitioners.

This thesis implies a realist point of view as it contains critical observations on the empirical world, seeking to develop conceptual understanding over the behaviour of the collective forms of organization and over their traditions for administration of the public goods. According to Maxwell[4], 'critical realism has important implications for the conceptualization and conduct of qualitative research'.

The approach to this thesis is an empiricist one as the information for building up the research is based on experience and observation. The methods of empirical research allow the integration of research and practice.

The methods for evidence collection denote a positivist approach to the research. The researcher is an external observer of the facts, limiting her role to data collection and interpretation through an objective approach. The research findings are observable and can be quantified. This research has a deductive approach which is also typical for positivism, according to Crowther and Lancaster.[5]

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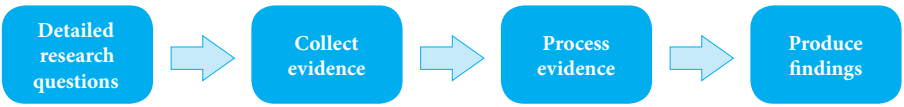
3 Remenyi, D. & Bannister, F. (2012), 'Writing up Your Research', ed. Academic Publishing International Limited, Reading, United Kingdom

4 Maxwell, Joseph A. (2012), A Realist Approach for Qualitative Research, ed. SAGE Publications Inc, p. 10

5 Crowther, D. & Lancaster, G. (2008) "Research Methods: A Concise Introduction to Research in Management and Business Consultancy" Butterworth-Heinemann

This research has a strong mark of pragmatism as its focus is on identifying good practices, problems of implementation and on subsequently providing solutions to solving the problems identified in the real world. The pragmatic researcher has a specific research freedom which allows him or her to use mixed procedures for data collection and combining qualitative and quantitative methods, though understanding their limitations and the complementarity of different approaches. The ability to use different approaches leaves space for triangulation. The researcher uses a variety of data sources – data triangulation and multiple methods to study the research problem – methodological triangulation.

The process of qualitative academic research starts with the formulation of the research questions continues with the collection and processing of evidence and ends with the production of findings.



Graphic no. 1: The process of qualitative academic research

Source: Remenyi, D. & Bannister, F.

The methods that are used in order to conduct the process of research include:

– ***A descriptive analysis of thematic literature***

The descriptive analysis of thematic literature is used in *Chapter II: The Literature review,* The purpose to present the academic research in the field of Structural Funds implementation mechanism is based on the need to identify important trends in studying the topic under research, to compare the existing research results and to identify the niches of activity that need further development. The analysis is useful for identifying and presenting similar research efforts and to make a clear delimitation between them and the study included in this doctoral thesis.

– ***A logical and historical method***

The historical method analysis is used in *Chapter III: History and evolution of the European Regional Policy.* The analysis allows the reader to obtain an insight overview on the evolution over time of the cohesion policy and of the implementation mechanisms of Structural Funds in various Member States, as well as over their development in the integration process of the EU. The analysis captures important moments in the development of the cohesion policy and stresses the key principles and debates relevant for the main stakeholders on this policy process, the EU institutions and the member states. This analysis underlines the emergence of debates regarding the building of common implementation models based on 'good practices' as a possible solution to implementation problems identified in the EU member states over the time.

The historical method analysis teaches us that the developments and improvements of the cohesion policy come from the results identified in practice on a 'trial and error' basis and that it is possible and useful to learn from the experiences of the past. Additionally, it makes us understand that the cohesion policy and its implementation tools and methods are in a permanent change and are prone to be constantly improved while seeking to achieve effectiveness and transparency in the use of EU funds.

– ***A qualitative method***

The qualitative research method is used in the entire *Chapter IV: Structural Funds Administration in Romania and Lithuania. Good practices and Comparative Analysis.* The qualitative research method is used in the evaluation or policy studies in order to describe, analyse, and inform decision makers about social programmes. The specific types of the qualitative research used in this doctoral thesis are the case study and the cross-case study.

According to Robert K. Yin[6], doing case study research "would be the preferred method, compared to the others, when (1) the main research questions are 'how' and 'why' questions; (2) the researcher has little or no control over behavioural events; and (3) the focus of study is a contemporary (as opposed to entirely historical) phenomenon."

The purpose of the case study is to seek to understand a larger phenomenon through intensive study of one specific instance, being descriptive and inductive. The main questions of this doctoral thesis research are focused on 'how' type of questions: *How* could be defined 'good practices'? *How* it can be measured a model of 'good practices' implementation?

The sources for data collection in case study research are multiple – documents, archival records, interviews, observations, physical artefacts. In this doctoral thesis, the qualitative method is based on the review and analysis of national and European laws and regulations (official documents), interviews and questionnaires with policy makers and implementers from different national and sub-national institutions; interviews and questionnaires with beneficiaries; analysis of specific and limited statistical data – in order to identify the absorption rates of the operational programmes.

A case study is an exploration of a 'bounded system' or a case (or multiple cases) over time through detailed, in-depth data collection involving multiple resources of information rich in context. In the framework of this doctoral thesis, this system is bounded by time (2007-2013 multiannual financial framework) and place (Romania and Lithuania). The context of the case involves situating the case within its setting, which may be a physical setting or the social, historical, and / or economic setting for the case.

The present doctoral thesis has selected Romania and Lithuania because they show different perspectives on the problem and the process that the researcher wants to portray. Since two cases were chosen, the typical format is to first provide a detailed description of each case and themes within the case, called a **within-case analysis**, followed by a thematic analysis across the cases, called a **cross-case analysis**, as well as assertions or an interpretation of the meaning of the case.

As part of the qualitative research method, **the semi-structured interviews** are an important part of the research because they allowed the researcher to obtain information and understanding of issues relevant to the general aim and specific research questions. Additionally, it allowed the researcher to get a deeper view of the implementation systems of Structural Funds and to clarify some important aspects of each implementing system. The semi-structured interviews provided the researcher with an in-depth, reliable and comparable qualitative data that, together with the information obtained previously through observation, informal and unstructured interviews made up the whole image of

6 Yin, Robert K., 2014, Case Study Reseach: Design and Methods, 5th edition, ed. Sage Publications, Inc. United States of America

the implementation puzzle. Open-ended questions provided the opportunity to create new knowledge, explore new views in analysing the topic and better understanding it, as respondents enjoyed the freedom to express their own opinions.

A list of topics to be asked during the interviews has been prepared in advance and sent by email to the interviewees in order to prepare their answers (see Annex no. 3). The interviews were scheduled to last about 1 hour and the interviewees have been verbally informed about the purpose of the research. Usually, during the interviews other topics have come to the agenda, extending the level of discussions and turning the interviews into semi-structured ones. A total number of 10 interviews have been conducted in both countries, and the interviewees have been mainly employees in the management or intermediate bodies and Structural Funds projects' implementers in private or public organizations.

Another important tool of qualitative research that has been used is the **questionnaires for academic research**. According to Dan Remenyi[7], the questionnaire is 'a data or evidence collection device that consists in a list or series of specific questions which when answered by an appropriate informant or group of informants, will help lead a researcher to a greater understanding of the research questions and provide insight into possible answers'. In most of the cases, the data collected through questionnaires is used for statistical analysis, but the questionnaires used in this doctoral thesis are designed to be analysed and interpreted in a qualitative way. Most of the questions are open and require qualitative answers from the informant in the form of explanations or own opinions which require a non-statistical approach to analysis. The method of questionnaires was been used in this research due to the limited spatial possibilities of getting directly in touch with most of the respondents as they were located in other country than currently the researcher was located (e.g. Romania).

Two types of questionnaires have been prepared: one dedicated to the employees from the Management Authorities and Intermediate Bodies (Annex 1) and one dedicated to the beneficiaries of Structural Funds (Annex 2). Along with the questionnaires, in line with the ethical principles of research, the researcher has prepared and sent by email to the respondents a Research Participant's Information Document (Annex 4) and a Letter of Informed Consent (Annex 5). The questionnaires have been made available either in the language of the respondents or in English. A number of 250 questionnaires have been sent with a total response rate of 50 questionnaires.

Another type of qualitative research used in this doctoral thesis is the specific and limited **statistical data** regarding the measurement of the absorption capacity of Structural Funds in both countries as they are officially provided by the Member States and the European Commission. The statistical data regarding the stage of the absorption rate will be analysed in a time frame, in order to catch the evolution of the absorption rate in the beginning of the programming period, at inter-mediate period and at the end of the programming period. The evolution of the absorption rate might help to draw up some conclusions regarding the driving forces supporting or pushing a faster absorption rate and to find out if these driving forces are implemented just in times of crisis or they can

7 Remenyi, D., 2012, "Field Methods for Academic Research: Interviews, Focus Groups & Questionnaires", ed. Academic Publishing International Limited, Reading, United Kingdom

became part of a continuous strategy of improving the absorption pace in a particular Member States or in both.

An important part of the study will be dedicated to the **investigative description of the chosen model of implementation of the Structural Funds** in each of the countries object of this research. A detailed description is necessary in order to deepen the knowledge about each country, considering the fact that there is not so much information available in any of the countries analysed about the other's country implementation model, mostly due to low mutual academic interest in this field, countries' geographical remoteness from each other, distinct size and population, different historical backgrounds and administrative traditions, as well as separate EU accession roadmaps and relatively distinct political priorities.

The analysis of the Structural Funds implementation scheme of each country will be focused first of all on the national legislative acts (acts of Parliaments and Governments) as well as the legislative and administrative decisions of national and regional institutions (Ministries, Managing Authorities and Implementing Bodies). The analysis of legislative acts will be made also on a historical basis, aiming to identify the trends of legislative changes over the 2007–2013 period and their impact over the overall functioning of the implementation scheme. The analysis of national legislative acts will try to identify the level of conformity with the EU legislation, legislative innovations for cutting red-tape and increasing the efficiency of the use of funds, transparency and anti-corruption measures, but also to verify if the national legislative acts are not overwhelming or imposing unnecessary barriers to projects' promoters and implementers.

The research is investigating also the organizational behaviour of the main institutions involved in the managing and administration scheme of Structural Funds in Romania and Lithuania, the Managing Authorities and the Intermediate Bodies. The administrative performance of these institutions is crucial in the overall delivery of the cohesion and regional policy and a critical view over the internal management strategies will be presented, such as: strategic management, human resources management, and communication and publicity activities, anti-corruption measures, institutional adjustability and transferability.

The main sources of documentation of the investigation of the organizational behaviour and administrative performance of the key institutions involved in the management of Structural Funds will be their internal documents of organization and administration, the public strategies, the reports of activity, the independent reports of evaluation, the opinion polls, the interviews with employees and the questionnaires addressed to the beneficiaries of Structural Funds as the main 'clients' of these institutions, as well as researcher's observations.

The study is proposing a set of indicators of good practices identified at three levels: institutional level, operational programme level and project level. Many studies have proved that the institutional design and organizational behaviour have a strong influence over the successful implementation of structural funds. Therefore, the most important indicators have been chosen and an analysis of each of them has been made for each country followed by a cross-case analysis.

Table no. 1: Summary of the research activity

Case study	Typology of interviewee	Number	Comment
Lithuania	Management authority Intermediate bodies Beneficiaries Academic	25	Questionnaires Semi-structured interviews
Romania	Management authority Intermediate bodies Regional Development Agencies Beneficiaries Academic	25	Questionnaires Semi-structured interviews

According to author's knowledge, no similar analysis has been done yet neither in Romania nor in Lithuania, and more than that, there are no research activities comparing the implementation mechanisms of Structural Funds between Romania and Lithuania. Additionally, there is no research which analyses what are 'good practices' in the administration and implementation of Structural Funds in neither Romania nor Lithuania.

The topic is relevant especially for practitioners who work in the Managing Authorities or Intermediate Bodies because it makes them acknowledge the overall situation and the *status quo* of the institutional and procedural framework for Structural Funds implementation as seen from an outside critical point of view and in comparison with another system. The employees working in the Managing Authorities and Implementing Bodies tend to appreciate that the system they are working in is stunned and unchangeable and cannot undergo improvements and in the end they tend to believe that the system is even 'perfect'. Therefore, sometimes bureaucratic barriers have a tendency to enlarge and increase instead of being softened or eliminated because of the individuals' reluctance and adversity to organizational or process changes.

The topic might also be relevant for projects' applicants and implementers who can act in their role as policy challengers and good practices' promoters. In this way, the projects' applicants and implementers can find out what are the institutions and procedures in other countries and how the whole implementation system is working, make it known to the national or regional authorities and advocate eventually the transferability of good practices.

This thesis is different from the evaluation studies that are obligatory for the Member States. Most of the evaluation studies regarding the Structural Funds implementation are referring to the Operational Programmes and not to the institutional framework or the projects' on the ground implementation. Some evaluations address specific ad-hoc topics but none of them is including an analysis of the good practices or discussing ways to transfer them into the procedures. The evaluations are national ones; no evaluation refers to a cross-country analysis of the institutional framework or of the Operational Programmes. Therefore, this thesis is proposing a different approach than the mandatory evaluations and the goal is to encourage the promotion of good practices not only in-country but also cross-county.

1.6 The expected results of the research

The results of this research will form a comparative study of two administrative systems of implementation of Structural Funds approaching both theoretical and practical aspects. The results of the research will consist in:

- A definition of the concept of 'good practices in Structural Funds administration and implementation and formulation of a model of evaluation and comparative analysis based on indicators of 'good practices';
- An evaluation of each implementation system of Structural Funds from Romania and Lithuania based on the model of analysis of 'good practices';
- A comparative analysis of the systems of administrative implementation of Structural Funds from Romania and Lithuania;
- Identification of the factors that are influencing negatively the implementation mechanism of Structural Funds in Romania and Lithuania;
- Analysis of findings and formulation of conclusions.

1.7 Definition of key terms

- ***Administration***

Within this doctoral thesis, the following definition of 'administration', according to the International Encyclopaedia of Public Policy and Administration[8], will be retained: 'administration is the operation of institutions, mechanisms, and procedures for the carrying out, or realization, or implementation, or execution of government programs and policies'.

This thesis uses another concept of administration, the 'comparative public administration' concept which allows the comparison of administrative practices in Romania and Lithuania, the two countries object of this study. The advantages of comparing different administrative practices are obvious: the researcher gets broader understanding by analysing differences and variations; by comparison, the differences gain more appreciation; the study of comparisons vastly improves the ability to borrow and adapt selected ideas, practices and innovations9.

During this study of comparative public administrations, the researcher has met all the challenges listed below, as they are mentioned in the definition of the concept:

1. Since public administration is a part of the political system, it was a difficult task to sort out the administrative variables, which are often dependent on complex political, socio-economical, historical or cultural contexts.
2. The data collection for a non-citizen proved extremely difficult, especially due to the language differences, the cost of travel and the access related problems.
3. The funding for such a cross-national study was scarce.
4. Due to different methods of data categorising, the comparison was difficult without extensive interpretation and adjustment.
5. The norms and values of each administrative system were distinguished not only by different traditions and cultures but also by accumulated experience over the time.

8 The International Encyclopaedia of Public Policy and Administration, (1998), Boulder (Colo): Westview Press, editor in chief Jaj M. Shafritz, Vol. 1: A-C, p.32

9 *Idem,* p. 456

– ***'Good practices'***

'Good practices' is a concept used in organizational management literature in the context of *performance measurement* and *quality improvement* and describes a *technique or approach* for achieving a valued outcome by sharing and facilitating the sharing of information among organizations. The concept is equally used in public management and consists in the selective observation of exemplary programs across different contexts in order to identify innovative practices that can be transferred and adopted in other contexts.

In the context of this doctoral thesis, *organizations* are considered to be *management authorities and implementing bodies of Structural Funds*, be they public or private institutions, according to each Member States' national regulations regarding the institutional framework set-up. Additionally, by programs one understands the official public documents setting down the rules for using the financial support from the EU through the Structural Funds.

The ability to identify and implement good practices differentiates successful organizations from unsuccessful ones by using *comparative techniques* in order to distinguish best and worst performers[10]. Nevertheless, the ultimate purpose of the use of good practices is not for stigmatizing the non-performers but to share information to allow other organizations to duplicate the success of some techniques that already proved their validity in other organizations. Looking for good practices represents a greater awareness about the external environment and an exercise of learning from the best, benefiting from the progress already achieved by other as long as it is available to public, recognised officially and shared openly.

Measurement and benchmarking are the main tools of good practices' identification. Standard identification represents the starting point, as all the studied practices will be compared against it in order to get the necessary information as which practices are better performing. Apart from standard identification, good practices require also an identification of processes that result in better outcome[11].

An extended analysis and a definition of 'good practices' in Structural Funds administration and implementation are presented in ***Chapter IV:*** **Structural Funds Administration in Romania and Lithuania. Good Practices and Comparative Analysis**.

– ***Implementation***

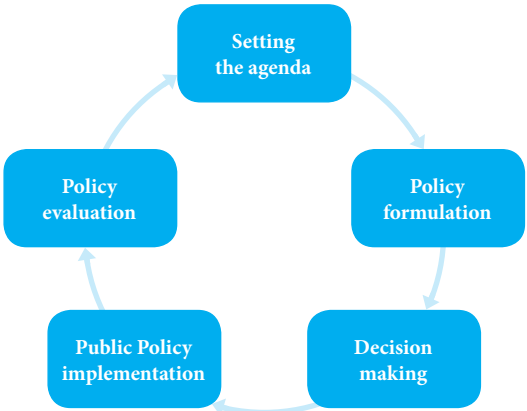
In a larger context, implementation is viewed as a particular stage of a cyclic policy process that starts firstly with the agenda setting, continues with policy formulation and decision making, goes though putting into practice of the policy by applying the programmes and projects agreed, and then ends up with policy evaluation as part of an intrinsic follow-up process **(Graphic no. 2)**. This doctoral thesis approaches 'implementation' of Structural Funds as a specific type of implementation of a public policy process, namely the regional policy of the European Union.

Implementation as a policy stage is treated as a process itself and as a system as well. The *process* of implementation means a set of principles, steps and tools as specified in the mandatory requirements and guidance documents that make up the regulated framework

10 Kramer, T.L., & Glazer, W., 2001, Best practices: Our Quest for Excellence in Behavioural Health Care. Psychiatric Services, 52 (2), 157-159

11 Watson, G.H. ,1993, Strategic Benchmarking: How to Rate Your Company's Performance against the World's best. New York: Wiley

of implementation (e.g. Regulations of structural funds), while implementation as a *system* refers to the relationship among processes of implementation and the environmental dynamic elements that influence the implementation process, such as: the stakeholders, the context (economical, social, political, and legal) and the implementation gaps.[12]



Graphic no. 2: The process of public policy implementation

Source: Rosenbloom, D. (2009)

Within the literature[13], implementation is viewed as that part of the policy cycle by which inputs are converted into outputs. From the way outputs are achieved, implementation is seen either as a quantitative or as a qualitative process (e.g. number of funds spent versus quality of projects).

The approach plans to include both the theoretical framework of a rational and linear implementation and the reality in practice of the implementation process, and their relationship. From the theoretical point of view, implementation of Structural Funds will be analysed in relationship with the classical theories of implementation research, namely top-down and bottom-up theories and considering as well the hybrid theories of implementation and other emerging theories[14]. The practice of implementation and its relation-

12 Rosenbloom, D. H., Kravchuk, R., Clerkin, R. (2009), Public Administration, Understanding Management, Politics and Law in the Public Sector, ed. Boston (Mass.): McGraw-Hill

13 Milio, S., (2007), Doctoral Thesis, Explaining Differences in Regional Performance: Administrative Capacity and Political Factors the Case of Structural Funds Implementation in Italian Objective I Regions, [Online], available at: http://etheses.lse.ac.uk/54/1/Milio_explaining_differences_in_regional_performance.pdf.

14 Fischer, F., Miller, J. G.,&Sidney, M.S., 2007, Handbook of Public Policy Analysis, Theory, Public Policy and Methods, Taylor&Francis Group, [Online], available at: http://www.untag-smd.ac.id/files/Perpustakaan_Digital_2/PUBLIC%20POLICY%20%28Public%20Administration%20and%20public%20policy%20125%29%20Handbook%20of%20Public%20Policy%20Analysis%20Th.pdf, accessed on the 23.01.2015

ship with theories will be pointed out within the analysis of specific projects' implementation (examples of specific projects' implementation).

Within this thesis, implementation is considered as a temporal activity which runs over a multiannual period (7 years, namely 2007–2013, as the European Union's financial multiannual period) but as well as a spatial one, within the European multi-level system of governance (national, supra-national and sub-national). As a temporal activity, implementation knows several stages of development, called in the literature as exploratory and planning activities, the actual implementation, embedding within the system of the innovations and evaluation[15]. Implementation within a spatial multi-level system of governance involves an analysis of the administrative and management structures of implementation of public policies of the two states (namely Romania and Lithuania) and allows the possibility of cross-case analysis and identification of good practices.

Implementation is approached in this thesis as a public administrative process that involves mainly public institutions as policy initiators, rule-setting organizations and financiers under the appellation of management authorities, monitoring committees, intermediate bodies, paying agencies etc. Private organizations are involved in the implementation process as promoters of projects, applicants and beneficiaries of financing acting limitedly under the rules of the regulatory framework established by the public organizations.

– ***Structural Funds***

Within the content of this thesis, the Structural Funds are referred to as: the European Regional Development Fund (ERDF) and the European Social Fund (ESF). Since this research is focused on the implementation of Structural Funds within the framework of the cohesion policy, it will also include references to the Cohesion Fund (CF). This research will not refer to the European Agricultural Fund for Rural Development (EAFRD) or to the European Maritime and Fisheries Fund (EMFF) which are specific funds implementing mainly the Common Agriculture Policy of the European Union. Furthermore, this thesis does not make any reference neither to the European Union Solidarity Fund nor to the Instrument for Pre-accession.

– ***EU Regional policy*** *(also referred to as the EU cohesion policy)*

European Union regional policy was been created in 1957 when the treaty establishing the European Economic Community was been endorsed at Rome. In 1958 the European Social Fund is created and in 1975, the European Regional Development Fund. Since 1986, along with the signing of the European Single Act, the regional policy becomes the European cohesion policy whose purpose defined by articles 158 to 162 of the EC Treaty is *the Community's overall harmonious development and the reduction of the disparities between the levels of development of the various regions*[16]. One of the means to achieve these aims is the use of Structural Funds and of the Cohesion Fund.

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15 Katie Burke, Kate Morris & Leona McGarrigle, 2012, An Introductory Guide to Implementation: terms, concepts and framework, [Online], available at: http://www.effectiveservices.org/images/uploads/file/publications/Guide%20to%20implementation%20concepts%20and%20frameworks%20Final%20for%20web%20v2.pdf, accessed on [11.16.2014]

16 Treaty establishing the European Economic Community, signed at Rome, 25 March 1957, Official Journal of the European Union, *Official Journal C 325 (consolidated version 2002)*, [Online], available at: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12002E/TXT, accessed on the 25.01.2015

According to the article no. 3 of the Treaty of Lisbon[17], 'It (The Union) shall promote **economic, social** and **territorial cohesion** and **solidarity** among Member States'. In the area of economic, social and territorial cohesion, the European Union shares competences with the Member States, therefore the policy is prepared, decided and implemented in a partnership between the supranational and the national levels of governance, including in some countries the sub-national level as well[18]. The regional policy is considered by some authors to be an investment policy[19], while others consider it is a redistributive policy[20].

– ***Absorption capacity***

In the context of accessing the Structural Funds, some scholars and recently some politicians talk also about the absorption capacity as a model of success in implementing the cohesion policy.

Absorption capacity could be defined as the ability of a Member State to access and to spend the money it has been allocated under the Structural Funds. Absorption capacity should be analysed in close relationship with efficiency that means that the simple spent of money is not solely enough to appreciate the success of the cohesion policy, but it is also necessary to follow-up the meeting of objectives and of concrete results. Scholars consider that the absorption problems depend mostly on institutional factors, both at EU and national level[21]. The absorption capacity could refer to three different aspects: macroeconomic, administrative and financial. Finding out and evaluating the problems in absorption capacity could help the Cohesion policy to become more efficient.

There is no conceptual framework at EU level on assessing the issue of absorption capacity, neither from the EU Commission nor from academic literature. The issue becomes interesting especially for the newest member states, in terms of administrative capacity to absorb the Structural Funds, since some scholars consider that the main enemies against absorption and management of Structural Funds are by far a bad administration, corruption and rent-seeking, as well as absence of partnership and low innovation capacity[22]. Administrative absorption capacity could be defined as the *ability and skills* of central, regional and local authorities to prepare acceptable plans, programs, and projects in due time, to decide on programmes and projects, to arrange co-ordination among the princi-

17 Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, signed at Lisbon, 13 December 2007, *Official Journal of the European Union C 306, [Online]*, available at: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12007L/TXT, accessed on the 25.01.2015

18 Keating, M. and Hooghe, L., (1996), By-passing the nation state? Regions and the EU policy process in Richardson, J. (ed.), European Union: Power and Policy Making (First Edition, London, Routledge), pp. 216-29

19 Hall, R., Smith, A., Tsoulakis, T. (2001), Competitiveness and Cohesion in EU Policies, Oxford University Press

20 Cini, M., (2003), European Union Politics, ed. Oxford University Press; De Rynck and McAleavery, (2001), cited by Allen, D. (2005) in Cohesion and Structural Funds, in Wallace, H., Wallace, W., Pollack, M.A., Policy -Making in the European Union, ed. Oxford University Press, pp. 214-243

21 Andrej Horvat, Gunther Maier, (2004), Regional Development, Absorption Problems and the EU Structural Funds. Some Aspects Regarding Administrative Absorption Capacity in the Czech Republic, Estonia, Hungary, Slovakia and Slovenia, [Online]

22 Institutul European din România, (2007), Impactul fondurilor structurale – aspecte calitative, [Online], available at: ww.ier.ro, accessed on [03.15.2011]

pal partners, to cope with the vast amount of administrative and reporting work required by the Commission, and to finance and supervise implementation properly, avoiding fraud and corruption as much as possible.

1.8 Limitations of the research

The research is limited temporally to the period 2007 – 2013. Lithuania joined the EU in 2004 and benefited from the use of Structural Funds for two years and a half, while Romania was still using that time the pre-accession funds for candidate countries. In 2007, as Romania joined the EU, it started to enjoy for the first time the benefit of Structural Funds, while Lithuania had already accumulated some experience in this field. Therefore, for the purpose of the research, the period of time between 2007 and 2013 is more relevant for the comparative study of the implementation systems of Structural Funds, as both countries could fully use this benefit.

The research is limited thematically to the study of the Structural Funds: European Regional Development Fund, European Social Fund and to the Cohesion Fund, as means of putting into practice the EU's regional policy. The research excludes any other funds or other grants or financial support instruments offered by the EU.

CHAPTER II

THE LITERATURE REVIEW

In the literature of speciality there has been noticed a clear interest for investigating the impact of the Structural Funds in the Member States[23] and of its potential impact on the future Member States[24], in different periods of implementation of the regional and cohesion policy. The researches have focused on the internal performance of the implementation systems but were also analysing different systems in comparison the administrative and institutional structures of other countries. For example, a study dedicated to the impact of Structural Funds in Scotland 1994–2006[25] points out that the most important factors in determining the performance of the structural funds delivery systems were: the definition of roles and procedures; the relationship between partners; the transparency of applications and of the decision-making process; and the quality of human resources for project implementation and monitoring.

The distinctive features for the Scottish implementation system in 1994-2006 were, among others, the delegation of programme implementation tasks to quasi-autonomous agencies, the 'challenge fund' approach to resource allocation and the methods used for financing operational programmes management and implementation. The authors of the above mentioned research have identified two types of implementation systems: subsumed system – allocation of funds through existing domestic systems (such as in Austria, Germany and Spain) and differentiated systems – implementation with dedicated, specific structures for the management of structural funds (such as in Scotland, the Netherlands, and Flanders).

Each system of implementation was distinguished by its on specificity. Finland's system was characterized as 'relatively centralized' but having a very well established partnership. The Austrian approach was characterized by a strong degree of formal and informal coordination between the relevant partners, while in Italy a tradition of central state intervention in some regions was combined with strong involvement of municipal authorities in other regions.

A concept of ***Structural Funds Management Grid*** is presented in the work dating from 2002 and entitled 'Key Indicators for Candidate Countries to Effectively Manage the

23 Andersen, J., (1996), Germany and the Structural Funds: Unification Leads to Bifurcation, in Hooghe, L. (ed.) Cohesion Policy and European Integration: Building Multi-level Governance (Oxford: Oxford University Press), pp. 163-194; McAllister, L. (2000), Devolution and the New Context of Public-Policy Making: Lessons from the EU Structural Funds in Wales, Public Policy and Administration, 15/2: 38-52; Barry, F., Bradley, J. And Hannan, A. (2001), The single Market, the Structural Funds and Ireland's Recent Economic Growth. Journal of Common Market Studies, 39/3:537-52; Ragauskiene, E., (2005), The implementation of the regional policy in Lithuania, in Ekonomika, 72, pp.105-115; Čaplikas, V. (2006), Lietuvos ir Europos Sąjungos regioninė politika, Kaunas: Atminstis

24 Batchtler, J., Downes,R. And Gorzelak, G. (eds.) (2000), Transition, Cohesion and Regional Policies in Central and Eastern Europe, Ashgate, Aldershot;

25 Vironen H., Yuill D., Davies S., Bachler J., Gross F. , Michie R., (2007), 'The Impact of Structural Funds in Scotland 1994-2006', ed. European Policies Research Centre, [Online], available at: http://www.eprc.strath.ac.uk/eprc/, accessed on [23.01.2015]

Structural Funds'[26]. The study has been requested by the European Commission with the purpose to define a set of benchmarks and baseline indicators for the candidate countries to know the administrative capacity requirements they have to fulfil to effectively manage Structural Funds. The study focused on the experiences accumulated in three of the four cohesion countries (Spain, Portugal and Ireland) and in Germany, especially the New Bundeslaender.

The Structural Funds Management Grid is conceived as a formula combining the dimensions of the policy life cycle and the management capabilities grid results. It is including a variable input (design), a throughput variable (functioning) and a result variable (performance). In the particular case of the candidate countries, the design part of the formula proves to be of the highest importance and the study focuses on the analysis of good practices identified in the four member states mentioned earlier. The importance of the design in the Structural Funds Management Grid is given by its components: structure, human resources and systems and tools and it is analyzed against the legal requirements mentioned in the EU regulations.

Structure refers basically to the whole institutional framework and the clear assignment of responsibilities and tasks among institutions. The proper and timely allocation of experienced human resources in the institutional structures is another key aspect of successful implementation. The systems and tools contribute to the well-functioning of the structures, make organizations less vulnerable and reduce the risk of malfunctioning, ensuring a stable and easily predictable environment for projects' promoters.

The study analyzes a set of 20 key indicators, resulting from the combination of the Structural Funds implementation phases and the three variables – design, functioning and performance. Based on these indicators, it can be made a horizontal and vertical assessment of a Candidate Country/Member States of the administrative capacity to effectively manage the Structural Funds.

In 2003 it is published a research called 'A Study on the Efficiency of the Implementation Methods for Structural Funds'[27] which presents in a process oriented analysis several case studies from some member states. The study is conceived as a support document for the European Commission in drafting the 2004 Economic and Social Cohesion Report and one of its main objectives is to identify those reasons why a system or another is working or not. The study identified three driving factors determining the functioning of the system: actors, context and rules, procedures and technical systems and focused on cross cases analysis of these factors.

The authors of the above-mentioned study came to the conclusion that no matter what type of administrative structure is there in the member states (centralized or decentralized), generally the public administration system in the Member States or regions has successfully integrated the practices and processes of the Structural Funds implementation system which is also seen as having a positive contribution to the development of the Member States' administrative systems. The researchers have also noticed that in policy-

26 NEI Regional and Urban Development, for EC DG REGIO/DG ENLARGEMENT, (2002), 'Key Indicators for Candidate Countries to Effectively Manage the Structural Funds', [Online], available at: www.nei.nl, accessed on [23.01.2015]

27 European Commission, DG Regional Policy, (2003), 'A Study on the Efficiency of the Implementation Methods for Structural Funds', [Online], available at: www.europa.eu, accessed on [23.01.2015]

off situations, the administrative systems of the Member States use the Structural Funds implementation models. The study makes a series of recommendations in key areas, such as: partnership, programming, project selection and implementation, monitoring, evaluation, performance management and control, performance reserve, information and publicity, roles of key actors and cost efficiency and cost effectiveness.

Several studies have analyzed just part of the implementation cycle of structural funds, such as the project implementation stage. Such a study dating back from 2000[28] has identified a very large array of projects' implementation procedures across the EU. The strongest contrasts identified were between the Member States that were using domestic funding systems, subsuming EU project selection within the selection procedures for national policy programmes and the Member States which had distinct and separate EU funds allocation systems.

The above-mentioned study has identified several key drivers of change in the project implementation stage in various Member States. The key drivers of change were the regulatory pressure of the EU but also the internal system of management, which was self-adapting to new changes but also to the needs for performance. In several cases it has been noticed a weaving of administrative simplicity, specific for domestic projects and strategic coherence, specific for EU financed projects and has been noticed that differentiated systems tend to be relatively less efficient but more transparent due to EU information and publicity requirements.

In terms of project application systems, it has also been noticed a large scale of practices, from a bulk pre-selected projects as part of a development programme to completely free competition for any projects' promoters. A pro-active project generation by the use of different mechanisms has become more and more often in the Member States, including face-to-face contact between project promoters and programme managers.

A series of other studies have focused on proposing reforms of the Structural Funds implementation systems in the European Union. In a study from 1998[29], the authors propose several reform models for the implementation of Structural Funds after 1999 that go beyond the intra-administrative decentralization models towards a combination of strategic management and regional empowerment. The researchers appreciated that time that the analysed implementation systems presented a series of weaknesses, such as red tape, lack of administrative culture, undeveloped mechanisms of systematic improvement, uncontrolled time dynamic (called 'management by delay' under the control of the European Commission) and weak structures involved in the decision making process.

The authors mentioned that in order to overcome the weaknesses of any management system of Structural Funds, a series of measures had to be introduced, such as: an interregional competition and exchanges of experiences and good practices among regions; a bonus system geared to management performance and rewards for those regions and

28 Taylor S., Bachtler J., Rooney M.L., (2000), 'Implementing the New Generation of Programmes: Project Development, Appraisal and Selection,' [Online], available at: http://www.eprc.strath.ac.uk/eprc, accessed on [23.01.2015]

29 Lang, Jochen; Naschold, Frieder; Reissert, Bernd, (1998), 'Reforming the implementation of European structural funds: a next development step', Veröffentlichungsreihe der Abteilung Regulierung von Arbeit des Forschungsschwerpunkts Technik, Arbeit, Umwelt des Wissenschaftszentrums Berlin für Sozialforschung, No. FS II 98-202

programmes which have above-average results; introduction of indicators for structural benchmarking: management structure, regional involvement, horizontal coordination, feedback mechanisms.

The study identified four models of structural policy reform: the bureaucratic control model, the administrative decentralization model, the strategic management and decentralization model and the evolutionary development model and pointed out that the bureaucratic model was holding the status quo, but there were clear shifts towards the decentralized models.

The 2009 independent report 'An Agenda for a Reformed Cohesion Policy'[30] suggested that the regional and cohesion policy interventions should be clearly and explicitly separated between interventions aimed at income growing ('efficiency' objective) and interventions aimed at reducing inequalities ('social inclusion' objective) and that the reform of Structural Funds should be built on a ten pillars strategy:

- an innovative concentration on core priorities and a conservative territorial allocation;
- a new strategic framework for cohesion policy;
- a new contractual relationship, implementation and reporting aimed at results;
- a strengthened governance for the core priorities;
- promoting additional, innovative and flexible spending;
- promoting experimentalism and mobilising local actors;
- promoting the learning process: a move towards prospective impact evaluation;
- refocusing and strengthening the role of the Commission as a centre of competence;
- addressing financial management and control;
- reinforcing a high-level political system of checks and balances.

Another study from 2012 elaborated at the request of the European Parliament's Directorate General for Internal Policies[31] is looking to identify the main barriers met by potential beneficiaries of EU funds and investigates where the problems of administrative procedures appear: at European, national or regional level. The study concludes that the problems faced by applicants are determined mainly by the way the European regulations are transferred into the national implementation system. At national level, some of the main factors of influence are the administrative and legal capacity of national institutions to implement the EU funds as well as the availability of funds. Important factors are also having a strong impact at programme level, such as the efficiency and effectiveness of the decision-making process, as well as at operational level, such as transparent and comprehensive selection procedure and suitable and tailor-made post-award administration.

Not only academicians and EU institutions, but also Member States are active in proposing reforms of the Structural Funds management and implementation system. The Ministry of Regional Development of Poland has issued in 2013 a study[32] regarding the

30 Barca, F., (2009), An Agenda for a Reformed Cohesion Policy, ed. European Communities

31 European Parliament, (2012), DG for Internal Policies, Barriers for Applicants to Structural Funding, [online], available at: www.europarl.europa.eu, accessed on [23.01.2015]

32 Ministry of Regional Development of Poland, (2013), Cohesion Policy after 2013 Desired Directions for Reform, [Online], available at: http://www.mir.gov.pl/english/Strony/main_mrr_eng.aspx, accessed on [23.01.2015]

effectiveness of the implementation system and mechanisms at EU level. The study criticizes the actual system of implementation of the Structural Funds which is characterized as very complex and coupled with regulatory instability and excessively supervised. These facts determine an attitude of distrust in the recipients of funds and reluctance to apply for financing due to excessive administrative load.

The study is proposing a series of changes that could bring an improvement in the system of implementation of Structural Funds in the Member States. Some measures refer to the integration of the Community policies, such as a better vertical and horizontal coordination within the multi-level system of governance; unification of implementation instruments, in order to reduce the fragmentation of the cohesion policy interventions. Other measures target the improvement of efficiency of the implementation systems and mechanisms, such as a more enhanced role for DG Regio; rationalisation of the implementation system, with a clear focus on strategic programming, management and monitoring and of reformulating the role of audit and control.

In Romania, a series of impact studies have also been elaborated under the coordination of the European Institute from Romania, one of the major topics of discussion being the capacity of Romania to absorb the large amounts of money from the Structural Funds.

The study entitled 'Specific Requirements of the EU Structural Instruments and Policy Implications for Romania'[33] dating from 2004 analyses the accession impact on the policy of Structural Funds in Romania from two perspectives: the administrative capacity and the managerial capacity. The study mentions that the regional development policy in Romania does not have a formal and documented tradition while regionalism, as a political phenomenon, is seen and treated in the political discourse somehow in antithesis with the idea of national state in Romania. Without any tradition of regional policy during the communist regime, 'Romania's regional policy appeared only and exclusively in order to meet the financial assistance offered by the European Union[34].

After building the regional system with financial support from the EU, other challenges appeared: ensuring the management capacity and independent operational capacity far from the political influence and corruption in order to serve the interests for general development. The study points out that one of the mistakes of the system is to believe that the EU funds are sufficient for development and to disregard the development and implementation of other tools for regional development, such as direct investments, property rights regime, local and regional taxation, competition policy etc.

The study forecasts that the coordination and management of structural funds will be a big challenge for Romania, due to the complexity of the institutional framework which should become operational in a very short period of time and to the necessity to build an effective communication and cooperation system with the potential beneficiaries. The importance of such a system arises from the need to have pro-active entrepreneurs who would be able to contribute to the creation of new projects worth financing and turn them into competitive player on the EU and global market. The study concludes that "Romania may benefit of massive flows of funds through the structural instruments, but such inflows

33 European Institute of Romania, (2004), ‚Specific Requirements of the EU Structural Instruments and Policy Implications for Romania', [online], available at: www.ier.ro, accessed on [23.01.2015]

34 *ibidem*

depend not only on regional policy, but also on the rest of economic policies regarding the enterprise sector, business environment etc."

Another study published in 2007[35] is analyzing the incipient stadium of development of the administrative system and the readiness of the institutions to implement the structural funds.

When it acceded to the EU in 2007, Romania was facing several important development gaps that, according to the authors of the above mentioned study, had to be overcome in order to face the new challenges imposed by the administration and implementation system of Structural Funds in other member states. The most acute development gaps were identified in the field of public administration quality, partnership and innovation capacity.

The study analyses also the situation of Structural Funds use in other member states and points out that the structural assistance had a positive value-added for the development of those states. In each case study, there has been identified a key factor of change or development which contributed to the increase of the absorption rate, either a key leading institution or an innovative and focused policy.

In an article[36] from 2009 the authors are addressing an important question: the structural fund absorption is a new challenge for Romania? After analyzing the problems of Structural Funds absorption at EU level, the authors focus their research on Romania's absorption rate in the early years after accession to the EU and they have identified based on official data that the overall absorption rate for 2007 was 32.7%, much lower comparing with other Member States. The main reasons for this low absorption rate were the delays in programmes elaboration at national level, but also in decisions concerning the budget at EU level which made the 7 Operational Programmes of Romania being sent to Brussels just in June 2007. The authors note that the real absorption rate will be relevant only in 2010, according to the rule n+3 that would allow knowing exactly the funds spent and reimbursed from the EU budget for 2007–2009 period. The authors underline that paradoxically, in 2007, Romania was a net contributor to the EU budget, despite of the fact that Romania had one of the lowest GDP per capita in the EU and was supposed to be a net beneficiary of EU funds for development, convergence and economic gap recovery. The prognosis for 2008 was showing the same trend, so Romania would be for a second consecutive year in a position of net contributor.

The authors consider that Romania's inability to use the funds is endemic. Debating the issue of European funds absorption in Romania represents a great analytical effort due to lack of relevant data and lack of transparency of the central government, especially of the management authorities running under the coordination of line ministries, which present an incomplete picture of the structural funds absorption, pointing out only the positive aspects and failing to present concrete analytical data. Apart from the questionable administrative capacity of the central bodies, other vulnerabilities affect the absorption rate in Romania, one of the most important being considered the rigidity of the banking system as regards the loans for the co-financing of EU projects.

Problems of the Romanian administrative system have been highlighted also by European institutions, such as in the study conducted in 2010 under the coordination of the

35 Institutul European din România, (2007), 'Impactul fondurilor structurale – aspecte calitative', [Online], available at: ww.ier.ro, accessed on [23.01.2015]

36 Zaman, Ghe., Georgescu, G., (2009), 'Structural Funds Absorbtion: a New Challange for Romania?', Romanian Journal of Economic Forecasting, No. 1/2009, p. 136-154

European Parliament[37], where it is noted that the regional structures in Romania have no functional or fiscal responsibility, and therefore no policy-making powers. Additionally, there are no clear accountability relations for the regional structures and the regional policy process is highly politicized at county level since the presidents of the counties (directly elected) are running the meetings of the regional council. The NUTS II regions are created for statistical evidence and for the implementation of the EU regional policy only and even if they are currently emerging as multilevel governance structures, collaboration and partnership is still rather formal and declarative.

In Lithuania, most of the researches have focused on analysing general aspects and reform of the EU's regional policy[38] or on investigating various aspects of using the EU financial support by Lithuania in different periods of time[39]. Nevertheless, several studies[40] have also approached the topic in the socio-economic context and have examined the impact of EU Structural Funds support at regional level. According to a study conducted in 2011[41], the funds absorption in Lithuania have been the most successful in the area of information society and technical support, while the biggest differentiation was noticed in the area of preservation of cultural heritage and environmental protection. The study underlines the fact that the largest and most developed regions of the country, situated around the largest three cities of Lithuania (the capital city Vilnius, Kaunas and Klaipeda), have benefited by far of the largest assistance through Structural Funds, while remote regions have had the slowest development due to their incapacity to absorb efficiently the funds. The study acknowledges that the introduction of national and regional project selection and of other administrative changes has contributed consistently to a more efficient and higher absorption rate and that it can be stated that the EU support is gradually contributing to decrease the inter-regional disparities in economic and social development in Lithuania.

Other studies have focused on assessing the impact of the EU funds on the Lithuanian economic development[42]. The analysis has focused on the absorption rate evaluation for

37 European Parliament, Directorate General for Internal Policies, (2010), 'Economic, Social and Territorial Situation in Romania', [Online], available at: www.europarl.eu, accessed on [23.01.2015].

38 Nakrošis, V., (2003), Europos Sąjungos regioninė politika ir strukturinių fondų valdymas, Vilnius, Eugrimas; Kazėnas, G., (2008), ES struktūrinės politikos reforma, Viešoji Politika ir Administravimas 26, [Online], available at: https://repository.mruni.eu/handle/007/12514, accessed on [25,01,2015];Burneika, D., (2013), Regioninė politika Europoje, Vilniaus Universitetas, [Online], available at: www.vu.lt, accessed on [25,01,2015];

39 Žeruolis, D. (2005), Negociations of Redistribution: Financial and Budgetary Provisions in Lithuania's Road to the EU: Unification of Europe and Lithuania'a EU Accession Negociations, ed. Maniokas, K., Vilpisauskas, R. Žeruolis, D. Eugrimas; Ačaitė, V., (2005), Lietuvos regioninės politikos aspektai ES kontekste. Ekonomika ir Vadyba: aktualijos ir perspektivos, 1 (5), 8-13; Dubina, V., (2007), The New Challenges in Regional Management in Lithuania, in Vadyba/Management, 2/15

40 Jakaitienė, A., Klyvienė, V., (2007), Europos Sąjungos finansinė paramos poveikis Lietuvos ekonominei raidai, Pinigų studijos. Ekonomikos teorija ir praktika, [Online], available at: http://lb.lt/jakaitiene_1, accessed on [25.01.2015]; Kilijonienė, A, Simanavičienė, Z., Simanavičius, A., (2010), The Evaluation of Social Economic Development of the Region, Inzinerine Ekonomika -Engineering Economics, 21/1

41 Šileika, A., Šimulienė, R., (2011), Europos Sąjungos struktūrinių fondų panaudojimo Lietuvos regionuose 2005–2009 metais socialinė-ekonominė analizė, Ekonomika ir vadyba: aktualijos ir perspektyvos

42 Jakaitienė, A., Klyvienė, V., (2007), Europos Sajungos finansinės paramos poveikis Lietuvos ekonomi-

2004-2006 and forecasting the evolution of the absorption rate for the next multiannual period. During 2004–2006 Lithuania was eligible for the support from: direct agricultural support programmes (about 800 million Euro), structural measures (1.5 billion Euro), and internal policies (600 million Euro). On average the rates of absorption of structural and cohesion funds were 35% and 29% in 2005, respectively 2006. Shortage of qualified and experienced human resources, lack of well-functioned infrastructure, and some legal aspects resulted in lower results. The authors of the study expected that the results would improve in future, presenting two different scenarios: first scenario was that the absorption capacity over 2006–2008 would increase only marginally and the second scenario which forecasted a sharp acceleration in structural funds absorptions.

The above-mentioned study drew the following conclusions: the financial transfers from the EU funds will be an important stimulus to the growth of the economy but the extent of the influence of EU funds on the economy highly depended from the absorption capacity. In a pessimistic variant, if the rather low absorption capacity will remain over the medium period, then impact of EU funds to growth will be moderate and decreasing. However, optimistically forecasting, a higher rate of absorption would constitute a significant additional stimulus for the economic growth in 2007–2008.

Several studies have detailed the aspects of qualitative distribution of EU funds in Lithuania. A relevant study from 2010[43] points out a very important aspect: efficient use of EU funds is highly dependent on the quality of implementation of each stage of the distribution of support, from the strategic priority setting and funding allocation, to the objective selection of projects and public information. The author enumerates several problems faced by Lithuania in efficiently accessing the Structural Funds: Lithuania lacked professionals with experience in accounting of EU projects as higher and more specific requirements for project's implementation were introduced. There were unclear rules for eligibility of organizations for specific types of measures. For project promoters, the biggest problem was the long terms between submittal of projects and signing of financing contract. The project promoters accused also the increased difficulty of the rules for implementation, the documentation overload and the unclear reasons for project rejection due to corruptive practices. Other very specific aspects for implementation have been mentioned: due to rather difficult process of writing applications, most of money has been distributed to the largest cities and largest companies which had specialists with experience in writing projects in the disadvantage of poorer regions which did not have such specialists. Additionally, in the programmes of lifelong learning more people with academic education or managers participated than people who were less educated. The author considers that the distribution of funds in the economic sector was the most inefficient, as around 40% of all EU funds have gone to the creation of working places in the construction sector which contributed to the instability of the real estate market once the economic crisis started.

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nei raidai, Pinigu studijos. Ekonomikos teorija ir praktika, available at: http://www.lb.lt/jakaitiene_1, accessed on [23.01.2015]

43 Morkūnaitė, M., (2010), „ES struktūrinė parama ir jos paskirstymo kokybė Lietuvoje', available at: http://archive-lt.com/page/1024277/2012-12-21/http://www.kvalitetas.lt/en/public-sector-view/70, accessed on [23.01.2015]

CHAPTER III

HISTORY AND EVOLUTION OF THE EUROPEAN UNION REGIONAL POLICY[44]

3.1 Introduction

The interest for an European policy which could address the disparities among regions exists since 1957, with the signing of the Treaty of Rome. One year later, in 1958, the European Social Fund is created followed by the creation in 1975 of the European Regional Development Fund. Nevertheless, the official creation of the European cohesion policy it is considered to be the signing of the European Single Act (ESA) in 1986. The importance of the European cohesion policy was reaffirmed through the Treaties of Maastricht, Amsterdam and Nice, and its application sphere has been even extended through the Lisbon treaty. The cohesion policy enjoyed one of the highest financial allocations from the EU budget, for example, the 2009 budget allocating 45% for sustainable development, out of which the cohesion policy is also financed[45].

In 1988, the NUTS system (The Nomenclature of Territorial Units for Statistics) is created, which served EUROSTAT for the unitary collection of statistic data at EU level. This territorial classification system, made up of three levels, is used in the allocation of Structural Funds system, thus the territorial units at NUTS 2 level being the ones for which the calculation is made up in order to frame within the objectives of the cohesion policy. The NUTS divisions do not necessarily correspond to the administrative organisation of Member States, and for this reason a rethinking and reshaping of territorial organisation was needed in some Member States. In 2011, The level 2 of NUTS counted 271 regions, as follows: Belgium (11), Bulgaria (6), Czech Republic (8), Germany (39), Denmark (5), Ireland (2), Greece (13), Spain (19), France (26), Italy (21), Hungary (7), the Netherlands (12), Austria (9), Poland (16), Portugal (7), Romania (8), Slovakia (4), Slovenia (2), Finland (5), Sweden (8) and Great Britain (37)[46]. Countries such as Estonia, Cyprus, Latvia, Lithuania, Luxemburg and Malta are considered themselves regions at NUTS 2 level[47].

There are clearly disparities among regions of Europe. According to the European Commission[48], not all Europeans have the same advantages and chances for success when

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44 Glăvan, O.R.& Mătușescu, C., (2011), The EU's Regional and Cohesion Policy – evolution and perspectives, Revue Europeenne de droit social, Romania, vol. XI, no. 2/2011, p. 101, ed. Biblioteca Târgoviște

45 European Commission, (2010), EU budget 2009 Financial Report, [Online] available at: http://ec.europa.eu/budget/library/biblio/publications/2009/fin_report/fin_report_09_en.pdf, accessed on [25.01.2015]

46 European Commission, (2011), Commission Regulation (EU) No 31/2011 of 17 January 2011 amending annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS), [Online], available at: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32011R0031&from=EN, accessed on the [25.01.2015]

47 *ibidem*

48 *ibidem*

faced with the challenges of globalisation. Much depends of whether they live in a prosperous region or in a poorer one, in a city or in the country side, on the Union's periphery or in one of its economic heartlands. From the early six, in which disparities were fairly contained, to an EU 27 in which disparities are vastly increased, the need to stick to what the Treaty of the European Union outlined has become even more important.

Since 1973, for the cohesion countries that used to be nominated the four countries which were the net beneficiaries of the cohesion policy at that time, important increase even spectacular (e.g. Ireland) of GDP have been registered in 2005, as one can see in **Table no. 2**.

Table no. 2: The Cohesion Countries

Member States	GDP/inhabitant in 1997 from the EU average	GDP/inhabitant in 2005 from the EU average
Greece	84%	93%
Spain	93%	102%
Ireland	102%	144%
Portugal	76.1%	76.9%

Source: Eurostat[49]

The increase of the GDP was felt in many regions of Europe but once with the accession of new Member States, in 2004 and 2007, disparities between regions deepened, reaching to the situation that in 2008 in the North East region of Romania the GDP/inhabitant was 25% of EU average, while in Inner London from United Kingdom, was 336%. The EUROSTAT report from February 2009 concludes: 'one region out of 6 from the EU is over 125% from the EU27 average, while a region out of 4, under 75% from EU 27'[50].

On the other hand, cohesion policy was criticized because it has always focused on disparities in GDP per capita, favouring macroeconomic and territorial cohesion over the social one, failing to address significant disparities of income which can occur within a region, even when a region is itself converging with others in the EU.[51] Proposals were made in order to change the criteria for national and regional allocations: either a mix of relevant indicators (for example, GDP/inhabitant, unemployment rate), or allocations at regional level (NUTS 2 level) for ERDF and ESF and national allocations for the Cohesion Fund.

In 1989 the first multi-annual programming period starts, which benefited from common rules at EU level, and towards the end of this period, in 1993, the third European Fund is created, the Cohesion Fund **(Table no. 3)**.

49 http://ec.europa.eu/eurostat, accesed on [15.03.2011]

50 Eurostat, 2009, Euro-Info Monitoring Report, [Online], available at: http://ec.europa.eu/eurostat/en/web/products-eurostat-news/-/LN-MR022009, accessed on the [23.01.2015]

51 De Rynck and McAleavey, (2001) cited by Allen, D. (2005), 'Cohesion and the Structural Funds' in Wallace, H., Wallace, W., Pollack, M.A. 'Policy-Making in European Union', Oxford University Press, pp. 214-243

Table no. 3: The Structural Funds

The European Fund	Year of creation
The European Social Fund	1958
The European Regional Development Fund	1975
The Cohesion Fund	1993

Source: www.europa.eu

With each annual programming, the financial allocations increased, reaching at present 347 Billon Euro for 2007–2013 **(Table no. 4)**. Over the past twenty years, expenditure on the structural funds grew steadily until it stabilized around one third of the total EU budget or about 0.46 per cent of EU GDP. Critics consider this amount is far too small to address the disparities among regions and to have a serious macroeconomic impact, be it national or regional level[52].

Table no. 4: Financial allocations of the cohesion policy al EU level

The financial multi-annual period	1989–1993	1994–1999	2000 –2006	2007–2013
Financial allocations	68 Billon ECU (at prices level from 1997)	177 Billion ECU (at prices level from 1997)	257 Billion EURO (at prices level from 2008).	347 Billon EURO (at present prices level)

Source: www.europa.eu

3.2 The history of the European regional policy

The restructuring of the European cohesion policy took place with each new enlargement of the European Communities, fact which brought with itself an increase of disparities among regions. The 2004 enlargement and 2007 consequently challenged the cohesion policy, historically the structural funds being used to facilitate integration of new member states[53]. Although old member states agreed that Structural Funds should continue to be used for the new member states, disagreements appeared among them about whether the regions of EU15 should continue to benefit from EU funding or they should be supported by national regional policies. In the same time, discussions appeared between 'net contributors' and 'net beneficiaries' in terms of 'who is paying' and 'who is receiving', EU15 struggling to receive at least half from the total cohesion expenditure, fact which engaged discussions over the solidarity principle[54]. Tassos Bougas, a former official in the DG Regio

52 Allen, D. (2005), 'Cohesion and the Structural Funds' in Wallace, H., Wallace, W., Pollack, M.A. 'Policy-Making in European Union', Oxford University Press, pp. 214-243

53 Green Cowles, M., Dinan, D. (eds.) (2004), Developments in the European Union 2, (Basingstoke: Palgrave)

54 Mitchell, J. And McAleavey, P., (1999), Promoting Solidarity and Cohesion, in L. Cram et al. (eds.), Development in the European Union (London: Macmillan)

of the EU Commission pointed out that the regional policy*"[…] should be 'a policy for all', not just for the poor"*[55]. In 2009, 65% of the EU budget is formed from contributions of the Member States, accounting for a uniform percentage rate of 0.73 of their GDP.[56]

In the document called The Cohesion Policy of the EU between 1988 and 2008: an Investment in the Future of Europe[57], the European Commissioner Danuba Hubner considers:

'When we look back today on the first 20 years of EU Cohesion Policy, 1988 remains a crucial year. Discovering Europe's economic geography has since then marked a radical turn for EU, national and regional policies alike. Identifying the regions in most need, defining priorities, involving local institutions and imposing common management, control and evaluation standards – all these elements have not only created tangible results but also a unique system of multi-level governance.

In fact, the EU has achieved impressive economic and social convergence since 1988.'

The Structural Funds cannot be seen in isolation. The interconnection between cohesion policy and other EU policies has increased in significance over the past three financing periods and increased further with enlargements[58]. Many of the policies affecting cohesion policy are themselves likely to change as a result of enlargements: the employment and social policy, Common Agriculture Policy, EU competition and state aid, EU policies for sustainable development, EU policies for equality, EU policy for urban and spatial planning.

The history of European regional and cohesion policy can be framed in the four multiannual financial programming periods, respectively 1989–1993, 1994–1999, 2000–2006 and 2007–2013.

No mention of regional policy was made in the Treaty of Rome, although states agreed to reduce regional disparities among them. High level negotiations concluded the creation of the ERDF in 1975, two years after the accession to the European Communities of the UK. Scholars consider that this was a compensation to ease an intergovernmental deal and to compensate for the UK's anticipated large net contribution to the EU budget[59].

Even if ESF and ERDF existed since 1958 and 1975, in their early years operations were purely national, financing predetermined projects in the Member States with little European or sub-national influence. The European Commission hoped to influence the selection of projects submitted by member states and to prevent them from simply substituting

55 European Commission, 2008, Inforegio Parorama, Eu Cohesion Policy 1998-2008, Investing in Europe's future, [Online], available at: http://ec.europa.eu/regional_policy/sources/docgener/panorama/pdf/mag26/mag26_en.pdf, accessed on [25.01.2015]

56 European Commission, 2010, EU budget 2009 Financial Report, [Online] available at: http://ec.europa.eu/budget/library/biblio/publications/2009/fin_report/fin_report_09_en.pdf, accessed on [2015.01.25]

57 European Commission, 2008, Inforegio Parorama, Eu Cohesion Policy 1998-2008, Investing in Europe's future, [Online], available at: http://ec.europa.eu/regional_policy/sources/docgener/panorama/pdf/mag26/mag26_en.pdf, accessed on [25.01.2015]

58 Swann, D., (2000), The Economics of Europe: from Common Market to European Union, (London: Penguin)

59 Nugent, N., (2003), The Govenment and Politics od the European Union, 5th edition, (London: Macmillan); Wallace, H., Wallace, W. And Pollack, M., (2005), Policy-making in the European Union (Oxford: Oxford University Press)

ERDF money for national expenditure.[60] The European Commission and the sub-national actors were marginalised in a policy process that was governed by unanimity in the Council of Ministers[61], the governments being considered as having a 'gate-keeping role'[62] in the further development of the regional policy.

At the beginning of '80s, Community instruments appeared and they were implemented in a number of pilot projects. 1986 is a cornerstone year, many key events occurred (Signing of the European Single Act, accession of Spain and Portugal and the adoption of the single market programme) which led to the 1988 Reform of the Structural funds. *'The key message of Cohesion Policy was creating the conditions in which everyone had the opportunity to participate in and benefit from the internal market'*, considered Philip Lowe, former Director in the European Commission in the field of regional development[63].

The SEA gave a 'push' to the further development of the cohesion policy and of the Structural Funds. It gave a treaty base to ERDF and more significantly to a requirement that the Commission rationalise and reform the objectives and implementation procedures of the Structural Funds – a power that the Commission was to exploit fully. The Delors-1 package provided for the doubling of the structural funds so that by 1992 they would account for 25 % of the EU budget.[64] Nevertheless, this package was actually backed by a high-level intergovernmental bargaining, the heads of state and government striking harder to reach a deal than to debate the advantages and disadvantages of the regional policy, as Allen suggests[65].

The 1988 reform introduced a number of principles for Cohesion Policy and its instruments which since then remain the policy's *mode d'emploi*. These principles are:

1. Concentration on a limited number of objectives with the focus on the least developed regions;
2. Multi-annual programming based on analysis, strategic planning and evaluation;
3. Additionality ensuring that Member States do not substitute national with EU expenditure;
4. Partnership in the design and implementation of programmes involving national, sub-national and EU actors, including the social partners and non-governmental organisations, ensuring ownership and transparency of the interventions.

The introduction of these guiding principles was an innovative approach to the new implementation of the financial support of the EU for the lagging behind regions, allowing sub-national actors to intervene in the process since the programming period, justified on

60 Allen, D. (2005), 'Cohesion and the Structural Funds' in Wallace, H., Wallace, W., Pollack, M.A. 'Policy-Making in European Union', Oxford University Press, pp. 217

61 Andersen, J., (1995), Skeptical Reflections on a Europe of the Regions: Britain, Germany and the ERDF, Journal of Public Policy, 10/4: 417-47;

62 Bache, I., (1999), The Extended Gatekeeper: Central Govenrment and the Implementation of the EU Regional Policy in UK, Journal of European Public Policy, 6/1: 28-45.

63 European Commission, (2008), Inforegio Parorama, Eu Cohesion Policy 1998-2008, Investing in Europe's future, [Online], available at: http://ec.europa.eu/regional_policy/sources/docgener/panorama/pdf/mag26/mag26_en.pdf, accessed on [25.01.2015]

64 Allen, D. (2005), 'Cohesion and the Structural Funds' in Wallace, H., Wallace, W., Pollack, M.A. 'Policy-Making in European Union', Oxford University Press, pp. 214-243

65 *Ibidem.*

a bottom-up approach. Scholars[66] consider that the 1988 Reform of Structural Funds in theory was a good one, but in practice a lot of problems appeared, mentioning the inappropriate administrative capacities of regions to really benefit from this reform. Even if regions were entitled to receive EU support, they lacked the capacity to do so, due to the central states intervention in the allocation and management of funds and to the historically legal status of regions, in some countries even inexistent. A wide range of regional structures could be identified around European states, scholars[67] arguing that this heterogeneity in the forms of local governance has undermined the success of structural policies and therefore the achievement of the broader aim of economic convergence.

The 1988 Reform of Structural Funds is considered the most liberal and innovative by now. It allowed the European Commission to get deeper involved and sub-national actors to increase their lobbing towards national governments and EU Commission. The notion of 'Operational Programmes' is introduced, as well as the obligation for Member States to elaborate for each of the objectives specific regional development plans or national plans. Subsequently, the Commission would adopt Community Support Frameworks (CSFs). This marked a major shift from annual project selection by Member States and adoption by the European Commission towards a more strategic and multi-annual programming built on a wide partnership between regions, Member States and the European Commission. The effectiveness of this approach could be nevertheless observed only on long-term perspective as it takes years to impact on economic systems and performance.

Based on economical and statistical data, scholars proved that following the Reform, convergence within the European Communities over 1989–1997 was not attained, on the contrary, calculating on the GDP per capita, the gap between the poorest and the richest regions in EU widened in the early 1990s and only then started to narrow. The 'miracle' of Ireland is explained through its size, Ireland being a state and a region in the same time, whole state being classified as a single region, with a population of 3.6 million smaller than in other regions in Europe[68]. 'Ireland was, in effect, a single region with a well-functioning regional/national government that has effectively used both structural funding and considerable foreign direct investment inflows for development purposes'.[69]

On the other hand, there are the other beneficiary countries which had to readjust their administrative or organisational structures in order to access the structural funds, by devolution (UK), regionalisation (Portugal), decentralisation (France, Italy and the Netherlands) and enhanced federalism (Spain). In Greece, no major progress towards any form of a multi-tier system of governance was noticed. Concerns were expressed also about the impact of the extension of the operation of the Structural Funds on the Central and Eastern European Countries which most of them are of centralised governance. The insufficient administrative capacity of some EU countries to manage and to absorb after all the

66 Bailey, D. & De Propis, L., (2002), 'The 1988 reform of the European Structural Funds : entitlement or empowerment ?', Journal of European Public Policy, pp. 408-428

67 *Ibidem.*

68 Barry, F., Bradley, J. And Hannan, A., (2001), The Single Market, the Structural Funds and Ireland's Recent Economic Growth, Journal of Common Market Studies, 39/3:537-52

69 Bailey, D. & De Propis, L., (2002), 'The 1988 reform of the European Structural Funds : entitlement or empowerment ?', Journal of European Public Policy, pp. 408-428

available funds will separate the Single Market between 'winners and losers'[70]. Renationalization of regional policy has become another debate on the run. Member States were allowed to divert funding from less efficient regions to better performers, but loss or cease of funds was not beneficial for these regions.

1992 is another key year in the deepening of the European integration, with the Treaty of Maastricht entering into force. A new bargaining was about to happen for the 5 new German Laenders which joined the EU as part of the reunified Germany[71]. The TEU retained the cohesion objective and extended the structural funds to include a new Cohesion Fund to provide support for environmental and trans-European network projects for Greece, Spain, Portugal and Ireland. The Committee of Regions founds its legal basis within the new treaty but its role was limited to a consultative one when it came to Structural Funds allocation and implementation.

Once more, the Structural Funds benefit from a substantial increase of funds in the EU budget to be agreed in the Edinburgh European Council in 1992. The increase meant almost a doubling from 18,6 billion ECU in 1992 to 30 billion ECU in 1999. The new regulations adopted in 1993 included the Financial Instrument of Fisheries Guidance and the Cohesion Fund. The same policy principles introduced in 1988 reform were retained, the same as the already five existing objectives. Upon the accession of Austria, Finland and Sweden on 1 January 1995, an amending regulation defined a sixth Objective favouring the extremely low populated regions of Finland and Sweden and a financial allocation for the three new Member States. Some provisions were strengthened such as the involvement of other EU institutions, in particular the European Parliament, and the rules on partnership, evaluation and publicity.

Scholars consider that the 1993 structural funds regulations did not, on the whole, introduce major changes.[72] Simplification of the programming process and the attempt to enhance the monitoring of the projects were also some new changes in the system.

A strengthened and more active role of the European Commission in the process over the first programming period didn't turn the policy-making and decision powers away from the central governments. Moreover, there are opinions according to which the 1993 reform represents a renationalization of the policy sector and argue that the intergovernmental perspective best explains the development and subsequent operation of the policy sector[73]. Some arguments support this thesis: the central governments had the final responsibility for the selection of the Objective 1 regions and respectively Objective 2 and 5b regions; community initiatives, largely criticized by member states due to their large number, too limited financially to be effective and too bureaucratic, got only 9% in the Council of Ministers out of 15% proposal of the European Commission[74]. Nevertheless, in

70 Behrens, P. And Smyrl, M., (1999), A Conflict of Rationalities: EU Regional Policy and the Single Market, Jpurnal of European Public Policy, 6/3: 419-35

71 Benz, A., (1999), Rediscovering Regional Economic Policy: New Opportunities for the Laender in the 1990s, in C. Jeffery (ed.) Recasting German Federalism: the Legacies of Unification (London: Pinter)

72 Sutcliffe, J. B, (2000) 'The 1999 reform of the structural fund regulations', Journal of European Public Policy, pp. 290-309

73 Pollack, M. , (1995), Regional actors in an intergovernmental play: The making and implementation of EC structural policy, Journal The State of the European Union, Volume 3, p. 361-390

74 *Ibidem*

real terms, Community initiatives benefited from a higher allocation than in the previous programming period and the European Commission continued to have the main role in their implementation.

The principle of partnership allowed in practice a high control of central governments over the selection of the partners[75], determining the European Commission to state in its review of the structural funds that member states are still inflexible and reluctant to share powers with their sub-national social and economic actors[76]. Although the former got more and more actively involved, the process was not a uniform one all over the then member states.

Far from losing their control over the structural funds, member states are seen as tough negotiators for securing of a certain level of structural expenditure, where net contributors seek to renationalize part of their contribution to the EU budget in as many as possible of their regions. Secondly, net contributors are keen also to secure a sound spending of EU money by net recipients and urging the European Commission to oversight on it. Of course, not all EU Member States see the role of guardian of the EC as a positive one and suggest that it should better in return enhance its role as an advisor. They advocate that audit and control should be orientated on the effectiveness of implementation processes and that the rule of proportional division of responsibility for management and control should be strictly implemented.

Towards the end of this second programming period, some policy developments are worthy to mention. In November 1996, the first Report on Economic and Social Cohesion is published presenting the Union's economic and social disparities at regional level and assessing the impact of national and Community policies on their development. In May 1999, the European Spatial Development Perspective (ESPD) was adopted as a legally non-binding document providing a policy framework for the sector-oriented policies at local, regional, national and European level that have spatial impacts. Finally, the signing of the Treaty of Amsterdam[77] in October 1997 enshrined the principle of the European Employment Strategy establishing a closer coordination of national employment policies.

On the eve of the new millennium, new challenges were reserved for the cohesion policy. The perspective of enlargement to the Central and Eastern European countries, the largest of the EU by then, was to determine radical changes in the cohesion policy development[78]. The historic enlargement from 2004 brought an increase with 20% in the EU's population but only 5% increase in the Union's GDP[79]. The territory of the new Member

75 Bauer, M. V., (2002), The EU Partnership Principle: Still a Sustainable Governance Device Accross Multiple Administrative Arenas?, Public Administration, 80/4: 769-89.

76 Barnard, L., (2002), The Social Partners and the Governance Agenda, European Law Journal, 8/1: 80-101.

77 European Communities, (1997), Treaty of Amsterdam Amending the Treaty on European Union, the Treaties Establishing the European Communities and Certain Related Acts, ed. Office for Official Publications of the European Communities, [Online], available at:http://www.europarl.europa.eu/topics/treaty/pdf/amst-en.pdf, accessed on [27.01.2015]

78 Brusis, M., (2002), Between EU Requirements, Competitive Politics and National Traditions: Re-creating Regions in the Accession Countries of Central and Eastern Europe, Governance: An International Journal of Policy, Administration and Institutions, 15/4: 531-59

79 European Commission, (2008), Inforegio Parorama, Eu Cohesion Policy 1998-2008, Investing in Europe's future, [Online], available at: http://ec.europa.eu/regional_policy/sources/docgener/panorama/pdf/mag26/mag26_en.pdf, accessed on [25.01.2015]

States fell almost completely under Objective 1 as the average GDP per head was under half of the EU average and only 56% of their population were in active employment to compare with 64% in EU-15[80].

The procedural rules were changed for the first time, benefiting for a highly regulated system. The European Parliament was involved for the first time by way of co-decision procedure in the adoption of ERDF and ESF regulations, the Council adopted also five separate regulations for each of the funds and the Commission, another five regulations laying down detailed rules for the use of the euro, information and publicity, eligible expenditure, management and control systems, and financial corrections.

The reform consisted in cutting down the objectives from 5 to 3 and the community initiatives from 13 to 4. Objective 1 was covering 37% of the total EU population, targeting regions whose economic development was lagging behind and another 15% of EU population was to be covered by Objective 2, addressing the problems of the regions facing structural difficulties[81]. The highest spending was going on infrastructure.

During 2000–2006, the accent was put on strengthening the financial control and discipline, backed up by a more rigorous system of monitoring and assessment through ex-ante, mid-term and ex post evaluations.

The second and third reports on Economic and Social Cohesion, as well as, since 2003, the annual event OPEN DAYS – European Week of Regions and Cities- represented new tools at the hands of the European Commission to help reflecting on and reconsidering the following multi-annual financial perspective.

In an enlarged Europe, agreements regarding budget and cohesion policy became more and more difficult to achieve. The financial programming for 2007 – 2013 was negotiated toughly in the European Council meeting on the 14th and 15th of December 2006. In the end, the cohesion policy received 35% from the total EU budget, accounting for 308 billion EURO[82]. The cohesion policy was further simplified, three priority objectives being defined and the financial instruments being reduced from six to three: two structural funds (ERDF and ESF) and Cohesion Fund, while the specific aid of the former EAGGF and FIFG came now under the new European Agricultural Fund for Rural Development (EAFRD) and the European Fisheries Fund (EFF) to be financed under the Common Agriculture Policy. The candidate and potential candidate countries will benefit in the new programming period from financing trough the new Instrument for Pre-accession Assistance (IPA) which replaced starting from 2007 the previous pre-accession instruments PHARE, ISPA, SAPARD and CARDS.

The objectives of the Structural Funds targeted different regions in Member States, depending on their development stage. The Convergence Objective, the one that benefits from the highest financing, was applied to regions which had the GDP/inhabitant less than 75% Communitarian average, counting around 100 regions. As a consequence, countries such as Romania, Bulgaria, Lithuania, Latvia, Estonia, Poland, Czech Republic, Slovakia, Hungary, and Slovenia came under the Objective Convergence and apart from these ones,

80 *ibidem*

81 *ibidem*

82 Council of the European Union, (2007), Presidency Conclusions, 16879/1/06, [Online], available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/92202.pdf, accessed on [25.01.2015]

less developed regions from Italy, Spain, Portugal, Greece, Germany and United Kingdom. The Objective Competitiveness and Creation of Jobs applied to a number of 168 regions representing 65%[83] of the population of the member states and the Territorial Cooperation Objective was applied to the population living in frontiers areas, representing approximately 37% from EU's population[84].

3.3 The evolution of the regional policy

The Treaty of Lisbon recognises explicitly the 'territorial cohesion' as a fundamental objective of the European Union, along with the economic and social cohesion. According to article 3, paragraph (3), third title of the Treaty on the European Union[85] the EU 'promotes the economic, social and territorial cohesion as well as the solidarity among its member states'. Therefore, the solidarity among individuals and regions on the levels of development complements the solidarity based on geographic criteria, providing consistence to the concept of European cohesion.

The introduction of the territorial cohesion in the Treaty of Lisbon is not surprising, the wording of the Constitutional Treaty being retained, as a result of previous debates in the academic and political media. The institutionalisation of the territorial dimension has been done with some difficulties, while meeting opposition from some Member States and European decision-makers. This process has been prepared during several reflection years and by the adoption of preparatory measures. The introduction of the territorial cohesion concept has been possible only though an intensive lobbying of a network of local and regional collectivities (ARE – Association of Regions of Europe, CPRM – The Conference of Peripheral Maritime Regions, EAMA – The European Association for Mountain Areas, CEMR – The Council of European Municipalities and Regions etc.) A series of relevant arguments were taken into consideration: the use of market forces does not lead automatically to the creation of European territorial cohesion; the reduction of territorial disparities, which appear at a lower and lower level ever, can be achieved only with limited effects through the present instruments (mainly those of the economic and social cohesion policy); the costs of breaches in the process of implementation of the territorial cohesion and more and more expensive; despite the positive effects, the population remains attached to the European model of equilibrated occupancy of the space, characterised through a high diversity.

The introduction of the geographical element along the traditionally rational socio-economic one while defining the cohesion policy opens new possibilities for action, involving a rethinking of the European development system in a more sustainable way. Therefore, giving a clear shape to the objective of territorial cohesion, making it opera-

83 http://europa.eu/legislation_summaries/agriculture/general_framework/g24231_en.htm, accessed on [25.01.2015]

84 *ibidem*

85 Official Journal of the European Union, (2012), Consolidated Version of the Treaty on the European Union, [Online], available at: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012M/ TXT&from=EN, accessed on [23.01.2015]

tional, is a major political stake which exceeds largely the cycle of beneficiaries of the cohesion policy[86].

Taking into consideration the specific conditions and the potential of a territory obliges the EU to act as a supporting factor for the local and regional applications of its main sectorial policies. This is a result of the efforts of the Committee of Regions to integrate the concept of cohesion within all the EU policies. On one hand, the Committee of Regions has to enhance its competence in order to assess the impact of other policies on the economic, social and territorial cohesion in all Europe. On the other hand, the relevance of the cohesion policy as an indispensable element of the social and cohesion policy will become relevant enough for the Member States which should therefore include intensively the perspectives of the territorial cohesion within their sectorial programmes and the National Strategic Reference Frameworks[87].

The competence in the field of economic, social and territorial cohesion is shared among the Union and the Member States (article 4.2c TFUE – Treaty on the Functioning of the European Union)[88]. Title XVIII of the TFUE dedicated to the 'Economic, social and territorial cohesion' is a detailed version of the provisions of the Treaty on the European Union. Thus, the cohesion, in the terms of article 174 of the TFEU, consists in 'reducing disparities between the levels of development of various regions and the backwardness of the least favoured regions', defining in a more precise way the regions that have the right to get support in the framework of the regional policy: 'Among the regions concerned, 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 northernmost regions with very low population density and island, cross-border and mountain regions'.

In the context of the debates regarding the limitation of intervention through the regional policy in the poorest regions of the EU, this concept offers important indications with regard to the controversial disputes on the future of cohesion policy after 2013. The Treaty of Lisbon is missing a clear definition of the new concept of 'territorial cohesion', which is an essential definition for the implementation of the future cohesion policy, considering also the already started debates regarding the programming of structural funds for the 2014–2020 period.

Therefore, the majority of European institutions and the networks of local collectivities have developed their own analysis of the concept. Failing to reach an indisputable common definition, from the concept itself to its implementation, their conclusions are a nebula which nevertheless does not underline fundamental disagreements but rather a few variations[89]. The first initiative in this field is represented by the 'Green Book on Ter-

86 Jouen, M. (2008) La cohésion territoriale, de la théorie à la pratique, Policy paper nr. 35, [Online], available at http://www.institutdelors.eu/, accessed on [12.11.2014]

87 Kramer, E., (2010), The Impact of the Treaty of Lisbon on the Regional Policy – Notes, the European Parliament, General Department for Internal Policies, [On line], available at www.europarl.europa.eu/studies, accessed on [23.01.2015].

88 Official Journal of the European Union, (2012), Consolidated Version of the Treaty on the Functioning of the European Union, [Online], available at: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012E/TXT&from=EN, accessed on [23.01.2015]

89 Jouen, M. (2008) La cohésion territoriale, de la théorie à la pratique, Policy paper nr. 35, [Online], available at http://www.institutdelors.eu/, accessed on [12.11.2014]

ritorial Cohesion. The Transforming of the Territorial Diversity into an Advantage' of the European Commission (COM (2008) 616, 06.10.2008)[90], where the territorial cohesion is seen as 'ensuring the harmonious development' of the territories and their citizens are granted access and full benefit of the special and inherent characteristics of those territories. In this way, it represents a mean for transforming diversity in a value which contributes to the sustainable development of the whole EU.

For the ministers of the Member States, the promotion of the territorial cohesion represents a 'continuous process of political cooperation of all actors and all the stakeholders of territorial cohesion at political, administrative and technical level' which defines itself as 'territorial governance'[91].

The debates for the future of EU cohesion policy are a constant topic for EU institutions and Member States. Many stakeholders (e.g. European Parliament and European Commission) initiated studies regarding the assessment of the cohesion policy, its strengths and weaknesses and considered different possibilities for its development.

An independent report[92] issued in April 2009 at the request of the former European Commissioner Danuta Hubner, has presented a non-exhaustive list with weaknesses and failures of the cohesion policy, such as: strategies lack clear objectives; the territorial perspective is often blurred; the objectives of efficiency and equity are not concentrated towards the achievement of a relevant well – being for citizens; the conditionality system is not sufficiently results-oriented and insufficiently effective and no real guarantees exist regarding use of EU money; the mobilization of local actors and experimental approach are inadequate; the evaluation system is not yet developed and isn't able to provide qualitative improvement of the policy over time; there is no high-level, continuous policy and political debate on cohesion policy and on its results. Keeping in mind also the good results of the cohesion policy, there is nevertheless a temptation to wonder if this policy shouldn't be better renationalized or shouldn't be improved in terms of counting much more on its effectiveness on the lives of the EU citizens.

The European Parliament considers that the main debates with national parliamentary committees dealing with regional development should concentrate on the best practices in the field of regional policy and obstacles to the use of Structural Funds, on the urban dimension of Cohesion policy in the new programming period, on the complementarities and coordination of Cohesion policy with rural development measures and also on the approval of a Green Paper on territorial cohesion[93]. Following the discussion, the European

90 Commission of the European Communities, (2008), Communication from the Commission to the Council, the European Parliament, the Committee of the Regions and the European Economic and Social Committee, Green Paper on Territorial Cohesion Turning territorial diversity into strength, [Online], available at: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008DC0616&from=EN, accessed on [23.01.2015]

91 Conseil de l'Union européenne, (2007), Conclusions de la Présidence allemande du Conseil de l'Union européenne sur la rencontre informelle des Ministres responsables du développement urbain et de la cohésion territoriale, [Online], available at: http://app.rfsc.eu/userfiles/file/leipzig/conclusions-fr.pdf, accessed on [23.01.2015]

92 Barca, F., (2009), An Agenda for a Reformed Cohesion Policy, A place-based approach to meeting European Union challenges and expectations, Independent Report prepared at the request of Danuta Hübner, Commissioner for Regional Policy

93 European Parliament, (2011), 'The future of cohesion policy after 2013 – Note', [Online], available

Parliament considers that the Cohesion policy should be maintained as a European policy and that any renationalization would be a back slide that would affect the integration process and the solidarity principle. The EP calls on the simplification of the management of the Structural Funds and also on a more efficient administration by member states. The EP considers also that an evaluation of present programs could help to the debate for the future of the cohesion policy and new measures could be taken on the bases of lessons and experiences from practice.

Some Member States have also presented separately their views. Some consider that a pro-active attitude is more welcome than a passive reaction to the proposals of the European Commission or of other Member States and are considering that they are initiating original reform proposals.[94] Critics have been brought to the European Commission which was considered unable to get out of the old, stagnant paradigm of limiting the Cohesion policy to the policy for the poor, to passive, redistributive actions, investing rather in poverty than in development. The persistent maintenance of the status quo by the Commission in the institutional system based on ministerial (sectorial) and not horizontal approach is considered to be another failure of the EC.

The success of the regional and cohesion policy is linked to the implementation of the Structural Funds which provide the financial support for a coordinated development of regions all around Europe in order to remove the disparities within the Union. The Structural Funds have been specifically linked to the promotion of economic and social cohesion and extended further to territorial cohesion, objective introduced first in the Constitutional Treaty and after it, in the Lisbon Treaty. Some critics consider that for the moment, territorial cohesion is a solution in search of a problem and develop the debate of the necessity of a new objective of the EU.[95]

Until the Treaty of Lisbon, the EU level, the general rules regarding funding through Structural Funds were agreed on the basis of the regulations of the Council of the European Union. In this stage of the decision-making process neither the Commission nor the Parliament were directly involved. Their role started with the implementing decisions, which are agreed by co-decision by the Council of the EU and the European Parliament. This theory is supported by the inter-governmentalists who consider that the structural funds' operations are determined by high-level interstate bargains[96]. They are opposed by scholars[97] who support the multi-level governance theory who consider that, on the

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at: http://www.europarl.europa.eu/RegData/etudes/note/join/2011/460063/IPOL-REGI_NT(2011)460063_EN.pdf, accessed on [23.01.2015]

94 Conference, (2009), 'The Future of the Cohesion Policy post 2013', Bucharest, participation date [09.07.2009]

95 Netherlands Environmental Assessment Agency (PBL), (2009), Study 'A Territorial Impact Assessment of Territorial Cohesion for the Netherlands', [Online], available at: http://ec.europa.eu/regional_policy/archive/consultation/terco/pdf/3_region/21_leefom.pdf, accessed on [23.01.2015]

96 Peterson, J. and Bomberg, E. (1999), 'Decision-making in the European Union', Basingstoke: Palgrave Macmillan

97 Hooghe, L., (1996), Cohesion Policy and European Integration: Building Multi-level Governance, (Oxford: Clarendon Press); Marks, G. (1993), Structural Policy and Multilevel Governance in the EC, in Cafruny, A. and Rosenthal, G., (eds), The State of the EC, Vol. 2, (Harlow: Longman); Bache, I. (2006), 'The Politics of Redistribution', in Jorgense, E. K., Pollack, M.A., Rosamond, B., 'Handbook of European Union Politics', Sage Publications, pp. 395-411; Peters, Guy B. and Pierre, J., (2003), Multile-

contrary, the implementation of the cohesion policy is divided among supranational (European Commission), national (central governments) and sub-national actors (local and regional authorities and representatives of civil society).

At national level, access to financing differs from one country to another, is based mainly on competition rules and submittal of projects. Programming is an important phase but some actors find themselves excluded from the process since some countries simply ignore the partnership principle, considering that setting the national agenda is an exclusive right of the central government and several key actors. As a consequence, beneficiaries are in the position of *searching* their needs for development in the strictly settled areas of major interventions, while others give up submitting projects, being confused by a very demanding operational programme.

Control of EU structural funds is not a policy in itself. It appeared following the attacks on the European funds as they were made available for spending under their different forms. It seems that the more EU funds available, the more new forms of fraud were invented and the more was needed to be done on the counter fight against fraud. The Treaty of Maastricht requires the Member States to put as many efforts to protect the financial interests of the EU as they would put to safeguard their own interests. In 1988 OLAF (European Anti-Fraud Office) is created as an European Agency taking lead responsibility in the fight against fraud, under the coordination of the Secretariat General of the European Commission. Nevertheless, the fight against fraud remains the responsibility of the individual Member States which have enforcement capabilities. In comparison, OLAF has no independent criminal investigative powers, being considered a hybrid organisation whose move into transnational work has been curtailed by issues of national sovereignty[98]. Scholars have asked for the set up of an urgent '*Corpus Juris*' to be adopted so that a defined European legal space could be created which would be able to deal with crimes against the EU budget, and particularly against the spending on cohesion policy and agriculture.

Both European and national systems meet different challenges during implementation phases and the following two hypothesis may appear: weather cohesion policy is more effective if its programming and implementation belong better to Member States instead to the European Union and even if so, if there wouldn't be better to create a centralised European level implementation system based on the best practices identified among Member States, according to the highest common denominator principle. The current debates address the idea of reshaping the implementation mechanism in the face of the emerging challenges such as new enlargements, economical and financial crises, and global competition along with the need to focus more on efficiency than on quantitative results. They come along the approach of the European Parliament from its recent report[99], which considers that the institutionalised approach of a standardised best practices system could

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vel Governance and Democracy: a Faustian Bargain?, in Bache, I. and Flinders, M., (eds.), Multi-level Governance (Oxford: Oxford University Press)

98 Quirke, B., (1999), 'Fraud against European Public Funds', Crime, Law and Social Change, vol. 31, pp. 173–199

99 European Parliament, (2009), 'REPORT on Best Practices in the Field of Regional Policy and Obstacles to the Use of the Structural Funds'(2008/2061(INI)), [Online], available at: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A6-2009-0095+0+DOC+XML+V0//EN, accessed on [23.01.2015]

overcome the existing obstacles and shortcomings in the use of structural funds and facilitate a better absorption by member states with low implementation experience.

The EU's reformed regional policy 2014–2020 is already implemented in the Member States with the purpose to contribute to the achievement of the overall objectives of the Europe 2020 strategy. The now called **European Structural and Investment Funds (ESIFs)** are one of the most important delivery mechanisms to achieve the priorities of smart, sustainable and inclusive growth in EU's Member States and regions. After experiencing the difficulties of the economic crisis which affected most of the European economies and due to its dangerous spill over effect and potential negative effects on the long term, it is important that the targets set by the Europe 2020 strategy would be achieved only by a common integrated approach, a coordinated strategy and a surveillance mechanism that could keep all the Member States on the stability track and potentially increased economic development trend.

The new cohesion policy is a response to the new challenges and difficulties met by Europe, its Member States and its regions, such as high unemployment rates for youth, technological backwardness in comparison with other developed economies, ecological challenges and energetic dependency, social aspects, such as poverty and still limited access to higher education levels in some Member States. There are authors[100] suggesting that in the 2020 highlight, the EU should focus more on building a social EU as 'a necessary investment to support economic growth and underpin free movement and an indispensable requirement to ensure the EU's continuing political legitimacy'. The authors point out that an investment policy which focuses only on jobs and growth not considering the elements of a social policy or of social protections systems tends to fail as the social mechanisms are different from the economic ones and might undermine the economic progress if not addressed through strong social policies. Europe is facing several important social challenges such as aging population, lowering demographic rates, migration and increased mobility and diversity which have the potential to create serious social and economic consequences in future.

Another new element of the 2014–2020 cohesion policy is the implementation in practice of the new cohesion policy objective – ***the territorial cohesion objective***. There are on-going researches and debates on how this policy objective can help the cohesion policy become more efficient and effective in the EU Member States. The cohesion policy 2014-2020 calls for the adoption of a place-based approach to ensure an effective delivery of the Europe 2020 strategy by means of a greater awareness of the territory. According to a study[101] which analysis several examples from the implementation in practice of the dedicated instruments of territorial cohesion objective, the Community Led Local Development and the Integrated Territorial Investments, the Cohesion Policy has definitely an important role as an 'enabler and catalyser of territorial strategies' which suggests that 'Co-

100 Marlier,E., Natali, D., (2010), 'Europe 2020: Towards a More Social EU?', ed. P.I.E. Peter Lang S.A., Brussels

101 European Commission, Directorate-General for Regional and Urban Policy, (2015), 'Territorial Agenda 2020 put in practice: Enhancing the efficiency and effectiveness of Cohesion Policy by a place-based approach Volume I – Synthesis Report', available at: http://ec.europa.eu/regional_policy/sources/policy/what/territorial-cohesion/territorial_agenda_2020_practice_report.pdf, accessed on [23.01.2015]

hesion Policy programmes may well be the most suitable policy setting for experimenting and implementing the place-based approach'.

The Community-Led Local Development (CLLD) concept was been introduced in the new Common Provisions Regulation (EU) No 1303/2013 and concerns four of the European Structural and Investment Funds (ESI), namely the European Social Fund, the European Regional Development Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund. In reality, the concept is not new at all, having fully experienced its potential over the last 20 years of implementation of the LEADER approach to rural development, where rural actors were responsible of their own long-term development in a bottom-up approach to solving local problems and addressing their needs.

The main idea of the introduction of the new concept is to extend its application to all the possible fields of intervention of the EU policies, following successful implementation in many pilot projects and initiatives, such as within the already mentioned LEADER programme, but as well as within the Community Initiatives URBAN and EQUAL and since 2007, within the European Maritime and Fisheries Fund. The European Commission foresees a gradual extension of the concept, as its application continues to be compulsory just for the LEADER axis of the EAFRD, while for the other funds remains optional.

According to the new regulative framework, the Partnership Agreements are key documents were Member States foreseen possibilities of application of the CLLD to various areas and their intention to support the new concept and to implement it. This brings additionally an obligation of the Management Authorities in the Member States to engage in capacity-building activities at the level of local communities to support the creation of local action groups and formation of their local development strategies.

3.4 The absorption capacity

In the context of accessing the Structural Funds, some scholars[102] and recently some politicians[103] talk also about the absorption capacity as a model of success in implementing the cohesion policy. The European Commissioner Danuta Hubner announced in February 2009 the state of the absorption capacity in Member States for the period 2000-2006. According to the official data[104], 87.5 per cent out of 257 Billion Euro have been absorbed by the 25 Member States. It is interesting to note the absorption rates of the 10 new Member States which joined the EU in 2004: Cyprus: 71%, Poland: 76%, Slovenia: 77%, Hun-

102 Horvat, A., Gunther Maier, (2004), Regional Development, Absorption Problems and the EU Structural Funds. Some Aspects Regarding Administrative Absorption Capacity in the Czech Republic, Estonia, Hungary, Slovakia and Slovenia, WIFO Working Papers, No. 258, [Online], accessed on [25.01.2015]; Emerson, M, Aydin, S., De Clerck-Sachsse, J. and Noutcheva, G. (2006), Just what it this absorption capacity of the European Union, Policy Brief of the Centre of European Policy Studies, 113:1-23, [Online], available at: www.ceps.be, accessed on [25.01.2015]

103 Musat&Asociatii, (2013), Study: The final steps – absorption of structural and cohesion funds 2007-2013, available at: www.regi.ro, accessed on [25.01.2015]

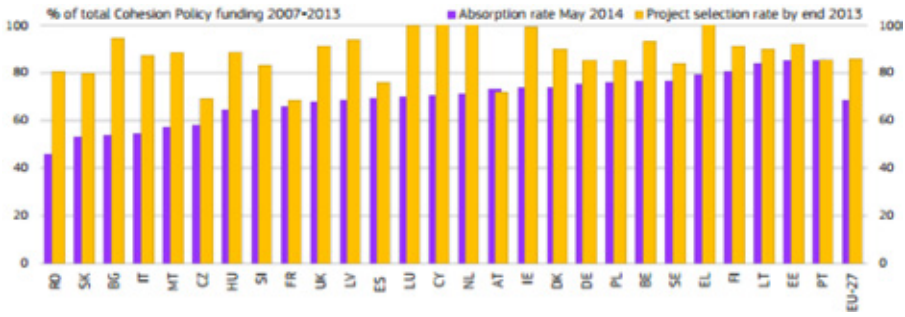
104 European Commission, (2011), Directorate General Regional Policy, Annual Activity Report, [Online], available at: http://ec.europa.eu/dgs/regional_policy/document/aar2011_en.pdf, accesed on [25.01.2015]

gary: 78%, Czech Republic and Estonia: 80%, Lithuania and Latvia: 82%, Slovakia: 84% and Malta: 91%.

Other opinions consider that impact of interventions should be more important than absorption or audit reports and that more research is needed on how to evaluate the impact of cohesion policy. Some member states consider that N+2/+3 rule accelerates absorption but diminishes quality and assessment is needed on the effects of this rule on the results of the cohesion policy.

The ***administrative absorption capacity*** could be defined as the *ability and skills* of central, regional and local authorities to prepare acceptable plans, programs, and projects in due time, to decide on programmes and projects, to arrange co-ordination among the principal partners, to cope with the vast amount of administrative and reporting work required by the Commission, and to finance and supervise implementation properly, avoiding fraud as far as possible. The absorption capacity can be directly linked with the governments' effectiveness, poor governance affecting considerably the pace of investments. Most of difficulties in properly managing Structural Funds programmes are of an administrative nature such as management systems, human resources competence and availability, inter-institutional coordination etc.

Considering the recommendation of the European Commission to absorb at least 55% of the European funds, in order to be more than a contributor to the European budget, one can notice that Romania is the only country among the last 2004 – 2007 enlargement countries that finds itself on the position of net payer to the EU budget, with a negative sold of 455.9 billion Euro for 2007 – 2009 and an absorption rate of only 10.1% for the same period[105]. Unfortunately, this trend is maintained in the case of Romania until 2014, as one can see in the graphic below **(Graphic no. 3)**. On the other end of the graphic, one can notice Lithuania with over 80% of both the absorption rate and the project selection rate.



Graphic no. 3 – Absorption rate and project selection for the 2007-2013 programming period

Source: European Commission, 2014[106]

105 www.fonduri-ue.ro/#*Stadiul absorbtiei,* accesed on [12.12.2015]

106 European Commission, (2014), Investment for Jobs and Growth, Promoting development and good governance in EU regions and cities, Sixth report on economic, social and territorial cohesion, Luxembourg: Publications Office of the European Union

CHAPTER IV

STRUCTURAL FUNDS' ADMINISTRATION IN ROMANIA AND LITHUANIA GOOD PRACTICES AND COMPARATIVE ANALYSIS

4.1 The definition of 'good practices' in the framework of Structural Funds' implementation

In 2009, the Committee on Regional Development of the European Parliament draws up a '*Report on best practices in the field of regional policy and obstacles to the use of the structural funds*'[107]. The report mentions that the best practices are a way of overcoming the obstacles and shortcomings in the use of EU cohesion funds and a tool to enable regional actors to draw on the experience of others. The report acknowledges that the most difficult task is to define what constitutes a 'best practice' considering that the term is used frequently and in various fields of activity and in parallel with other terms such as 'good practices' or 'success stories'. The report mentions the EU Commission's initiative to identify best practices with the annual award of 'REGIO STARS' but it criticizes it for lack of transparency under which the selection of practices is made.

The report does not propose itself a definition of 'best practices' but it urges on the need to establish a clear definition including in it the principle of good governance and appreciates that '*quantitative and qualitative performance indicators common to all Member States should be introduced and that a cost-benefit ratio should be determined for projects*'[108].

The European Parliament invites the Commission to conduct a scientific assessment of the rate of transferability of 'best practices' in administrative, financial and IT management of projects and to promote the visibility and transferability of 'best practices' between management authorities within a Member State and between management authorities of different Member States. The report concludes that *'more emphasis should be placed on providing* ***good-practice examples and guidance*** *at European level, especially for Member States that have less experience with Structural Funds*'[109].

According to the definitions proposed by the organizational management literature[110], 'best practices' is a concept used in the context of *performance measurement* and *quality improvement* and describes a *technique or approach* for achieving a valued outcome by sharing and facilitating the sharing of information among organizations. The concept is equally used in public management and consists in the 'selective observation of exemplary

107 European Parliament, (2009), 'REPORT on best practices in the field of regional policy and obstacles to the use of the structural funds' (2008/2061(INI)), [Online], available at: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A6-2009-0095+0+DOC+XML+V0//EN, accessed on [23.01.2015]

108 *ibidem*

109 *ibidem*

110 The Blackwell Encyclopedia of Management, (2005) 2nd edition, Blackwell Publishing, Edited by Cary L. Cooper., Volume X, Operations Management, p.13 and Volume XII, Strategic Management, p. 19ю

programs across different contexts in order to identify innovative practices that can be transferred and adopted in other contexts'[111].

The difficulties that appear when identifying 'best practices' are when comparisons are made between different entities or programmes, therefore it is important to be very specific in asserting a 'best practice': best for whom, under what conditions, for what purpose, in what context, with what level of evidence, using what criteria, and compared to what alternatives?[112] In this context, best practices can be biased by the current beliefs or theories of experts, by the prejudices of guild organizations or by the successful marketing of the industry. Best practices are often proven incorrect by scientific research[113]. From a *systems point of view*, reality shows that something that works effectively in one system may not work at all in another different system and that there is a question of *temporal validity* of 'best practices'. Additionally, there appear risks of *politicizing* a technique or process that has become a best practice, due to its ideological support by a group coagulated around it.

The ability to identify and implement best practices differentiates successful organizations from unsuccessful ones by using *comparative techniques* in order to distinguish best and worst performers[114]. Nevertheless, the ultimate purpose of the use of best practices is not for stigmatizing the non-performers but to share information to allow other organizations to duplicate the success of some techniques that already proved their validity in other organizations. Looking for best practices represents a greater awareness about the external environment and an exercise of learning from better performers, benefiting from the progress already achieved by others as long as it is available to public and shared openly.

Measurement and *benchmarking* are the main tools of best practices' identification. Standard identification represents the starting point, as all the studied practices will be compared against it in order to get the necessary information as which practices are better performing. Apart from standard identification, best practices require also an identification of processes that result in better outcomes[115] . The steps in describing best practices include: a) Identifying the practice of interest; b) Identifying potential benchmarking candidates (other organizations of similar size or other units within the organization); c) Comparing the data; d) Establishing goals and activities to improve the benchmarked practice[116].

When applied to a public sector performance management strategy, 'Benchmarking is the systematic identification of the best practices employed by other jurisdictions which

111 The International Encyclopaedia of Public Policy and Administration, (1998), Boulder (Colo): Westview Press, editor in chief Jaj M. Shafritz, Vol. 1: A-C, p.183-186

112 Encyclopedia of Evaluation, (2005), Sage Publications, edited by Mathison, S., p. 31

113 Mueser, K.T, & Drake, R.E., (2005), 'How Does a Practice Become Evidence-Based?' In R.R.Drake, M.R. Merrens,&D.W. Lynde (Eds.), Evidence-based mental helth practice: a textbook (pp.217-241). New York:Norton

114 Kramer, T.L., & Glazer, W., (2001), 'Best practices: Our Quest for Excellence in Behavioural Health Care. Psychiatric Services', 52 (2), 157-159

115 Watson, G.H. ,(1993), 'Strategic Benchmarking: How to Rate Your Company's Performance against the World's best', New York: Wiley

116 Cortada, J.W., & Woods, J. A., (1995), 'The McGraw-Hill Encyclopedia of Quality Terms and Concepts'. New York, McGraw-Hill

lead to superior performances'[117]. According to Ammons[118], since its introduction into the public sector, benchmarking has evolved into three different forms. In its first form, the traditional corporate-style, benchmarking involves six major steps: 1. Select a process 2. Study the process 3. Find benchmarking partners 4. Evaluate the process at the partner's organization 5. Incorporate 'best practices' 6. Continue to evaluate and adapt. Some authors[119] believe that this form can involve up to six months of implementation work and, because many public-sector organizations often do not have the staff or resources to invest in a traditional benchmarking process, a more streamlined methodology evolved. Keehley and Abercrombie[120] stated that this approach, known as the 'solution-driven benchmarking' method, focuses on addressing one central problem and relies on partners to offer information on an informal basis such as via e-mail or a phone call. The third form of benchmarking aligns a state or community's strategic plan with performance objectives which often are concerned with quality of life issues.

In the context of this doctoral thesis, a definition of 'good practices' will be proposed and retained for the scope of the research in exchange of a search for a definition of 'best practices'. It is appreciated that the use of 'best practices' terminology in this context is not suitable because the jurisdictions compared are different from many points of view and similar just in few instances. Therefore, extracting best practices would be biased from a systems point of view, as what can stand as 'best practice' in one system could not be applied in another system.

A 'good practice' in Structural Funds implementation is a ***'process, procedure or experience at institutional level, at programmes' and/or projects' implementation level that is producing the expected results or an outstanding performance'***. The transferability of a 'good practice' from one public administrative system to another is limited due to systems' administrative design, legal framework and experience in using Structural Funds. The purpose of identifying 'good practices' is rather to gather information about how other systems put into practice the same regulations, to exchange the information and to highlight the practices that are likely to be transferred without any limitations.

The characteristics of a good practice as understood in the context of this doctoral thesis are: *it produces a positive and significant improvement in performance*; *it has a sustainable rather than a transitory or one-off improvement effect; it has the potential to be replicated and used in other organizations; it is in line with good governance principles; it is appreciated and recognised officially.*

By ***processes, procedures or experiences*** in Structural Funds' implementation one understands the application into practice of all the legal documents and their implementing rules, as well as the experiments targeting the testing of a new order though pilot-projects or innovative approaches.

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117 Folz, D. (2004), 'Service quality and benchmarking the performance of municipal services. Public Administration Review', 64, 209-220

118 Ammons, D. (1999), 'A proper mentality for benchmarking. Public Administration Review, 59, 105-109

119 Keehley, P. and Abercrombie, N., (2008), 'Benchmarking in the public and non-proft sectors'. San Francisco: Jossey-Bass

120 *ibidem*

At ***institutional level***, the targeted organizations of this analysis are the *management authorities and implementing bodies of Structural Funds*, be they public or private institutions, according to each Member State's national regulations regarding the institutional framework set-up. By ***programs*** one understands the *Operational Programmes* – the documents enacted by the Government which are setting down the rules for using the financial support from the EU through the Structural Funds. By ***projects***, one understands the concrete activities of final beneficiaries for achieving the specific objectives of the operational programmes by using the financial support of the EU.

The purpose of this doctoral thesis is to identify the processes of Structural Funds implementation that have given results in a specific jurisdiction (Lithuania or Romania) and are likely to be transferred from one to another one. In this context, the identification of a good practice can also mean just an acknowledgement of the present situation and the engagement in a process of self-evaluation, learning and exchanging of experiences with counter-parties. It is out of the scope of this doctoral thesis to create scenarios for incorporating good practices in one or another jurisdiction and of evaluating and adapting their incorporation.

Within the doctoral thesis, the *institutional performance measurement* in the context of Structural Funds implementation is reflected by the analysis of answers to several key questions for discussion in important domains for the functioning of Management Authorities and Implementing Bodies of Structural Funds **(Table no. 5)**, such as: institutional stability, functionality and coordination, organizational design, strategic management, human resources management, regulatory quality, control of fraud and corruption, openness, learning organization.

Table no. 5: Key Questions for Discussion – Institutions

Functioning of the institutions
Q1 – How is institutional framework stability ensured?
Q2 – What are the roles and attributions of institutions in the legislation? Are they clear?
Q3 – How are institutional overlaps avoided? How is institutional coordination ensured?
Q4 – How are the institutions financed? Are they properly financed?
Institutional design
Q5 – How are the organizational charts? Are they simple and stable?
Q6 – How do the institutions ensure decentralization or delegation of functions?
Strategic management
Q7 – What are the institutions' organizational strategies?
Q8 – How are the reports of activity evaluating the implementation of strategies and the achievement of goals?
Q9 – How are institutions applying internationally recognized quality management standards?
Human resources management
Q10 – What is the professional quality of the personnel working in the institutions?
Q11 – Is the personnel sufficient for the everyday work?
Q12 – How is the flow of personnel?
Q13 – How is the remuneration policy? Is it competitive and attractive?
Q14 – How does the staff have access to training?

Regulatory quality

Q15 – What are the legislative initiatives in their field of activity?

Q16 – How are the legislative initiatives improving the procedures or diminishing the red tape?

Control of fraud and corruption

Q17 – What are the institutional tools for controlling fraud and corruption?

Q18 – How does the institutions ensure that their civil servants are not involved in judicial procedures regarding the illegal use of Structural Funds?

Institutional openness

Q19 – What are the tools for institutional transparency?

Q20 – How are the institutions communicating to the public?

Q21 – How are the institutions encouraging partnership?

Learning institution: adjustability and transferability

Q22 – What are the exchanges of good practices with other similar institutions?

Q23 – What are the twinning out programmes/projects?

Q24 – What are the technical assistance programmes/projects for improving its activity?

Source: author

The Operational Programmes performance measurement is also reflected by the analysis of the answers to several key questions for discussion **(Table no. 6)** in the following domains, such as: policy making; the openness, transparency and communication; interconnectivity and e-cohesion; monitoring and evaluation capacity of Operational Programmes.

Table no. 6: Key Questions for Discussion – Operational Programmes

Policy making

Q1 – What is the strategic management approach at the level of National Strategic Reference Framework and Operational Programmes?

Q2 – How is partnership used in the drawing up of National Strategic Reference Framework and Operational Programmes?

Q3 – How is the regional perspective integrated into the national development policy?

Openness, transparency and communication

Q4 – How are procedures and rules for the functioning of Monitoring Committees available to the public?

Q5 – What are the communication strategies of Operational Programmes? Are they coordinated and efficient? Do they have a strong impact over the general public?

Interconnectivity and e-Cohesion:

Q6 – How is the system for the management of information?

Q7 – Are the Managing Authorities having websites?

Q8 – Are Operational Programmes and subsequent documents available on line?

Q9 – Is information up to date?

Q10 – Are there electronic means for submitting of projects, progress reports and reimbursement requests?

Monitoring and Evaluation capacity of Operational Programmes:
Q11 – Are there annual implementation reports?
Q12 – Are there evaluation documents of Operational Programmes?
Q13 – Are the evaluations supporting the increase of quality of programming and implementation of Operational Programmes?

Source: author

At projects' implementation level, some key questions for discussion will be raised up **(Table no. 7)** in order to identify examples of good practices from both countries.

Table no. 7: Key questions for discussion – Projects' implementation

Q1 – What is the context for projects' implementation?
Q2 – How is quality of projects and sustainability ensured?
Q3 – How is partnership principle applied at projects' level?
Q4 – What is the quality of human resources working in the projects' team?
Q5 – How is the involvement of the target group?
Q6 – What are the innovative methods of projects' implementation?
Q7 – What is the added value and transferability of projects?
Q8 – Are exchanges of good practices among project promoters encouraged?

Source: author

In the context of the implementation of Structural Funds, one can also identify better and worse performers, fact which is reflected directly by the countries' absorption rates but also by analysing other socio-economic indicators at the beginning and the end of the programming period, such as GDP growth rate, employment rate, number of new jobs created, R&D expenditure etc. The EU Member States are receiving certain amounts of money from the EU budget which are allocated to them based on certain economic, social and political criteria. Theoretically, there is no competition for funds among the Member States once they have received the funds. There is more of an internal competition, a competition within its own system of implementation. Each Member State has to spend the money it has been allocated, otherwise after the intermediate evaluation it risks to be diminished the additional allocations for the next coming years and in the end of the multiannual financial period, to return the money not spent even if projects are under implementation. In this case, the Member States identified as good performers are likely to receive more funds in the next financial periods, while for the worst performers the funds are decreased due to their low absorption capacity. And there is the same logic of redistribution of funds among the regions of a country: the Member States have the possibility to reallocate funds to better performing regions.

The funds' redistribution policy is not necessarily applied as a punitive policy. The European Commission encourages the exchanges of experience between Member States and at their turn, the Member States should encourage the exchange of good practices among good and bad performing regions for the purpose of absorbing the EU funds though common efforts and in order to refrain from cutting financing to the regions in most need of it.

There are differences in the implementation of models based on exchange of good practices between the public and the private sector. In the private sector, the implementation of good practices methods is mainly motivated by keeping a competitive advantage from other companies. In this sector, access to important information and communication with relevant stakeholders is difficult and there is always a lack of money and time. On the other hand, in the public sector, there is a more openness to provide information about good practices and the EU is even encouraging the exchange of good practices among the Member States in various fields of activity by offering financing through technical assistance programmes.

4.2 Analysis of good practices at *institutional level* in Structural Funds' administration

4.2.1 Introduction: EU rules for institutional set-up for the administration of Structural Funds 2007–2013

For the period 2007–2013, the legal documents containing provisions of the management and control systems if operational programmes are the ***Council Regulation (EC) No 1083/2006*** of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 and the ***Commission Regulation (EC) No 1828/2006***[121] of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund.

Article 70 of Regulation 1083/2006[122] requires that *Member States shall be responsible for the management and control of operational programmes.* The Member States have to ensure that the management and control systems for operational programmes are set up in accordance with the provisions of art. 58 to 62 that require the setting up of the following institutions:

(a) **a managing authority:** a national, regional or local public authority or a public or private body designated by the Member State to manage the operational programme;

(b) **a certifying authority:** a national, regional or local public authority or body designated by the Member State to certify statement of expenditure and applications for payment before they are sent to the Commission;

121 European Commission, (2006), Commission Regulation (EC) No 1828 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund, [Online], available at: http://eur-lex.europa.eu/homepage.html?locale=en, accessed on [25.01.2015]

122 Council of the EU, (2006), Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999, [Online], available at: http://eur-lex.europa.eu/homepage.html?locale=en, accessed on [25.01.2015]

(c) **an audit authority:** a national, regional or local public authority or body, functionally independent of the managing authority and the certifying authority, designated by the Member State for each operational programme and responsible for verifying the effective functioning of the management and control system.

The regulation allows that the same authority would be designated for more than one operational programme, as well as the possibility to create intermediate bodies that would take over some or all of the tasks of the managing or certifying authorities. The Member State delimitates the relationships with the intermediate bodies and their relationships with the European Commission.

Therefore, all the decisions regarding the national institutional set-up is left at the free choice of the Member States that should choose the most effective way of ensuring a sound functioning of the system as long as it follows the rules laid down in the regulation, in line with its administrative and political organization. Therefore, a large array of different institutions will be found within the Member States handling the management and implementation functions of Structural Funds. The institutional set-up in some EU member states has gone through constant changes determined basically by the need to deliver a better regulatory and implementation system, based on own experiences and on application of good practices examples from other member states.

The 2006 regulation foresees a much clearer delimitation of institutions that are responsible for management and control comparing with the 1999 regulation[123], which mentions just two types of institutions: managing authority and paying authority. While the 1999 regulation gave the possibility for management authority to play the role of payment authority as well, in the new 2007–2013 financial framework, the role of 'payment authority', understood as the role of drawing up and submitting payment applications and receiving payments from the Commission is taken over by a new institution – the certifying authority.

4.2.2 Presentation and evaluation of the institutional framework for the administration of Structural Funds in Romania: within-country case study

Based on organizational theories of public organizations, a set of key questions have been created in order to analyse the institutional coordination and management system of Structural Funds and its performance in Romania and Lithuania. In the case country analysis of Romania, the analysis is focused on the Ministry of European Funds as the national Authority for Coordination of Structural Funds and secondary, on other Management Authorities and Intermediate Bodies from national and regional level. In the case country analysis of Lithuania, the analysis is focused mainly on the Ministry of Public Finances as management institution coordinator for Structural Funds and secondary, on other Management Authorities and Intermediate Bodies.

123 Council of the EU, (1999), Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds, [Online], available at: http://eur-lex.europa.eu/homepage.html?locale=en, accessed on [25.01.2015]

4.2.2.1 Overview of the institutional configuration of the national coordinator, managing authorities and intermediate bodies of Structural Funds

The main legal act containing provisions regarding the institutional framework for the coordination and management of structural instruments is Government Decision (GD) 457/2008. This document has been modified several times since its adoption and what determined its constant changes will be further analysed.

The national coordinator of the programming and management of structural funds in Romania for 2007–2013, Authority for Coordination of Structural Funds (ACSF) is by far the most important institution as it has the largest responsibility in the coordination of preparing, developing, harmonising and functioning of the legal, institutional, programmatic and procedural framework for managing the structural funds. According to Government Decision (GD) 457/2008[124], the Authority for Coordination of Structural Funds started to function in 2008 within the Ministry of Economy and Public Finances. In the following years, Authority for Coordination of Structural Funds has moved under the subordination of different institutions and this institutional evolution until 2014 will be analysed. Since 2012, the Authority for Coordination of Structural Funds is organized under the Ministry of European Funds.

The most important tasks of the Authority for Coordination of Structural Funds mentioned in the legislation are presented below:

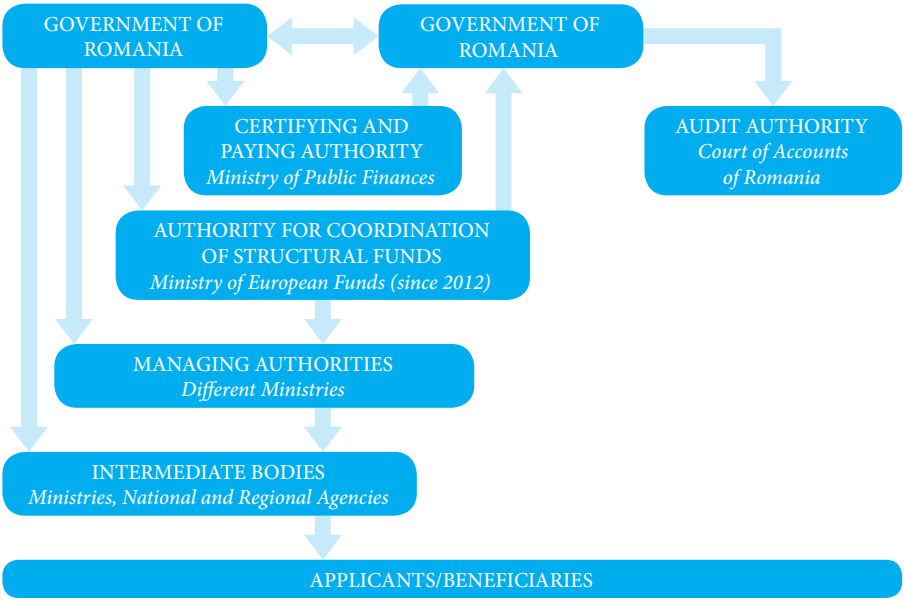
- Legislative initiative regarding the institutional and procedural framework for the functioning of the structural funds
- Coordination of the elaboration of the operational programmes and of the negotiation process with the European Commission
- Monitoring of the implementation of the National Strategic Reference Framework and of the operational programmes
- Management of the informatics integrated system SMIS regarding the structural instruments for the objective convergence
- Elaboration of the evaluation plan of structural funds
- Management of the national communication plan regarding the structural funds etc.

The Government Decision 457/2008 specifies also what are the managing authorities for each Structural Fund, the payment and certifying authority and the audit authority, as well as the intermediate bodies for different operational programmes.

The Ministry of Economy and Public Finances was also designated as management authority for the Operational Programme Increase of Economic Competitiveness (OP IEC) and for the Technical Assistance Operational Programme (OP TA). The certifying authority and payment authority was been designated the General Directorate Authority for Certifying and Payment within the Ministry of Economy and Finance, while the Audit Authority has been designated the Court of Accounts based on its functioning law no. 94/1992, as subsequently modified.

Below **(Graphic no. 4)** is presented the scheme of institutional framework functioning in Romania since 2008. Additionally, in the next three tables it is presented the changes of

124 Guvernul României, (2008), Hotărârea de Guvern nr. 457/2008 privind cadrul instituțional de coordonare și de gestionare a instrumentelor structurale, publicată în MO 364/2008, [Online], available at: ww.cdep.ro, accessed on [15.01.2015]



Graphic no. 4

Source: www.fonduri-eu.ro

the institutional set-up in 2008 **(Table no. 8)** in comparison with the most recent one from 2014 **(Table no. 9)**, in order to highlight the modifications that took place over 5 years and the transition to the 2014–2020 period.

Table no. 8: The 2008 configuration of Operational Programmes, Managing Authorities and Intermediate Bodies

Nr. Crt.	Operational Programme	Managing authority	Intermediate bodies
1	Regional Operational Programme (ROP)	Ministry of Development, Public Works and Housing	8 Regional Development Agencies
2	Sectoral Operational Programme Transport (SOP T)	Ministry of Transport	n.a.
3	Sectoral Operational Programme Environment (SOP E)	Ministry of Environment and Sustainable Development	8 Regional Intermediate Bodies

Nr. Crt.	Operational Programme	Managing authority	Intermediate bodies
4	Sectoral Operational Programme of Human Resources Development (SOP HRD)	Ministry of Labour, Family and Equal Opportunities	8 Regional Intermediate Bodies Ministry of Education, Research, Youth and Sports National Centre for Development of Professional and Technical Education National Agency for Employment
5	Sectoral Operational Programme Development of Administrative Capacity (SOP DAC)	Ministry of Interior and Administrative Reform	n.a.
6	Sectoral Operational Programme Increase of Economic Competitiveness (SOP IEC)	Ministry of Economy and Finance	Intermediate Body for SMEs – Ministry of Economy Intermediate Body for Research – National Authority for Scientific Research Intermediate Body Promotion of Information Society – Ministry of Communications and Information Society Intermediate Body for Energy – Ministry of Economy
7	Operational Programme Technical Assistance (OP TA)		n.a.

Source: www.fonduri-ue.ro

One can notice that the number of the managing authorities has been decreased from 6 in 2008 to 2 in 2014 and a process of intensive centralization emerged, with Ministry of European Funds occupying the main position in the implementation scheme of Structural Funds assistance, as coordinator authority and the managing authority for 5 Operational Programmes out of 7.

The up-dated institutional set-up 2014 reflects also the ongoing preparations for the 2014–2020 financial framework that envisages a strongly centralized system, with less Management Authorities than in 2007–2014, but a similar number of Operational Programmes and additionally, the introduction of funds for agriculture in the European Structural Investments Funds scheme. According to the Partnership Agreement[125], there is the intention to keep the same structure of intermediate bodies due to their accumulated experience over the last 7 years. Similarly, the Certifying and Payment Authority and the Audit Authority remain the same in the next period.

125 Ministry of European Funds, (2014), Partnership Agreement Romania 2014-2020, p. 415, [Online], available at: www.fonduri-ue.ro, accessed on [25.01.201]

Table no. 9: The 2014 up-dated configuration of Operational Programmes, Managing Authorities and Intermediate Bodies

Nr. Crt.	Operational Programme	Managing authority	Intermediate bodies
1	Regional Operational Programme	Ministry of Regional Development and Public Administration	8 Regional Development Agencies Intermediate Body for Tourism – National Authority for Tourism
	Sectoral Operational Programme Development of Administrative Capacity		n.a.
2	Sectoral Operational Programme Transport	Ministry of European Funds	n.a.
3	Sectoral Operational Programme Environment		8 Regional Intermediate Bodies (IB)
4	Sectoral Operational Programme Development of Human Resources		8 Regional Intermediate Bodies Ministry of Education, Research, Youth and Sports National Centre for Development of Professional and Technical Education National Agency for Employment
6	Sectoral Operational Programme Increase of Economic Competitiveness		Intermediate Body for SMEs – Ministry of Economy, Commerce and Business Environment Intermediate Body for Research – National Authority for Scientific Research Intermediate Body Promotion of Information Society – Ministry of Communications and Information Society Intermediate Body for Energy – Ministry of Economy, Commerce and Business Environment 8 Regional Development Agencies (since 2011)
7	Operational Programme Technical Assistance		n.a.

Source: www.fonduri-ue.ro

4.2.2.2 Evaluation of the institutional system performance for the coordination, management and implementation of Structural Funds

Functioning of the institutions

In 2010, the Final Report – A Formative evaluation of Structural Instruments in Romania[126] was noting that there are often '*changes in the organizational structure of institutions where Intermediate Bodies are located and that ministries are prone to reorganisation in line with political developments. These changes may have implications for Structural Instruments performance to the extent that they generate delays and bottlenecks for the efficient management and implementation of EU-funded interventions. Changes in management typically lead to delays in approvals at various stages of the M&I system, even in the absence of policy shifts.*'

Most of legislative and administrative changes have occurred at the level of the coordinating and managing institution of structural funds, which moved over 3 years from one line-ministry (Finance and Economy) to another one (European Union Affairs, and then Ministry of European Funds), with an intermediate level of institutionalisation under the direct supervision of the Prime Minister's Office. This aspect determined instability at high level that can be both perceived as political and administrative, having a strong negative impact on the well-functioning of the institution and on its performance in delivering the policies and procedures and highly needed coordination related to the implementation of Structural Funds. With almost each change of the political leader of the Government, it appears a new remake of the Authority for Coordination of Structural Funds (ACSF). These subsequent modifications were supposed to reform the system in order to make it perform better, since Romania's absorption capacity was one of the lowest among the Member States even in the late 2013. Meanwhile, international institutions, such as European Commission and International Monetary Fund were insisting for a reform, be it legal or institutional, that would speed up the process of absorbing European Funds.

Following the data presented in the table below **(Table no. 10)**, one can notice that a change within the functioning of the Authority for Coordination of Structural Funds (ACSF) appeared almost every year since 2008 and tended to stabilise only in late 2012 with the creation of the Ministry of European Funds. Changes of responsible institution meant not only a change in the management level and management strategy, but also transfer of personnel, documents and sometimes change in the physical location of its offices.

In the first instance, the choice of the Ministry of Economy and Public Finances as the Authority for Coordination of Structural Funds came as a normal continuation of its attributions during the Candidate Country status of Romania, the ministry having the administrative and financial responsibility of implementing the pre-accession funds: PHARE, ISPA and SAPARD.

126 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), 'Final Report – A Formative Evaluation of Structural Instruments in Romania', [Online], available at: www.evaluare-structurale.ro, accessed on [22.01.2015]

In a study that has been conducted in Romania, regarding the coordination of European affairs at national level[127] it is argued that the choice of the Ministry of Public Finances came as a continuation of its role as technical negotiator of Chapter 21 – Regional Policy and Structural Funds and due to its increased budgetary and informatics capacity. Ministry of Public Finances was perceived as having a relatively strong coordination power over other national institutions on the budgetary dimension and preparation steps towards management of structural instruments but also in the field of implementation of the management procedural system in line with the European Commission requirements and the accreditation of the national payment system and technical management.

In early 2009, the inter-institutional relationships of this ministry with institutions managing other operational programmes deteriorate, as well as the political communication with Prime Minister's Office and political leadership of other ministries. Additionally, at the level of external representation, it appears an inefficient communication of the ministry with the Permanent Representation of Romania in Bruxelles and the Romanian embassies.

According to the 2010 evaluation report[128] of the Operational Programme Technical Assistance, whose management was delegated to the Ministry of Public Finances, it was been noticed that by 2009 the progress of implementation of this operational programme was very low. Even if the structure was functional, most of interventions hadn't even been launched. According to the above-mentioned report, this was basically due to internal factors, but external ones as well: low number of personnel and work overload; economic crisis, legal issues regarding public procurements and public finances; low administrative capacity of beneficiaries etc.

A similar situation has been noticed with the intermediate evaluation of the Operational Programme Increase of Economic Competitiveness whose managing authority was delegated to the Ministry of Economy and Public Finances as well. According to the 2010 report[129], the performance of the Operational Programme was appreciated as moderate, registering a satisfactory progress in launching the first calls for projects which later on slows as moving towards the implementation levels, considering the aspects of contracting and the reimbursement of payments.

It can be stated, that Ministry of Public Finances was delegated too many tasks related to the management of Structural Funds – managing authority for two operational programmes and above this – national coordinator of European funds assistance, payment and certification authority for both pre-accession funds and structural instruments, while the ministry was still managing pre-accession assistance. Even if the Ministry of Public Finances was probably the most suitable in taking over the tasks of managing and

127 Institutul European din România, (2013) Studii de Strategii și Politici (SPOS) 2012, Studiul nr. 2, Coordonarea afacerilor europene la nivel național. Mecanisme de colaborare în Guvern și Parlament în domeniul afacerilor europene. Studiu comparativ în statele memebre UE, p. 156, [Online], available at: www.ier.ro, accessed on [25.01.2015]

128 Ministerul Finanțelor Publice, (2010), Programul Operațional Asistență Tehnică 2007-2013, Raportul anual de implementare 2009, [Online], available at: www.fonduri-ue.ro, accessed on [25.01.2015]

129 Guvernul României, (2010), Evaluarea intermediară 2009 a Programului Operațional Sectorial Creșterea Competitivității Economice, p. 5, [Online], available at: www.evaluare-structurale.ro, accessed on [25.01.2015]

coordinating structural funds assistance, considering its experience in administering pre-accession support, it missed a strong representation with personnel in the external diplomatic environment[130] and it had a low level of involvement in the internal coordination and sectoral problems.

Moving the responsibilities of Authority for Coordination of Structural Funds from the Ministry of Public Finances to the Prime Minister's Office was not an inspired decision either, as it is considered the most inefficient period of this institution. The institutional change survived for only 6 months (March–September 2011) and ended up with the creation of a new ministry – Ministry of European Affairs, which actually reunited two departments of the General Secretariat of the Government: the Department of European Affairs (DEA) and the Authority for Coordination of Structural Funds. During its short functioning, the Authority for Coordination of Structural Funds under the Prime Minister's Office practically inherited some weak points of the former structure, ranging from low involvement of its leaders, internal and external communication malfunctions, insufficient personnel and logistics etc. It seems that the new structure was overwhelmed by the large array of functions and responsibilities it had to deal with.

The main target of the newly created structure was to increase considerably the absorption rate to 3 billion Euros until the end of 2011, but unfortunately, the reimbursement amount accounted just 1 billion Euros.[131] Additionally, after discovering irregularities, during an annual control in the field of public procurements, the European Commission stopped reimbursement of funds for priority axe 2 of the Regional Operational Program as from July 11th, 2011. As a consequence, the Romanian Government decided to suspend the requests to the European Commission for reimbursement of payments for all operational programmes, suspecting irregularities in the field of public procurements in other cases as well. Therefore, the European Commission requested to Romania to fulfil a series of conditionalities at the level of control and management system in order to offer sufficient guarantees for its credibility and decided to perform itself a control at a later stage. In the beginning of 2012, the European Commission found out some irregularities in the management of the Operational Programme Human Resources Development and decided to suspend payments for 2 months.

Following no improvements in the increase of financial absorption capacity of Romania and recording problems in sound financial management of operational programmes, the Government decides to create a new ministry by Government Decision no. 967/29.09.2011 regarding the organization and functioning of the Ministry of European Affairs. The minister who has delegated to lead the Ministry was a technocrat, Leonard Orban, former chief-negotiator with the EU and state secretary in the Ministry of European Integration, former European Commissioner for Multilingvism (January 2007–February 2010).

130 Institutul European din România, (2013) Studii de Strategii şi Politici (SPOS) 2012, Studiul nr. 2, Coordonarea afacerilor europene la nivel naţional. Mecanisme de colaborare în Guvern şi Parlament în domeniul afacerilor europene. Studiu comparativ în statele memebre UE, p. 156, [Online], available at: www.ier.ro, accessed on [25.01.2015]

131 http://www.indexromania.ro/2011/08/05/declaratii-de-presa-sustinute-de-presedintele-autoritatii-pentru-coordonarea-instrumentelor-structurale-catalin-vatafu/, accessed on [23.01.2015]

Table no. 10: The national coordinator for the management of Structural Funds in Romania 2007–2013. Institutional changes

Nr. Crt.	Authority for Coordination of Structural Funds	Period of time	Legal framework	Comments	Government
1	Ministry of Economy and Public Finances (MEPF)	May 2008 – January 2009	– Government Decision 457/2008	– becomes the Authority for Coordination of Structural Funds, Management Authority for OP Increase of Economic Competitiveness and OP Technical Assistance	Călin Popescu-Tăriceanu
2	Ministry of Public Finances (MPF)	January 2009 – September 2011	– Government Decision 34/2009 regarding the functioning of the Ministry of Public Finances (art. 2, alin. 2, lit. j-n) – EGD 64/2009 regarding the financial management of structural instruments and their use for convergence objective, approved with changes by Law 362/2009	– MPF retains the task of financial administration of pre-accession funds PHARE, ISPA and SAPARD – continues to be national coordinating authority for Structural Funds – continues to be managing authority for OP Technical Assistance – Looses the status of managing authority for OP Increase of Economic Competitiveness which moves to the Ministry of Economy (GD 1634/2009) – MPF is responsible for the financial management of the structural funds and of the whole national public contribution	Emil Boc
3	Department without legal personality under the Prime Minister Office	March 2011 – September 2011	Prime Minister's Decision no. 56/2001 regarding approval of the organization and functioning regulation of the Authority for Coordination of Structural Funds	– ACSF has been transferred from the authority of the Ministry of Public Finances under the coordination of the Prime-Minister's office, being led by a counsellor, as chief of department with state secretary level position	Emil Boc

Nr. Crt.	Authority for Coordination of Structural Funds	Period of time	Legal framework	Comments	Government
4	Ministry of European Affairs (MEA)	September 2011 – December 2012	GD 967/29.09.2011 Regarding organization and functioning of the Ministry of European Affairs	– MEA becomes ACSF and managing authority for Technical Assistance Programme	Emil Boc Mihai Răzvan Ungureanu
5	Ministry of European Funds (MEF)	December 2012 – present	GEO no. 96/2012 regarding establishment of measures for the reorganisation of central public administrationart. 11 GD 43/2013 GD 226/2014 GEO 85/2014	– MEA is reorganised under the name of Ministry of European Funds (MEF) – MEF is coordinating the structures of managing authorities and intermediate body, except for agriculture and rural fisheries – MEF is MA for OP TA; since March 2014 for SOP HRD, SOP IEC; since December 2014 for OP Transport and Environment	Victor-Viorel Ponta

Source: author's, based on public information available on www.fonduri-ue.ro, www.gov.ro, www.mfinante.ro

During 2012-2013, the newly created ministry performed a relatively efficient collaboration with other institutions of the national administrative system, enjoyed personal involvement of the minister, did not encounter internal difficulties in solving highly technical sectoral problems, and communicated efficiently and rapidly with the external network of the ministry in Bruxelles and with the internal and external diplomatic environment. The institution's weak points consisted in low budgetary and logistic capacity, institutional overlap with the Ministry of Foreign Affairs, insufficient personnel, inefficient communication with mass media and social partners[132].

The activity of the ministry focused primarily in the period 2011–2012 on the implementation of the measures established in the Plan of priority measures[133], as well as on the troubleshooting of problems identified by the auditors of the EC in the field of public procurement, simplification and speeding up of procedures regarding verifying and reimbursement of payments made by beneficiaries, improvement of their accuracy and correctness, and insurance of a high level of transparency in using the funds. Since the creation of the Ministry of European Affairs, the Inter-ministerial group for the monitoring of the absorption of European funds has been coordinated by the minister of European affairs.

In the period October–December 2011, The Ministry of European Affairs focused on solving the problem of the suspension of reimbursement payments to the European Commission. The ministry provided proofs to the EC that the problems identified in the field of public procurements have been solved, therefore, in December 2011, the EC announced that the reimbursement of payments will restart, firstly for the Regional Operational Programme, and then for all other operational programmes, under the condition of applying preventive financial corrections and taking of measures for the improvement of the management of funds. The EC planned another audit in the second semester of 2012, based on which it was supposed to take a further decision regarding continuation of reimbursements or their suspension.

On January 2012, by Government Decision no. 240/2012[134], it is approved the Romanian Government and the World Bank Memorandum of understanding regarding the partnership and support for implementation of Structural Funds in Romania and modernizing of the public administration. The memorandum contained support under the form of specific expertise from the experts of the World Bank in several key fields indentified as of urgent need, such as environment, transport, regional development, policy for poor regions, climate change, public reform administration, including the relationships between central and local administration, coordination of actions at central level, development of human resources. Requiring such help and expertise at government level is an

132 Institutul European din România, (2013) Studii de Strategii şi Politici (SPOS) 2012, Studiul nr. 2, Coordonarea afacerilor europene la nivel naţional. Mecanisme de colaborare în Guvern şi Parlament în domeniul afacerilor europene. Studiu comparativ în statele memebre UE, p. 158, [Online], available at: www.ier.ro, accessed on [23.01.2015]

133 Guvernul României, (2013), Raportul strategic naţional 2012 privind implementarea fondurilor structurale şi de coeziune, [Online], available at: fonduri-ue.ro, accessed on [23.01.2015]

134 Guvernul României, (2012), Hotărârea de Guvern nr. 240 din 27 martie 2012 pentru aprobarea Memorandumului de înţelegere dintre Guvernul României şi Banca Mondială privind parteneriatul şi sprijinul pentru implementarea fondurilor structurale şi de coeziune ale UE în România şi modernizarea administraţiei publice, semnat la Bucureşti la 26 ianuarie 2012

acknowledgement of the structural problems that the public administration was facing in ensuring institutional coordination and management of funds.

The consultancy and support services offered by the World Bank through this memorandum were financed by Structural Funds and cohesion used by Romania, as eligible expenses under the Operational Programme Technical Assistance and Operational Programme Development of Administrative Capacities. The minister of European affairs was delegated to coordinate the support offered by the World Bank during the coordination meetings which were taking place every 6 months. The validity of the memorandum was similar with the period of use by Romania of the Structural Funds and it expires on the 31st of December 2015.

A similar memorandum, approved by Government Decision 239/2012, was signed with the European Investment Bank.[135] The European Investment Bank was offering support for implementation of projects to the final beneficiaries and to the management authorities, in the following fields: improvement of administrative procedures for project implementation and direct consultancy to the teams of key-projects and to the most important departments that manage such projects; support for consolidation of professional training of local exports for implementing key-projects; support for monitoring of co-financed projects; methodological support for drawing up of guides of application and any other needed supplementary support.

Following elections in November 2012 in Romania, a new Government is formed by the majoritarian coalition of liberals and social-democrats and the leader of Social-Democrat Party, Victor-Viorel Ponta becomes Prime-Minister. After forming the new Government, the Ministry of European Affairs becomes the Ministry of European Funds. The minister of European funds becomes Eugen Orlando Teodorovici.

Established in 2012 through Government Emergency Ordinance no. 96/2012, Ministry's of European Funds attributions are detailed in the Government Decision no. 43/2013[136] , out of which the most important are:

- National coordinating institution for Structural Funds in Romania
- Managing authority for several operational programmes: OP Technical Assistance, OP Development of Human Resources, OP Increase of Economic Competitiveness and since 2014, OP Transport and OP Environment
- Managing authority for pre-assistance programme ISPA
- Cooperation activities with the Authority for Certification and Payment within the Ministry of Public Finances and with the Audit Authority within the Court of Auditors of Romania
- Cooperation activities with institutions responsible for public procurement and it is functioning according to Government Decision no. 43/2013[137] which confers it the following functions:

135 Guvernul României, (2012), Hotărârea de Guvern nr. 239 din 27 martie 2012 pentru aprobarea Memorandumului de înțelegere privind sprijinul pentru implementarea proiectelor în vederea absorbției fondurilor structurale și de coeziune ale Uniunii Europene în România dintre Guvernul României și Banca Europeană de Investiții, semnat la București la 26 ianuarie 2012

136 Guvernul României, (2013), Hotărârea de Guvern nr. 43/2013 din 13 februarie 2013 priving organizarea și funcționarea Ministerului Fondurilor Europene (actualizată până la data de 31 martie 2014)

137 *ibidem*

- National coordinating institution for Structural Funds in Romania
- Managing authority for several operational programmes: OP Technical Assistance, OP Development of Human Resources, OP Increase of Economic Competitiveness and since 2014, OP Transport and OP Environment
- Managing authority for pre-assistance programme ISPA
- Cooperation activities with the Authority for Certification and Payment within the Ministry of Public Finances and with the Audit Authority within the Court of Auditors of Romania
- Cooperation activities with institutions responsible for public procurement

Continuing the implementation of measures to increase absorption of Structural Funds in Romania, the newly formed Ministry of European Funds signs in December 2012 a third memorandum with the European Bank for Reconstruction and Development (EBRD)[138]. The EBRD was offering technical assistance for implementing specific projects identified by the Government as priority: sectorial strategies and sectorial investments programmes; preparing and implementation of projects financed from the 2007–2013 financial allocations; building and strengthening of institutional capacity. Additionally, support was provided in other three specific fields: energetic efficiency; development of municipal services and projects; private and commercial exploitation of infrastructure.

The coordination of structural funds moves therefore to the Ministry of European Funds while implementation of Operational Programmes remains for the moment at each management authority. Nevertheless, starting with 1st of March 2014, Ministry of European Funds takes over by Government Emergency Ordinance[139] the activity and structures of two managing authorities, namely OP Increase of Economic Competitiveness from the Ministry of Economy and OP Development of Human Resources from the Ministry of Labour, Family, Elderly and Social Protection. The measure was considered necessary in the context of the deficiencies observed in the management of the two funds and their suspension following controls from the EC in 2012, and required a constant and sustained control of the Ministry of European Funds in order to avoid any further inefficient and non-performing practices and disengagement of funds.

Therefore, by 2014, the institutional structure for Structural Funds coordination and management stabilizes, and the Ministry of European Funds is functioning as the central institution in coordinating the management of funds and equally taking the responsibility of managing authority for 3 operational programmes. As it will be analyzed below, the Ministry of European Funds, by a series of important legal initiatives and management measures, has succeeded in 2 years to increase the absorption capacity of Structural Funds in Romania from 8.53% in May 2012 to 51.81% in December 2014, according to the 2014 ministry's annual report of activity.[140]

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138 Guvernul României, (2013), Hotărârea de Guvern nr. 181/2013 pentru aprobarea Acordului dintre Guvernul României şi Banca Europeană pentru Reconstrucţie şi Dezvoltare privind asistenţa pentru implementarea proiectelor finanţate prin intermediul instrumentelor structurale ale UE, semnat la Bucureşti la 21 noiembrie 2012

139 Guvernul României, (2014), Ordonanţa de Urgenţă nr. 9/2014 pentru aprobarea unor măsuri de imbunătăţire a sistemului de management a instrumentelor structurale

140 http://www.fonduri-ue.ro/comunicare/stiri/2838-prezentarea-bilantului-ministerului-fondurilor-europene, accessed on [25.01.2015]

The Government Emergency Ordinance no. 9/2014 was been approved by Parliament with modifications through Law 133/2014 and legislated that starting with 1st of March 2014 the Ministry of European Funds will become managing authority for the period 2014-2020 for the following Operational Programmes: Large infrastructure; Competitiveness; Human capital; Technical assistance; Support for helpless people, that represents 5 operational programmes out of a total of 8. Ministry of European Funds remains the national coordination institution and the most important managing authority for the period 2014–2020. Other managing authorities are: Ministry of Regional Development and Public Administration – for Operational Programme Regional Development and Operational Programme Administrative Capacity and Ministry of Agriculture and Rural Development – for the National Rural Development Programme 2014–2020. The configuration of the coordinating institution and of the managing authorities tends to settles down for the period 2014-2020 and hopefully there will be no further drastic institutional changes as they might strongly affect the results achieved since 2011–2012.

As previously analyzed, due to low absorption rates but also due to irregularities found in the management of Structural Funds in Romania, the Romanian Government has committed through the Governance programme 2013–2016[141] to address these problems by creating the Ministry of European funds which, in the vision of the Governance Programme, would become a single Managing Authority, for the purpose to ensure a simple, coherent, unitary and performing management system. Since its creation in 2012, the Ministry of European Funds has strengthened its coordinating function and has accumulated through Government decisions the managing authority role for other several Operational Programmes. The most recent Government decision was adopted in December 2014, when the Ministry of European Funds became Managing Authority for OP Transport and OP Environment. This step can be appreciated as a normal one, marking the transition to the new financial framework, since the Ministry of European Funds will be Managing Authority for OP Large Infrastructure 2014–2020 **(Table no. 11)**, which refers to large projects of transport and environment infrastructure. Most of these projects are in implementation phase but there is a low probability that money will be spent by the end of 2015, therefore these is a high need that these projects will be successfully transferred to the new financial framework in a smooth way. Additionally, this decision had to be taken before the OP Large Infrastructure 2014–2020 is approved with the European Commission in order to ensure the necessary transitional measures, such as taking over of the personnel and business portfolio of the former Managing Authorities.

Basically, the Ministry of European Funds has taken over the managing authority role from those ministries which were handling the operational programmes with the lowest absorption rates (below 50%) and the highest number of bottlenecks at project implementation level. For the Operational Programmes that were performing better, having considerable and constant higher absorption rates, such as Regional Operational

141 Guvernul României, (2013) Programul de guvernare 2013-2016, [Online], available at: http://gov.ro/ro/obiective/programul-de-guvernare-2013-2016, accesed on [21.01.2015]

Table no. 11: The ESIF 2014–2020 envisaged configuration of Operational Programmes, Managing Authorities and Intermediate Bodies

Nr. Crt.	Operational Programme	Managing authority	Intermediate bodies
1	Regional Operational Programme	Ministry of Regional Development and Public Administration	8 Regional Development Agencies
2	OP Administrative Capacity		n.a.
3	OP Large Infrastructure	Ministry of European Funds	Ministry of Transport Ministry of Environment
			8 Regional Intermediate Bodies (IB)
4	OP Human Capital		8 Regional Intermediate Bodies IB Ministry of Education, Research, Youth and Sports IB National Centre for Development of Professional and Technical Education IB National Agency for Employment
5	OP Competitiveness		IB for SMEs – Ministry of Economy, Commerce and Business Environment IB for Research – National Authority for Scientific Research IB Promotion of Information Society – Ministry of Communications and Information Society IB for Energy – Ministry of Economy, Commerce and Business Environment 8 Regional Development Agencies
6	OP Support for Helpless People		n.a
7	OP Technical Assistance		n.a.
8	National Programme for Rural Development	Ministry of Agriculture	Payment Agency for Rural Development and Fisheries Payment and Intervention Agency for Agriculture
9	OP for Fisheries and Maritime Affairs		

Source: www.fonduri-ue.ro

Programme (55.13% absorption rate as on the 31st of December 2014[142]) and Operational Programme Development of Administrative Capacity (72.02% absorption rate as on the 31st of December 2014), the managing authority role remained at the level of the Ministry of Regional Development and Public Administration. The same ministry will be managing authority for the same Operational Programmes in the 2014–2020 financial framework (Regional Operational Programme and Administrative Capacity Operational Programme).

Therefore, looking ahead to the institutional framework configuration for the management of Structural Funds in Romania for the period 2014–2020, 2014 can be considered as a year of consolidation and stabilisation of the institutional framework for the management of structural funds in Romania. Keeping in mind that in 2016 there will be Parliament elections in Romania, hopefully no other institutional changes at the level of the national coordinating authority and managing authorities for structural funds will appear. At the moment of this evaluation (2015), it can be appreciated that the institutional framework for the management of structural funds in Romania is finally stable and the roles and attributions if institutions are clearly defined in the legislation.

The process of institutional adaptation and set-up for the management of structural instruments in Romania was rather long and painful but it was been finally found a formula of dealing with the whole complex of European affairs. It is worth mentioning that in parallel with the stabilization of the institutional structures responsible for the management of structural funds and increase of the absorption rates, there have been taken measures to separate the European affairs from the management of structural funds and to integrate them into the activity of the Ministry of Foreign Affairs.

The legislation regarding distribution of roles and attributions of managing authorities and intermediate bodies is rather clear. The framework law has been adopted in 2008 (Government Decision 457/2008 regarding institutional framework for the coordination and managing of the Structural Instruments in Romania) and has suffered subsequent modifications in 2011 and 2013. The Romanian legislation uses the same terminology as the European legislation to nominate the institutions responsible for the main roles in the implementation system of structural funds, namely managing authorities, intermediate bodies, certifying and payment authority and audit authority.

Each ministry having the responsibility of managing authority or intermediate body is functioning on the basis of a Government Decision which contains details about its structure and organization, including its role as managing authority. Additionally, each ministry has approved an internal Regulation for operation and organization which details its attributions as managing authority or intermediate body.

The role of intermediate bodies for Regional Operation Programme and Operational Programme Increase of Economic Competitiveness of Regional Development Agencies is allocated in line with the framework law regarding institutional set-up, Government Decision 457/2008, with Law 315/2004 regarding regional development in Romania and with inter-institutional agreements regarding delegation of functions regarding implementa-

142 Guvernul Romaniei, (2014), Ministerul Fondurtilor Europene, Stadiul absorbţiei Fondurilor Structurale şi de Coeziune pe fiecare Program Operaţional 31 decembrie 2014, [Online], available at http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/rezultate/std_abs/Raportare_PO_31.decembrie.2014.pdf, accessed on [21.01.2015]

tion of Operational Programmes. Additionally, their roles are detailed within own internal regulation for operation and organization.

During the 2007–2013 programming period, there have been a series of institutional overlaps due to political indecisions and lack of a long-term perspective on the institutional design, different interpretation of legislation by Managing Authorities and Intermediate Bodies regarding own attributions and to the low authority of the Authority for Coordination of Structural Funds in ensuring active measures of coordination and in providing consequent decisions over inter-institutional clashes.

An obvious institutional overlap in the field of coordination of European affairs, due to political indecision and lack of a long-term perspective on the institutional design, existed in Romania since its accession in 2007 until late 2012. This overlap referred to the coordination of the whole complex of European affairs which turned in the period November 2011 – December 2012 into an inter-institutional conflict between the Ministry of European Affairs and the Ministry of External Affairs[143]. If by the accession of Romania to the EU there was the Ministry of European Integration (MEI) responsible for managing all affairs with the EU, after 2007, following dissolution of the MEI, the coordination of European affairs moved under the direct coordination of Prime Minister's Office, while responsibilities for the management of Structural Funds were divided among different ministries as management authorities.

With the setting up of the Ministry of European Affairs in November 2011, there was an attempt to revive the former Ministry of European Integration. European affairs moved from the Prime Minister's Office under the coordination of the Ministry of European Affairs, while within the Ministry of External Affairs there was already a Department for the EU managed by a state secretary.

Nevertheless, by signing an inter-institutional agreement on 14th of November 2011, the two institutions delimit more clearly their attributions and collaborate in the management of European affairs, in such fields as: coordinating national positions within European institutions; analysis and approval of Romania's positions within the Council of Ministers; monitoring and approval of line ministries' positions within the meetings of the Council of Ministers; follow-up of the respect of Romania's obligations according to the Accession Treaty.

Finally, in 2012, with the setting up of the Ministry of European Funds, all problematic related to the coordination of European affairs remains the whole responsibility of the Ministry of External Affairs, while Ministry's of European Funds attributions concentrate exclusively on the coordination and management of the financial assistance through Structural Instruments.

According to the authors of the study on the coordination of European affairs at national level issued in 2013 by the European Institute from Romania[144], the decision to move the complex of European affairs to the Ministry of Foreign Affairs was a salutary decision, based on the need to unitary manage the country's external policy, by a coordinated approach from the perspective of bilateral relations of Romania with Member States of the

143 Institutul European din România, (2013) Studii de Strategii şi Politici (SPOS) 2012, Studiul nr. 2, Coordonarea afacerilor europene la nivel naţional. Mecanisme de colaborare în Guvern şi Parlament în domeniul afacerilor europene. Studiu comparativ în statele memebre UE, p. 143

144 *Ibidem*, p. 158

EU as well as from the perspective of the external policy of the EU. Romania prepares for holding the presidency of the EU in 2019; therefore it is highly necessary by that time to improve and consolidate the administrative capacity and to create a unitary and coherent framework for the formulation and promotion of Romania's political positions at EU level.

The areas of activity sensitive to institutional overlaps in the period 2007-2013 and the institutions involved are presented below **(Table no. 12)**.

Table no. 12: Institutional overlaps 2007–2013

Domain	Institutions	Measures to address the institutional overlap risk
Representation of Romania's interests in the relationship with the European Commission	Department of European Affairs under Prime-Minister's Office (2007–2011) Ministry of European Affairs (2011–2012) Ministry of Foreign Affairs Ministry of European Funds (since 2012)	– Protocol of collaboration between MEA and MFA in 2011 – Clear delimitation of attributions regarding the functioning of the MEF through GD
Programming	ACSF Ministries	National Coordination Committee
Management of Operational Programmes	ACSF Managing authorities Intermediate bodies	– Management coordination committees (e.g. Coordination Committee for Technical Assistance) – Communication and mutual information mechanisms
Application and interpretation of legislation/ guide of applicants Projects' irregularities	Managing authorities Intermediate bodies	– Modifications of laws – Corrigendum to Guide of Applicants – Better delegation of functions towards intermediate bodies
Public Communication on Structural Funds	Ministry of European Funds Managing Authorities Intermediate bodies	– a national integrated communication strategy with clear implementing responsibilities – Working Group for Communication

Source: www.evaluare-structurale.ro

Another example of institutional overlap has been signalled in 2010 by the Final Report – A formative Evaluation of Structural Instruments in Romania[145]. The evaluators pointed out that the reason for institutional overlap, both at national and regional level,

145 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), Final Report – A Formative Evaluation of Structural Instruments in Romania, [Online], available at: www.evaluare-structurale.ro, accessed on [22.01.2015]

was the insufficient coordination and collaboration between the Romanian institutions but also due to the highly complex legal and regulatory framework that in most of the times was more excessive than EU regulations. It has been noticed that checks of the reimbursement claims were carried out both at the level of Managing Authorities and Intermediate Bodies. This institutional overlap was due to overlap of attributions foreseen in the legal provisions regulating the functioning of the Management Authorities and Intermediate Bodies, namely the Regulation for organization and functioning of the MA for OP Human Resources Development[146] and for example, the Agreement for Delegation of Functions between MA OP Human Resources Development and IB for OP Human Resources Development South-East Region[147], according to which both MA and IB had attributions to perform checks to beneficiaries. Evaluators appreciated that 'this duplication of checks is time-consuming and generates bottlenecks in processing the reimbursement claims'.[148] A solution to avoid the overlap of attributions, and consequently of institutions, was to state in much clearer terms the delegation of functions from the Managing Authorities towards Intermediate Bodies.

Another example of duplication was the use of an alternative information system for introducing information in the electronic database, namely the Action Web, electronic system developed at the level of OP Human Resources Development which was not correlated with the national system for the integrated management of information – SMIS and practically the same information had to be introduced manually, twice in each system.[149]

Other potential overlaps were smoothly eliminated by modifying and improving legislation or by applying a set of management decisions and measures for increasing coordination and communication among institutions. For example, in order to avoid overlaps of communication activities regarding Structural Instruments between the National Strategic Reference Framework and Operational Programmes, it has been created the Communicators' Forum, which included all the communication staff from the institutions involved in the management and implementation of the Structural Instruments (especially the MAs and IBs). During the meetings of the Working Group the communicators from MA were provided with the opportunity to present their achievements in terms of information and publicity activities, exchange examples of good practice and continuously monitor the information and publicity activities implemented at horizontal or Operational Programme level. Therefore, no overlaps between the Operational Programme Technical Assistance

146 Guvernul României, Ministerul Muncii, Familiei și Protecției Sociale, (2010), Regulament de organizare și funcționare, Direcția Generală Autoritatea de Management pentru Programul Operațional Sectorial Dezvoltarea Resurselor Umane, [Online], available at: http://www.fonduri-ue.ro/posdru/images/downdocs/rof_sept_2010.pdf, , accessed on [22.01.2015]

147 Ministerul Muncii, Familiei și Protecției Sociale, Autoritatea de Management pentru PO DRU, (2008), Acord de delegare de funcții privind implementarea POS DRU încheiat între Autoritatea de Management pentru Programul Operațional Sectorial Dezvoltarea Resurselor Umane și Organismul Intermediar Regional pentru POS DRU Regiunea Sud-Est, 2008, [Online], available at: http://www.fsesudest.ro/Acord_delegare_functii_OIR_Sud-Est.pdf, accessed on [22.01.2015]

148 *Ibidem*, p. 64

149 Ministry of Labor, Family and Social Protection, Managing Authority for Sectoral Operational Programme Human Resources Development, 2011, Final Report, Evaluation Report, Interim Evaluation of SOP HRD, [Online], available at: www.evaluare-structurale.ro, accessed on [22.01.2015]

information and publicity activities and the communication interventions at Operational Programme level were recorded so far.[150]

A salutary measure to avoid overlap in the management of Operational Programme was the creation of the Coordination Committee for Technical Assistance (CCTA) whose establishment was needed in order to coordinate the technical assistance measures across Operational Programmes and with the Operational Programme Technical Assistance. The interim evaluation report for Operational Programme Technical Assistance recorded some measures, such as: *OP Transport was discouraged to fund its own ICT system, which would have contradicted the horizontal logic of SMIS, supported through PA 2 from OPTA; several OP level ToRs for planned TA contracts were amended or cancelled, in order not to overlap with OPTA interventions through KAI 1.1*[151]

Presently, the Ministry of European Funds is responsible for the coordination of the entire system of implementation of Structural Funds **(Table no. 13)**, in its quality as Authority for Coordination of Structural Funds. Additionally, other coordinating structures have been created through laws.

Table no. 13: Coordination structures 2007–2013

Structure	Legislation	Details	Comments
Authority for Coordination of Structural Funds (ACSF)	GD 457/2008	Organized within the Ministry of European Funds, since 2012	
National Coordination Committee (CNC)	GD 457/2008	Members: minister of ACSF, ministers of ministries within which are organized the managing authorities, minister of the ministry within which it is organized Authority for Certification and Payments – president of CNC: prime-minister – takes strategic decisions – CNC meets quarterly	There is no public information available regarding its meetings and decisions

150 Ministry of Public Finances, Authority for Coordination of Structur al Instruments, (2010), Final Report – A Formative Evaluation of Structural Instruments in Romania, [Online], available at: www.evaluare-structurale.ro, accessed on [22.01.2015]

151 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), Operational Programme Technical Assistance Interim Evaluation, [Online], available at: www.evaluare-structurale.ro, accessed on [22.01.2015]

Structure	Legislation	Details	Comments
Management Coordination Committee (CMC)	GD 457/2008	Members of ministries within which managing authorities are organized, members of the ministry within which it is organized Authority for Certification and Payments – takes technical, procedural or institutional measures – meets monthly	There is no public information available regarding its meetings and decisions
Coordination Committee for Technical Assistance (CC TA)	Regulation for organization and functioning of CC TA	Established in 2008 Coordinates measures in OP TA and TA axis from other OPs	Last information available about its meetings dates back from 2012
Regional Strategic Evaluation and Correlation Committee (CRESC)	GD 457/2008 and GD 764/2007 Regulations for organization and functioning of CRESC adopted at regional level	Members: representatives of local public administration and economic and social partners – Meets quarterly	On the websites of some RDAs information is available regarding membership and decisions In some case, information is rather old
Monitoring Committees of each OP (MC)	GD 457/2008	Members: ministries, agencies and economic and social partners Meets twice per year	Old information available (e.g. MC for OP TA available information for the last meeting which was held in 2012)

Source: www.fonduri-ue.ro, www.evaluare-structurale.ro

There is no integrated information about the meetings and decisions of the abovementioned structures responsible for coordination and management. Some information is not public, e.g. meetings and decisions of the National Coordination Committee and Management Coordination Committee. Meetings and decision of some Monitoring Committees are public, quite recent, while others are old and some unavailable. Similarly, meetings and decisions of some Regional Strategic Evaluation and Correlation Committees are available, and in some cases, even if available, information is old, therefore, it is difficult to evaluate their performance. For the purpose of transparency, it is recommend that this information would be made public and updated permanently.

In order to function properly, the institutions responsible for coordination, management and implementation of Structural Funds have to be properly financed. The state budget is the main source of financing the SF management and implementation system, through the ministries' budgets to which Managing Authorities and Intermediate Bodies belong to. Analyzing the budgets of the Ministry of European Funds and Ministry of Regional Development and Public Administration (MRDPA) as the main Managing Authorities in Romania for Structural Funds as on 2014, one can easily notice that the expenditures related to the functioning of MAs and IBs are not shown up as separate lines in the budgets of these ministries. Therefore, it is difficult to identify if the responsible departments are properly ensured financing and if their financing needs are higher than those of other departments.

The financing aspect has been critical in Romania especially after the emergence of the economical crisis in 2009. Most of the public institutions have seen their budgets drastically reduced and marked additionally by a reduction with 25% of their personnel. If before the crisis, civil servants enjoyed a salary top-up of up to 75% of their basic salary, starting with 2009 the incentive scheme was unevenly applied among MAs and IBs, due to legislative inadequacies and with a delay of several months. The top-ups were eventually financed through dedicated projects drawn up through the Operational Programme Technical Assistance. Even in these conditions, following overall decrease of salaries in the public sector, which affected equally the personnel working with Structural Funds, it was recorded in the next two years a high flow of staff, which flew basically to the private sector, such as towards consultancy companies, where salaries were by far more competitive. This reflects the scarcity of budgets which were underfinanced and unable to sustain competitive salaries to experts.

In other countries, the situation looks opposite. For example, stability of staff involved in the management of structural funds has been appreciated as very important by the Minister of Regional Development of Poland, Elzbieta Bienkowska, in an interview offered to the Romanian newspaper Adevarul.[152] She mentioned that within the Polish Ministry of Regional Development, the staff used to change every six months, as a result it has been taken the decision to increase the salaries of civil servants at a competitive level with the one on the private market to keep the jobs attractive for experts and to prevent the flow of personnel to the private sector.

Regarding the budgetary situation of regional Intermediate Bodies, the picture looks different than the one of the Managing Authorities or Intermediate Bodies functioning within the ministries.

On one side, there is the specific situation of the regional Intermediate Bodiess for the Operational Programme Human Resources Development. The regional IBs are having separate budgets from that of the ministry that they belong to, respectively the Ministry of Labour, Family and Social Protection, but the execution of the budget is conditioned by the approval of the MA, according to the Framework – Regulation for the Functioning of the Intermediate Body for the Operational Programme Human Resources Devel-

152 http://adevarul.ro/news/societate/elzbieta-bienkowska-ministrul-polonez-dezvoltarii-regionale-cheltuit-polonia-banii-ue-1_50ad5fae7c42d5a66393eef8/index.html, accessed on [22.01.2015]

opment.[153] Therefore, financing of IBs can be differentiated according to the size of the region they deserve and to their personnel structure, which might create inequalities in financing.

On another side, the 8 Regional Development Agencies (RDAs) from Romania, as Intermediate Bodies for the Regional Operational Programme, have been created with the status of NGOs of public utility. Their budgets are formed by contributions of counties that are part of the development region, calculated on the basis of the number of inhabitants or by equal distribution of expenses among member counties, revenues from the Technical Assistance Axis of Regional Operational Programme and from Operational Programme Technical Assistance, as well as from regional projects. The Regional Development Agencies can have supplementary financial resources by providing paid services, such as counselling and training.[154] Financially, RDAs are dependent basically on the county councils that in some cases fail to pay the due amounts, fact that creates uncertainty for these organizations. For example, the County Council Constanta failed to pay for 3 consecutive years its contribution to the functioning of the RDA South–East.[155] Additionally, revenues from the Technical Assistance axis and Operational Programme Technical Assistance are dependent on the submission and approval of projects and reimbursements for these projects are likely to be received only several months later. Therefore, at the level of RDAs can appear differences at operational level (for example, number of employees and value of salaries), but also in terms of performance, calculated in number of projects submitted and financed by eligible beneficiaries and value of applications. Due to financing problems, most of RDAs are not functioning at full staff capacity.

A serious financial problem that affected Romania during the 2007–2013 period that worsened since 2009 when the economic crisis appeared, was the difficulty of the Government to ensure the proper national co-financing of the Operational Programmes. Such measures like: declaring non-eligibility of pre-financing for certain OPs or for certain beneficiaries (e.g. private) or low rates of pre-financing (up to 10% of project value); late reimbursements to beneficiaries (more than 45 days) had serious negative impacts leading to the blocking of projects and consequently of programmes.

In an interview offered by the minister of European Funds in 2014[156], he mentioned that since 2012 there aren't any financial problems anymore with regards to financing of ministries functioning as managing authorities. The solution was to temporary allocate amounts of money from the national Treasury, namely revenues from privatization, to ensure the necessary amounts of money at the disposal of managing authorities to make reimbursement payments to beneficiaries until expenses are certified, approved and paid

153 Ministerul Muncii, Familie și Protecției Sociale, (2010), Regulamentul-Cadru de organizare și funcționare a Organismului Intermediar pentru POS DRU, [Online], available at: http://www.fsesudest.ro/ROF_OIR_POSDRU_SE.pdf, accessed on [22.01.2015]

154 Consiliul pentru Dezvoltare Regională, Regiunea de Dezvoltare Centru, (2012), Hotărâre privind aprobarea bugetului multianual pentru de venituri și cheltuieli ADR Centru pentru anii 2012-2014, [Online], available at: http://www.adrcentru.ro/Document_Files/CDRHotarari/00001205/559tc_Hot.%2023%20si%20Anexa%20-%20Buget.pdf, accessed on [22.01.2015]

155 Regional Development Agency South-East, (2014), Address no. 872/DF/17.02.2014, [Online], available at: http://www.cjc.ro/Hotarari/2014/90.pdf, accessed on [22.01.2015]

156 http://www.tvrplus.ro//editie-in-linia-intai-226884, accessed on [22.01.2015]

by the European Commission. According to the 2013 report of the Ministry of European Funds[157], in the period March-December 2013, there have been adopted a number of 11 Government decisions which allocated around 2 billion Euros for payments to beneficiaries. The same mechanism continued to function in 2014 and 2015, the most recent decision in this respect being taken on the on the 14th of January 2015, the total financial allocation reaching 3.4 billion Euros, according to Ministry of European Funds press release[158]. Minister of European funds appreciated that this continuous financial support approved by the Government helped considerably to increase the absorption rate of funds in Romania in the last two years.

The disadvantages of this system are that for each supplementary budgetary allocation, there is a need to pass a Government Decision to allocate money for each Operational Programme, which is bureaucratic and time consuming. Transfers of financial resources from the Treasury are made now in three different accounts, to each Managing Authority. The minister suggested the creation of a single account under the responsibility of the Ministry of European Funds, where money from the European Commission would arrive and from which it would be debited further towards Managing Authorities.

Advancing funds from the national budget towards applicants on such a system has been made in Poland. According to the declaration of the Polish Minister of Regional Development[159], around 7 billion Euros have been paid in advance from the state budget as pre-financing, out of which 800 million Euros were directed towards private companies. Advanced payments have been made in several instalments, in the beginning 20%, after which, the beneficiary had to demonstrate the level of achievement of his project in order to be allocated further pre-financings. In such way, blocking of projects has been avoided.

Another suggestion mentioned by the minister of European funds was the creation of a Bank of Development or granting to a state bank the role of a bank of development, whose main purpose would be to be used as an instrument for running the European funds, by managing all financial aspects in the relationship with beneficiaries of funds, on a similar model implemented currently in France and Poland. There are discussions now with the two Romanian state banks, CEC and EXIMBANK to develop this system, as mentioned by the minister of public finances in an interview.[160] The bank of development would offer credits with state guarantees of 80 up to 100%, to all beneficiaries, public authorities, private companies and even individuals who propose concrete projects. The scope is to co-finance not only eligible but also non-eligible expenses with a comfortable interest rate for beneficiaries. The mechanism to be implemented is one of guaranteeing the credits from a fund of guarantees to which any European investment bank would be

157 Ministerul Fondurilor Europene, (2014), Raport de activitate pentru anul 2013, [Online], available at: www.fonduri-eu.ro, accessed on [25.01.2015]

158 http://www.fonduri-ue.ro/comunicare/stiri/2841-un-nou-imprumut-pentru-plata-beneficiarilor-de-fonduri-europene, accessed on [25.01.2015]

159 adevarul.ro/news/societate/elzbieta-bienkowska-ministrul-polonez-dezvoltarii-regionale-cheltuit-polonia-banii-ue-1_50ad5fae7c42d5a66393eef8/index.html, accessed on [14.03.2015]

160 http://www.dcnews.ro/cec-bank-sau-eximbank-banca-de-dezvoltare-a-statului-darius-valcov-credite-cu-garan-ia-statului-i-dobanda-foarte-mica_465513.html, accessed on [14.03.2015]

able to participate. The existence of such a bank, in minister's opinion, would solve the problem of co-financing for both the state and the beneficiaries.

The institutional design

The Ministry of European Funds is organized on a vertical structure, having on top its leader – the minister who is helped in his activity by three state secretaries nominated by the Prime-Minister and a secretary general, high level civil servant who is nominated according to the law, by open competition. The ministry's structure is rather multifaceted and reflects its complex tasks in the system of implementation of structural funds in Romania, namely, programming, coordination, implementation, monitoring and evaluation (**Table no. 14**). The Ministry's Regulation for Organization and Functioning adopted in 2013 contains a detailed description of the attributions of each department from the ministry's structure.

Ministry of European Funds is an institution at central level and it does not have any regional or local branches. Nevertheless, since the ministry became Management Authority for Operational Programme Human Resources Development and Operational Programme Increase of Economic Competitiveness, all regional intermediate bodies that were delegated attributions in the management of OPs come under the coordinative authority of the Ministry of European Funds. It is not clear enough yet how are the subordination relations towards the Ministry of European Funds, considering that these IBs are not financed by the Ministry of European Funds. The Regional Development Agencies are organised as non-governmental organizations and have own budgets financed from county councils contributions and technical assistance programme and projects, while IBs for Operational Programme Human Resources Development are governmental institutions and belong hierarchically to the Ministry of Labour, Family, Social Protection and Elderly. Therefore, as long as the institutional relationships will not be legally clarified, it cannot be considered that the MEF is organized on a divisional structure, accomplishing its tasks regionally, through regional offices.

The Ministry does not have any special attachés in Brussels within the Romanian Embassy.

Within the Ministry of Regional Development and Public Administration, the Managing Authorities for Regional Operational Programme and Operational Programme Development of Administrative Capacities are organized at the level of distinct departments under a General Directorate for European Programmes. Under the same General Directorate, separate departments manage authorization of programmes, control, payments, monitoring, and irregularities.

In the system of implementation of Structural Funds in Romania, the delegation of attributions is made at two levels: at national level and at regional level (**Table no. 15**).

The delegation of attributions at national level is made towards other ministries and other national agencies functioning under the authority or coordination of other ministries.

Table no. 14: Functions of the Ministry of European Funds in the Implementation Scheme of Structural Funds, 2013–2014

Functions	Department/Division	Attributions
Programming and National Coordination of Operational Programmes	DG Analysis, Programming and Evaluation – Division for Analysis and Programming	– participates in elaborating NSRF 2007–2013 and elaborates the Partnership Agreement 2014–2020
	DG Systems' Coordination and Technical Assistance – Methodology and Procedural Coordination	– develops the administrative capacity to manage SF – develops the systems of implementation of OP – coordinates the development/simplification of procedures – standardizes procedures
	DG Coordination of Implementation of Major Investments	– Coordinates OP Transport and OP Environment
	DG Coordination of Implementation of Human Resources Programmes	– Coordinates SOP DHR and SOP DAC
	DG Coordination of Implementation of Programmes for Business Environment and Investments	– Coordinates ROP and SOP IEC
Implementation	DG Systems' Coordination and Technical Assistance – Strategies' Division	– elaborates the OP TA – Managing Authority for OP TA
	DG Systems' Coordination and Technical Assistance – Division for Implementation (for OP Technical Assistance)	– submits projects – help desk for OP TA – coordinates training of Structural Instruments
	DG Managing Authority for SOP HRD	Since March 2014
	DG Managing Authority for SOP IEC	Since March 2014
	Managing Authority for OP Transport	Since December 2014
	Managing Authority for OP Environment	Since December 2014

Functions	Department/Division	Attributions
Monitoring	DG Analysis, Programming and Evaluation – Division for Analysis and Programming	– verifies ex-ante, ex-post – annual monitoring
	DG Coordination of Implementation of Major Investments	– monitors OP Transport and OP Environment
	DG Coordination of Implementation of Human Resources Programmes	– monitors SOP HRD and SOP DAC
	DG Coordination of Implementation of Programmes for Business Environment and Investments	– monitors ROP and SOP IEC
Evaluation	DG Analysis, Programming and Evaluation – Central Unit for Evaluation (CUE)	- elaborates the National Multiannual Evaluation Plan - coordinates independent evaluations

Source: www.fonduri-ue.ro

Table no. 15: Intermediate bodies at national level

Operational Programme	National Intermediate Bodies	Websites	Regional penetration	Delegating MA
ROP	National Authority for Tourism	http://turism.gov.ro/programe/	12 territorial offices	MA ROP within the Ministry of Regional Development and Public Administration
SOP IEC	MA – Ministry of European Funds, for some axes	http://www.fonduri-ue.ro		MA for SOP IEC within the Ministry of European Funds
	Ministry of Education and Scientific Research – axis 2	http://www.poscce.research.ro/	8 territorial offices	
	Ministry of Information Society – axis 3	http://fonduri.mcsi.ro/	No territorial or regional offices	
	Ministry of Economy, Department for Energy – axis 4	http://oie.minind.ro/	No territorial or regional offices	

Operational Programme	National Intermediate Bodies	Websites	Regional penetration	Delegating MA
SOP HRD	Ministry of Education and Scientific Research	http://www.posdru.edu.ro/index.php/articles/c834	8 regional units within county school inspectorates	MA for SOP IEC within the Ministry of European Funds
	National Centre for Development of Professional and Technical Education	http://cndiptoi.tvet.ro/	12 regional working points	
	National Agency for Employment	http://www.fse.anofm.ro/	43 county agencies for employment	
SOP TA	No national intermediate bodies	http://www.fonduri-ue.ro/poat/		MA for SOP IEC within the Ministry of European Funds
SOP DAC	No national intermediate bodies	http://www.fonduriadministratie.ro/ro/		MA DAC within the Ministry of Regional Development and Public Administration
SOP Transport	No national intermediate bodies	http://www.ampost.ro/		MA for SOP IEC within the Ministry of European Funds
SOP Environment	No national intermediate bodies	http://www.posmediu.ro/home		MA for SOP IEC within the Ministry of European Funds

Source: author's, based on the information provided on the websites mentioned above.

While some OPs have no intermediate bodies at national or regional level, other OPs have intermediate bodies at both levels: national and regional **(Table no. 16)**. According to the principle of deconcentration of central public administration, Ministries have units functioning at county level but their involvement in the implementation of delegated functions at local/regional level is limited to information and publicity activities. Other country offices of Ministries are beneficiaries of Structural Funds, participating as partners in local or regional projects, such as the county agencies for employment.

As Management Authority for Regional Operational Programme, Ministry of Regional Development and Public Administration is collaborating with the 8 regional Intermediate Bodies for Regional Operational Programme – the Regional Development Agencies (RDAs) and the 5 IBs for cross borders programmes – The Regional Offices for cross-border cooperation (ROCBC). The RDAs and ROCBCs are functioning under the status of non-governmental organizations and they have a relationship of cooperation with the Management Authority which is delegating them functions regarding the implementation of the Regional Operational Programme.

It is worth mentioning that in 1998 Romania adopted a law which created 8 development regions that were not conceived as administrative regions and were not overlapping historical regions. All this was done for statistical reasons, respectively the creation of the NUTS II level structures for EU data collection. The regions were created by unifying several proximity counties, as the main administrative units of Romania. The legal status of newly created RDAs at that time was rather innovative for the classic administrative organization of the country and for the cooperation and partnership traditions existing at local and regional level. Nowadays, the RDAs are the oldest structures organized at regional level that have been involved in the management of pre-accession funds and that have gathered over time a strong expertise in the field. The legal framework 'imposed' a certain type of cooperation among these non-governmental organizations, newly created and non-political and the central institutions. While central institutions were delegating them attributions in the management of European funds, the financing of their functioning was foreseen only from regional level, through contributions of county councils. Therefore, there was no traditional authoritarian subordination towards central level, just a functional one.

The RDAs did not take over responsibilities of implementation for all Operational Programmes at regional level. Their attributions were limited until 2011 at the implementation of the Regional Operational Programme and since 2011, received new tasks in the implementation of some of the intervention axis under the Operational Programme Increase of Economic Competitiveness, in order to be close to applicants, mainly small and medium-sized companies. By that time, the Operational Programme Increase of Economic Competitiveness, which had a very low absorption rate, did not have any Intermediate Bodies at regional level.

In 2007, 8 regional Intermediate Bodies for the implementation of Operational Programme Human Resources Development have been created by the reorganization of the Implementation Units for PHARE Programme Economic and Social Cohesion. These units, created in 2003, did not have legal personality and used to function within the county offices of the National Agency for Employment. Even if they were created on the model of RDAs, they were conceived as governmental organizations, being subordinated to the Ministry of Labour, Family, Social Protection and Elderly. In March 2014, Ministry

Table no. 16: Regional Intermediate Bodies

Operational Programme	Regional Intermediate Bodies	Comments	Delegating MA
ROP	8 RDAs	Non-governmental organizations	MA ROP within the Ministry of Regional Development and Public Administration
SOP IEC			MA SOP IEC within the Ministry of European Funds
SOP HRD	8 Regional Intermediate Bodies Minister's Order 141/2007	Public institutions with legal personality under the subordination of the Ministry of Labour, Family, Social Protection and Elderly	MA SOP HRD within the Ministry of Labour, Family, Social Protection and Elderly (until 2014) and Ministry of European Funds (since 2014)
SOP Environment	8 regional Intermediate bodies	Public institutions, without legal personality, under the authority of the Ministry of Environment	MA SOP Environment (since December 2014, under the Ministry of European Funds)
SOP TA	No regional Intermediate bodies		
SOP DAC	No regional intermediate bodies		
SOP Transport	No regional intermediate bodies		

Source: www.fonduri-ue.ro

of European Funds takes over the Management Authority for Operational Programme Human Resources Development but the regional Intermediate Bodies remain under the subordination of the Ministry of Labour, Family, Social Protection and Elderly, which will continue to ensure their financing and logistic.

Regional Intermediate Bodies have been also created for the Operational Programme Environment. The difference was that they don't enjoy legal personality and are subordinated to the Ministry of Environment. In 4 cases out of 8, their head offices are located in different cities than the headquarters of Regional Development Agencies and Intermediate Bodies for Operational Programme Human Resources Development. Since December 2014, Ministry of European Funds became MA for Operational Programme Environment and according to Government Emergency Ordinance 85/2014[161], it will take over the 8 In-

161 Guvernul României, (2014), Ordonanța de urgență a Guvernului nr. 85/2014 pentru aprobarea unor măsuri de eficientizare a sistemului de gestionare a instrumentelor structurale, publicată în MO nr. 940/22.12.2014

termediate Bodies for OP Environment organized at regional level as departments. In the Government Emergency Ordinance it is not stated how the integration of these structures will take place at the level of the MEF but since the Ministry of Environment will itself become Intermediate Body for the 2014–2020, probably the regional offices will either become independent IBs, with legal personality or they will keep their present status under the subordination of the Ministry of Environment.

Considering their specific subordination relations, the 24 regional intermediate bodies were working rather independent from each other in the beginning, since they were delegated functions in the management of different OPs. Regional horizontal inter-institutional cooperation appeared quite soon in the form of regional partnerships and cooperation agreements. Such agreements involving all regional IBs have been initiated and signed starting with 2008 for the purpose of increasing inter-institutional collaboration at regional level in order to prepare regional projects pipelines or for the elaboration of politics and programmes with impact at regional level and for organizing in common information and publicity activities.[162]

Therefore, it can be found a large array of regional intermediate bodies, with different type of structures and subordination relations towards the MAs. It is suggested that the map of regional intermediate bodies should be clarified in terms of subordination relationships and simplified. Additionally, horizontal relationships among regional intermediate bodies should be encouraged and formalized. If most of the IBs have attributions only in the implementation of SF, others, and the reference is made here about RDAs, they are involved in a larger process of regional development, having for example attributions in attracting investors and donors, developing international cooperative relations, organizing training and offering consultancy, developing regional and local partnerships.

Starting with 2013, the Government has launched a large forum of discussion regarding the process of regionalization and decentralization in Romania in the perspective of the new financial framework 2014–2020 and for the declared purpose to intensify the absorption of funds from the EU at regional level and make more operational the functioning of the regions and increase the inter-regional cooperation, including cross-border. As mentioned before, the development regions that have been created in 1998 are not administrative ones, therefore, they do not reflect the democratic principle of direct elections, do not have own budget and decisional power is rotating and in reality levitating among the strongest leaders from the regions, mainly presidents of county councils. A legitimate form and a remake of the configuration of regions based on a set of multiple criteria are needed.

The reform is needed because the EU regional policy in Romania failed to produce its positive impact over the last 15 years. The project of regionalization in Romania as it has been conceived in 1998 was not successful, according to the report of the Consultative Council for Regionalization (CONREG)[163] because *the development policy of all Govern-*

162 Agenția de Dezvoltare Regională Sud-Muntenia, (2011), Protocol privind colaborarea în scopul pregătirii protofoliului de proiecte și elaborarea politicilor și programelor de dezvoltare comunitară cu impact asupra populației din Regiunea Sud Muntenia, [Online], available at http://www.adrmuntenia.ro/documente/protocol-colaborare-oiuri.pdf, accessed on [27.01.2015]

163 Consiliul Consultativ pentru Regionalizare, (2013), Disparități și fluxuri în fundamentarea socială economică a regionalizării administrative a României, [Online], available at: http://regionalizare.mdrap.

ments of Romania were insensitive to the spatial context, far from the European development of a development policy within spatial context. From the centre, one didn't notice the disparities in the development of regions. The study analyses possible scenarios for regionalization but does not refer to the role of existing structures involved in the implementation of Structural Funds at regional level, namely IBs.

Another study[164] proposes the possibility of creating MAs at regional level, more exactly to delegate the managing authority role for RDAs that could become key organizations for regional and spatial planning, a process that has not been coherent at regional level. The failure to produce large projects at regional level was due mainly to the low financial and administrative capacity of counties, too small for this purpose. Additionally, the competitive system of allocating the European funds increased competition among counties and deepened their feeling of identity, discouraging inter-county association and promotion of common projects with regional impact. An option that has not been explored in Romania is the adoption of a Regional Operational Programme for each region on the model of many other European countries, such as France, Czech Republic, Poland, Spain, UK, Germany etc. Romania is the only Member State with a relatively large territory that does not have regional programmes for each region apart and has a so-called 'centralized' regional programme and this tradition tends to continue, since in the 2014–2020 a single Regional Operational Programme has been proposed.

One can consider that in future, with the creation of an administrative basis for regions there will be a bottom-up approach to elaborate Regional Operational Programmes tailored to the specific needs of each region apart. Hopefully, after 7 years regions will be more legitimate and prepared to propose own Regional Operational Programmes. A serious role in the process of elaboration of future regional operational programmes should be allocated to RDAs which could coordinate this process, but also other structures, especially present IBs should be considered to play an important role as well.

Strategic management

The concepts and practices of strategic management are applied differently and irregularly by the institutions involved in the implementation scheme of structural funds in Romania. The analysis will be focused on the Ministry of European Funds, as the national coordinator institution and main managing authority.

The objectives of the activity of MEF are basically determined politically and are foreseen in the Government Programme 2013–2016. No integrated strategic documents were identified stating the mission, vision and values of the institution and an action plan for at least the period 2013–2016. There are in exchange a set of action plans for different fields of activity, such as: Priority Measures Action Plan, Action Plan for implementing the National Anti-Corruption Strategy, Measures Plan for Employment within the Ministry etc.

The accomplishment of the objectives of activity is presented in the annual Report of Activity which contains also a statement of the next year priorities of activity. According

ro/wp-content/uploads/2013/04/Raport-de-progres-2_CONREG.pdf, accessed on [25.01.2015]

164 Consiliul Consultativ pentru Regionalizare, (2013), Fundamentele procesului actual de regionalizare în România, Regiunea-concept de actualitate, [Online], available at: http://regionalizare.mdrap.ro/2013/04/21/fundamentele-procesului-actual-de-regionalizare-in-romania/, accessed on the [25.01.2015]

to the 2013 Report of Activity[165], for 2014 the following priorities were established in the field of coordination and management of Structural Funds:

- 100% contracting of funds allocated for the 2007–2013 period;
- insuring an absorption rate that would prevent loose of funds through decommittment in 2014 and would minimize the risk of losing funds in 2015;
- finalizing the process for improving/unifying/simplification of the legal and procedural framework for ensuring the financial flow within OPs.

According to the last public information available (23rd of January 2015)[166], Romania succeeded to sign contracts with beneficiaries for an amount representing 105% of the total allocation for 2007–2013, reaching the target set by the MEF, but the absorption rate remains around 55% in terms of payments approved and effectively paid by the EU Commission, which raises doubts about the capacity of Romania to spend all the money that it has been allocated, keeping in mind that 2015 is the last year when payments can be made, according to the rule n+2.

The strategies within which the MEF is involved are the national ones and the sectoral ones. Apart from the National Strategic Reference Framework 2007–2013 which is the national strategic document approved by the EC regarding the use of structural funds, MEF is involved in the National Anti-Corruption Strategy and the Strategy for the Development of the internal public financial control in Romania for the period 2010–2013.

Within the MEF there is an Annual Development Plan for the Internal Control System and Management. The Internal Control System and Management refer to the financial control existent in each public institution organized at central level, being introduced in 2005 by Order 946 of the Minister of Public Finances[167]. This Order created the premises to align the managerial culture of public organizations with good international practices and to the European system of values regarding public internal financial control. The internal system of control and management contains a set of 25 standards and annually it is issued a report regarding the implementation of these standards by the central public institutions.

By Order no 555/13.06.2013 of the Minister of European Funds[168], the Management Group, the Technical Support Group and the Technical Secretariat for implementation of the Internal Control and Management System at the level of the MEF are set up. The same structures are responsible for following up the implementation of the National Anti-Cor-

165 Ministerul Fondurilor Europene, (2014), Raport de activitate pentru anul 2013, [Online], available at:www.fonduri-eu.ro, accessed on [25.01.2015]

166 Ministerul Fondurilor Europene, (2015), Informare privind stadiul la 23 ianuarie 2015 al implementării Prorgamelor Operaționalefinanțate din Instrumente Structurale, [Online], available at: www.fonduri-europene.ro, accessed on [25.01.2015]

167 Ministerul Finanțelor Publice, (2005), Ordinul 946/2005 pentru aprobarea Codului controlului intern/managerial, cuprinzând standardele de control intern/managerial la entitățile publice și pentru dezvoltarea sistemelor de control intern/managerial.

168 Ministerul Fondurilor Europene, (2013), Ordin pentru aprobarea regulamentului de organizare si functionare a grupului de management, a grupului de suport tehnic si sa secretariatului tehnic pentru implemetnarea sistemului de control intern si management si a Strategiei nationale anticoruptie in cadrul Ministerului Fondurilor EUropene, [Online], available at: http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/mfe/strategia-ac/3.Ordin.ROF.GMGSTST.aprobat.pdf, accessed on [27.01.2015]

ruption Strategy. Regarding the implementation of standards by the MEF, according to the 2013 Report[169], 23 standards were fully implemented, 1 was partially implemented and just 1 standard not implemented. There is an increase with 40% of the degree of implementation comparing with the previous year (2012), reaching a satisfactory percentage of 92%.

In 2012, the National Anti-Corruption Strategy 2012–2015 has been adopted by the Government under the coordination of the Ministry of Justice. The strategy obliges each institution to adopt a Plan of measures regarding the fight against corruption and creation of a set of preventive measures. Each institution is responsible for issuing a self-evaluation report (every 6 months) regarding the implementation of the 10 standards foreseen in the strategy, followed up by an evaluation report issued by independent bodies. The Ministry of European Funds has adopted an internal Plan of measures for implementing the National Anti-Corruption Strategy and has issued several self-evaluation reports (in 2012 and 2013). The last report available (1st semester 2013) highlights that for the accomplishment of several important objectives, no measures have been taken yet (such as, increase of education level regarding anti-corruption measures).

A research has been conducted in order to find out about the existence of any national strategy for increasing the absorption rate of Operational Programmes **(Table no. 17)**. The only strategies identified are in the field of transport, being elaborated by the Ministry of Transport as Managing Authority for POS Transport. These strategies have been adopted in March 2014 and have been approved with amendments by the MEF. They foresee the measures to be taken to avoid decommittment of funds in 2015 and better use of 2014–2020 investment funds.

A strategy for increasing the absorption rate for the 2007–2013 period did not exist neither at the level of ACSF nor at the level of Managing Authorities. The measures for improving absorption have been adopted rather as emergency measures, not preventively and at the request of the European Commission. In 2011, the MEF adopts a Plan of Priority Measures for the Consolidation of Absorption Capacity for Structural Funds and of Cohesion Fund. Some measures had to be implemented in 2011 and 2012 while others had a permanent character. The last public information available about the achievement of the measures dates back from February 2012.

A research has been done to find out if the MEF has implemented any quality management system standard, such as ISO 9001 but there are no records such standards' implementation. No other management authorities or intermediate bodies have implemented such standards either, even if through the Operational Programme Development of Administrative Capacities there is open the possibility to access financing for public institutions, central or local, to obtain certification for international management standards through Priority Axis no. 2 – Improved quality and efficiency of the delivery of public services on a decentralized basis. Actually, for the 200–2013 there is a very small number of institutions which implemented projects with EU financing for introduction of ISO standards into their institution.

169 Ministerul Finanțelor Publice, (2014), Raport privind controlul intern pe anul 2013, [Online], available at: http://discutii.mfinante.ro/static/10/Mfp/control_prev/RAPORT_UCASMFC_2013_LG_FINAL.pdf, accessed on [25.01.2015]

Table no. 17: Strategies 2007–2013

Type of strategy	Initiator	Comments
National strategies		
National Strategic Reference Framework 2007–2013	ACSF	
Strategy for the Development of the internal public financial control in Romania for the period 2010–2013	Ministry of Public Finances	Based on yearly reports, the level of accomplishment of indicators by the Ministry of European Funds is the following: 2011: 32% 2012: 52% 2013: 92%
National Anti-Corruption Strategy 2012–2015	Ministry of Justice	The self-evaluation reports regarding anti-corruption preventive measures available: – semester 1, year 2013 – year 2012
Sectoral strategies		
Strategy for Absorption of European Funds regarding Construction of Highways in Romania having as Source of Finance the Cohesion Fund Post 2007–2013 (extension 2015) and the Cohesion Fund 2014–2020 in order to Avoid Decommittment1	Ministry of Transport	Approved with amendments by the MEF in 2014

Source: www.fonduri-ue.ro, www.mfinante.ro, www.just.ro, www.mt.ro

Human resources management

Regarding the human resources policy, according to the Government Decision 43/2013, the number of posts within the Ministry of European Funds, including political functions and minister's cabinet is limited to 304 jobs, out of which, in 2013 it was been approved the functioning of 291 jobs, according to Ministry's Regulation for Organization and Functioning[171]. Following subsequent modifications of its functioning and after taking over new attributions, in 2014 the number of posts approved for the Ministry of European Funds increased to 487 positions.

170 Ministerul Transporturilor, (2014), Strategia de absorbție a fondurilor europene nerambursabile, aferente construcțiilor de autostrăzi în România având ca sursă de finanțare Fondul de Coeziune post 2007-2013 (extindere 2015) și Fondul de Coeziune 2014-2020 în vederea evitării decomiterii, available [Online], http://www.mt.ro/web14/documente/strategie/memorandumuri/memo_postv2.pdf, accessed on [01.02.2015]

171 Ministrul Fondurilor Europene, (2013), Regulament de organizare și funcționare [Online], available at www.fonduri-ue.ro, accessed on [13.01.2015]

Even if the legal provisions regarding the number of employees were quite generous, the minister appreciated in 2013[172] that the real need for posts is actually around 270–280 for the new institution to function according to its coordinating attributions. Since the ministry took over departments from other institutions, the new minister appreciated that it is necessary to occupy the available positions by organizing an open competition, looking to attract professionals, former employees but also new people from outside the public system. The minister declared that time that the European Commission was consulted and invited to participate in the organization of the competition on a similar model with the competition for obtaining a position in European institutions. Representatives of the European Commission would be invited as observers at the competitions organized for occupying the key positions in the ministry.

In August 2013, based on the Methodology for Reorganising and Restructuring of the Ministry of European Funds, following reduction of posts in the ministry, which affected 43 employees, a number of 31 positions were reopened for competition. Additionally, since August 2013 until January 2015, around 30 vacant positions were opened for examination.

Another key issue that the minister had to confront with was the remuneration of the employees. In 2007, according to the law, civil servants working with Structural Funds were receiving an increase of salary of 75%, which was cancelled in 2009 when the crisis affected the economy of Romania. As a consequence, a lot of civil servants moved to the private sector where salaries were more competitive. A solution was to finance this increase of salary from the technical assistance programmes, but it proved to be only a temporary solution while the increase was gained only on the basis of projects' submissions and approvals. Additionally, there were several categories of personnel that had different levels of salaries, so another necessary measure, as the minister appreciated, was to unify the remuneration system for all employees working with Structural Funds, in terms of increasing some salaries to an acceptable level and to introduce performance criteria that would base the salaries' increases. According to ministry's 2013 report of activity[173], a unitary remuneration of all the personnel of the managing authorities and intermediate bodies belonging to the Ministry of European Funds has been achieved by modifications of current legislation and there have also been modified the legal provisions for financial stimulation of employees working with Structural Funds, in terms of allowing the possibility to increase the remuneration with 25 classes dependent on performance criteria.

The situation of human resources from other managing authorities and intermediate bodies has followed the same pace. In the first intermediate evaluations of OPs, one can notice that the Managing Authorities do not function at full capacity, working in most of the cases under the allocated number of personnel (**Table no. 18**). According to the Final Report a Formative Evaluation of Structural Funds in Romania[174], *ACSF, the MAs and IBs*

172 http://ec.europa.eu/romania/news/articole_si_dialoguri/18022013_interviu_eugen_teodorovici_ro.htm, accessed on [13.01.2015]

173 Ministerul Fondurilor Europene, (2014), Raport de activitate pentru anul 2013, [Online], available at http://www.fonduri-ue.ro/, accessed on [21.05.2015]

174 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), Final Report – A Formative Evaluation of Structural Instruments in Romania, [Online], available at: www.evaluare-structurale.ro, accessed on [22.01.2015]

were recommended to continue to find the ways and means to fill the unfilled and 'non-active' positions – if necessary on a temporary basis with appropriate emoluments – to prevent the current lack of capacity and capability from continuing to hamper the implementation of the programmes and endanger funds absorption.

Table no. 18: Case study – Human resources Managing Authority for OP TA

Year	Number of personnel allocated	Number of personnel employed (end of year)	Flow of personnel
2007	23	15	Low (4 left, 2 employed, 1 transferred)
2008	26	25	–
2013	26	26	–

Source: www.poat.ro

Other evaluation reports[175] mention that there is an overload of work of the personnel due to the fact that an unexpected number of applications have been received and their evaluation takes a lot of time, determining a slowdown in the selection and contracting of projects.

Continuous training of personnel is as necessary as an optimal number of employees. Most of training programmes for personnel working in Managing Authorities or Intermediate Bodies but also at the level of public institutions as beneficiaries of funds have been organized through the Operational Programme Technical Assistance (OP TA). In 2010, the Implementation Report[176] of OP TA mentions that in 2007–2009, no training was organized for potential beneficiaries, while for the personnel of MAs and IBs were organized just 3924 training hours out of the total target of 48000 training hours until 2015. A year later, the training hours for the personnel of MAs and IBs almost doubles, while for potential beneficiaries no trainings were organized. Until 2013, the total number of trainings remain at an unsatisfactory level of almost 23% of total targets and just 10 projects approved, out of which the following for institutions involved in managing SF: 2 for the Audit Authority, 1 for the Certifying and Payment Authority and 4 for the Managing Authority OP TA.

The evaluators appreciated in 2010[177] that the human resources policy was deplorable, even if in the last 10 years a series of trainings have been organized equally in MAs and national IBs. They point out that *Decisions related to staff numbers and the hiring and firing of staff appear not based on a clear assessment of the mandate and workload of the different departments in the administration*.

175 Guvernul României, Ministerul Administrației și Internelor, (2010), Evaluarea Intermediară a Programului Operațional Dezvoltarea Capacității Administrative pentru perioada 1 ianuarie 2007 – 30 iunie 2009 – rezumat,[Online], available at www.evaluare-structurale.ro, accessed on [01.02.2015]

176 Ministerul Finanțelor Publice, (2010), Programul Operațional Asistență Tehnică 2007-2013, Raportul annual de implementare 2009, [Online], available at: www.fonduri-eu.ro, accessed on [01.02.2015]

177 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), Final Report – A Formative Evaluation of Structural Instruments in Romania, [Online], available at: www.evaluare-structurale.ro, accessed on [22.01.2015]

The decision to cut salaries already mentioned before contributed to the bad situation of human resources in MAs and IBs. Following agreement with the EC for the partial financing of expenses with salaries of personnel working within MAs and IBs until 2015, around 80 projects of a total approximate value of eligible expenses of 500 million Euros have been approved for this purpose from the OP TA. It is worth mentioning that not all MAs and IBs succeeded to cover their expenses with the salaries of personnel from the TA OP, as some institutions didn't submit projects while for others financing was rejected. Additionally, this financing was only partial and not covering fully the expenses.

The fluctuation of personnel in MAs and IBs is another major problem that has to be addressed through management solutions. The rate of personnel fluctuation in some institutions was more than 30%, while in average, in 2013, at national level it was about 13%. The fluctuation of personnel creates problems in the management of funds because in most of the cases, the new comers are not experienced and it takes longer time to accommodate at the workplace.

The minister of European Funds announced that for the new financial period 2014-2020 the system of management of human resources will be changed. First of all, starting from January 2015, a new system for the evaluation of human resources based on indicators of performance will be introduced while with the help of the new OP TA, a new unitary and integrated strategy for human resources will be adopted for all the personnel working in MAs and IBs. Additionally, the number of personnel might be increased according to specific needs on those programmes where it has been noticed an extraordinary overload of human resources (e.g. on the ROP, the average overload per employee was of about 123%).[178] The financing of salaries of personnel working with Structural Funds will continue to be eligible, this time full coverage but dependent on individual performance.

Regulatory quality

Ministry of European Funds as ACSF has the responsibility according to the law to develop the institutional and legal framework. In this respect, it can initiate legislative proposals in its field of activity and can approve legal proposals which are referring to its activity.

During 2007–2012, the legal framework can be characterized as inconsistent, oppressive, incomplete and contradictory. For some priority sectors, the lack of legal framework represented a major problem. Delays in regulating specific fields of activity created delays in launching certain calls and in contracting projects. Other legislative measures affected indirectly the implementation of projects, such as the increase of VAT from 19% to 24% or the unitary salary payment of civil servants which affected the personnel from public administration working with structural funds who used to be paid with 75% top-ups for drawing up, implementing or monitoring projects.

The evaluation report 2010[179] mentions the most important factors affecting the absorption rate of SF in Romania: incoherent legislation and lack of correlation with reality;

178 Ministerul Fondurilor Europene, (2014), Programul Operațional Asistență Tehnică, [Online] available at www.fonduri-ue.ro, accessed on [01.02.2015]

179 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), Final Report – A Formative Evaluation of Structural Instruments in Romania, [Online], available at: www.evaluare-structurale.ro, accessed on [22.01.2015]

frequent changes of regulations/legislation; public procurement law and complaints; the appropriateness of national legislation to the absorption rate.

The beneficiaries questioned mentioned that there were often changes even at the level of Guide for Applicants, the Managing Authorities issuing quite often Corrigendum documents, which included also changes regarding submitting of projects. In the case of SOP HRD, beneficiaries mentioned that the big amount of instructions (more than 80) made difficult for project promoters to keep the pace with the legal requirements. Additionally, these changes were valid even for contracts for financing of projects already signed, affecting retrospectively the rights and obligations of parts. Most of respondents mentioned that the legislation regarding public procurement was by far the most difficult to understand and apply, as there were a lot of limits and restrictions, including for private beneficiaries, which were supposed to apply the same procedures as the public ones. Another legal measure which affected seriously the absorption rate was the decrease of the value of pre-financing from 30% to 10%.

Less bureaucracy was the desideratum of beneficiaries, drawing up and implementing projects being rather considered a fight with documents and legal requirements.

In the period 2012–2014, at the initiative of the MEF, the Government issued a series of emergency ordinances in order to improve the legal and procedural environment and help increasing the rhythm of implementation of OPs and the absorption rate. In the 2013 report of activity, a series of legislative measures initiated by the MEF could be found which contributed to the optimization of cash flow, eligibility of expenses for some OPs, simplified procedures for private beneficiaries for contracting public funds, eligibility of VAT, decrease of deadlines (from 45 working days to 20 working days) for processing reimbursement requests, increase of pre-financing from 10% to 35% etc.

According to some beneficiaries, the intervention of the MEF in the regulatory environment was important and significant and has produced some positive changes in speeding up the procedures and increasing the absorption rate.

Below **(Table no. 19)** several legal acts relevant for the implementation of SF in Romania and their legal situation in the period 2007–2013 (2014) are presented. All the legal acts below are issued by the Government, which can issue either Government Decisions (GD) or Emergency Ordinances (GEO). According to the Constitution of Romania, emergency ordinances can be issued in certain situations, when the Parliament is in legislative vacation and on the basis of a specific mandate from the Parliament. Government Emergency ordinances have to be approved by the Parliament in ordinary legislative procedure. In the table below, one can notice that some regulations have suffered yearly modifications, in some years even several times per year. Some regulations are modified indirectly by the provisions of other laws. In most of the cases, emergency ordinances are approved after several years by the Parliament. Most laws are not republished, being difficult to find out the most up to date version. For beneficiaries without juridical preparation it is obviously hard to keep the pace with the frequent changes of legislation.

For better information of beneficiaries, most of Managing Authorities present on their websites the legal acts that are ruling their activity, divided in general and specific legal acts. MEF as legislative initiator posts even the projects of laws for public consultation while some Managing Authorities post even the repealed legal acts, creating confusion

Table no. 19: Legislation instability

Legal act	Modification Years
GEO 34/2006 regarding award of contracts for public procurement, public works and public services	2007 (2 times), 2008 (2 times), 2009 (2 times), 2010 (2 times), 2011 (2 times), 2012 (2 times), 2013 (3 times), 2014
DG 759/2007 regarding eligibility of expenses in the framework of operations financed from the operational programmes	2008, 2011 (2 times), 2013 (2 times)
DG 457/2008 regarding the institutional framework for coordination, implementation and management of structural instrument	2011, 2013
GEO 64/2009 regarding financial management of structural instruments and their use for convergence objective	2010, 2011 (3 times), 2012 (2 times), 2013 (5 times), 2014 (2 times)
GEO 66/2011 regarding prevention, identification and sanction of irregularities which appear in obtaining and use of European funds and/or of national public funds	2012 (4 times), 2013, 2014

Source: www.cdep.ro

among users. For example, on the website of the Managing Authority for SOP HRD there are posted no more than 78 legal acts, including those repealed[180], SOP IEC – 73 legal acts[181], OP TA – 42 legal acts[182], ROP – 11 legal acts[183]. There is no unique and integrated legal data base containing all relevant and up dated legislation in the field of SF. Regarding implementing instructions issued by the Managing Authorities, one could notice their high number: MA SOP DAC – 13, MA SOP HRD – 80, MA ROP – 123, MA SOP IEC – 31.

Control of fraud and corruption

In Romania, the fight against fraud and corruption in the use of SF has focused on both preventive and combative measures. The legal framework in this respect is GEO 66/2011 regarding prevention, identification and sanction of irregularities which appear in obtaining and use of European funds and/or of national public funds. The institutions involved are the ACSF, the management authorities and intermediate bodies which have clear attributions in prevention and identification of irregularities and frauds. The Audit Authority has clear responsibilities in the identification of system and operational irregularities and external audit of expenses. Additionally, the National Anti-Corruption Department is the

180 http://www.fonduri-ue.ro/posdru/index.php/informeaza-te/legislatie, accessed [01.02.2015]

181 http://www.fonduri-ue.ro/legislatie/legislatie-nationala/gestionarea-asistentei-nerambursabile, accessed [01.02.2015]

182 http://www.fonduri-ue.ro/poat/informatii_utile_5.html?legisla%C5%A3ie, accessed [01.02.2015]

183 http://inforegio.ro/ro/legislatie-nationala.html, accessed [01.02.2015]

institution which has the legal attribution to investigate the criminal offenses regarding illegal use of European funds.

As mentioned earlier in this thesis, 2011 and 2012 were critical years for Romania in terms of use of Structural Funds. Following suspicions of frauds, the European Commission suspends temporarily reimbursement of funds for several operational programmes. Among other measures taken by the Government, one important step in the fight against fraud and corruption is the approval, in March 2012, of the National Anti-Corruption Strategy 2012-2015[184] and of the national action plan for implementing it. In June 2012, the minister of European funds signs the Declaration for support in the implementation of the National Anti-Corruption Strategy and at the level of the MEF it is drawn up a sectoral action plan for implementing the anti-corruption strategy. In 2013, at the level of MEF it is set up the Technical Support Group for implementation of the anti-corruption strategy and it is approved the Code of ethics and integrity of civil servants and the Code of conduct for avoidance of situations of incompatibility and conflict of interests by the personnel involved in managing programmes financed from European funds. Similar measures are taken at the level of Ministry of Regional Development and Public Administration.

According to the Progress report[185] regarding the implementation of the anti-corruption action plan in 2013 at the level of MEF, there having been signalled any misbehaviour of civil servants and the institution was not involved in any judicial procedure regarding illegal use of European funds.

According to the law, the beneficiaries of European funds have the obligation to report in 5 working days to the Managing Authorities or the intermediate bodies the irregularities identified by themselves during control and management operations in the implementation of their projects. Most of the Managing Authorities and intermediate bodies offer on their website to beneficiaries but also to any person who has knowledge about irregularities being committed in a project, the possibility to report such irregularities, by electronic means, by writing to a dedicated email or by filling in a standard application form for report of irregularities (e.g. MA SOP DCA).

The Audit Authority is the independent institution which is verifying the public and private beneficiaries of EU funds by auditing the projects which received financing. The Audit Authority performs two types of controls: audit of systems and audit of operations. Following irregularities identified in the activity of managing authorities, intermediate bodies and beneficiaries, it can propose financial corrections. The audit of systems refers to the process of evaluation and selection, management checks, management of irregularities, conflict of interests. Most of irregularities identified by the Audit Authority at operational level refer to the application of the rules of public procurements and the respect of

184 Guvernul României, (2012), Hotărârea de Guvern nr. 215/2012 privind aprobarea strategiei naționale anticorupție 2012–2015, publicată în MO.202/12.03.2012, [Online], available at: http://www.mai.gov.ro/documente/obiective/HG_nr_215-2012.pdf, accessed [01.02.2015]

185 Ministerul Fondurilor Europene, (2014), Raportul de progres privind stadiul implementării planului de acțiune pentru implementarea strategiei naționale anticorupție 2012-2015 în cadrul Ministerului Fondurilor Europene, perioada ianuarie – iunie 2013, [Online], available at: http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/mfe/strategia-ac/6.Raport.progres.semestrul.1.2013.MFE.pdf, accessed [01.02.2015]

the eligibility conditions for expenses. According to the 2012 annual report[186], the Audit Authority has verified 1780 projects/contract/measures financed through SF, around 880 organizations (both public and private) being included in the sphere of audit.

The National Anti-Corruption Department (NACD) has been established in 2002 and is the judicial body investigating medium and large corruption cases. According to the law, the NACD has fully competence in the field of investigating frauds against the financial interests of the EU, no matter of the quality of the persons committing the fraud or the value of damages. According to the yearly Report of activity 2013–2014[187], a number of 1027 cases referring to frauds with European funds have been investigated, an increase with 26.48% than the previous year. A number of 57 indictments referring to 120 persons have been sent to the court of law. Out of these, 11 cases have referred to fraud of the Structural Funds: 7 cases: SOP HRD; 3 cases – SOP IEC; 1 case: SOP Transport; 1 case: ROP.

Institutional openness

Regarding the level of transparency of the Ministry of European Funds with respect to institution's activity, budget, management and human resources, the information available on its website has been analyzed in relationship with the legal provisions regarding access to public information – Law no. 544/2001[188] and its methodological norms[189]. There is no data regarding the last updating of the information, therefore sometimes there is a question regarding the validity of the data **(Table no. 20)**.

Table no. 20: Institutional Transparency – Ministry of European Funds

Information	Availability
Information that has to be published according to Law no. 544/2001	
Legal acts regulating the organization and functioning of the institution	Yes
Organizational chart	Yes
Attributions of departments	Yes
Working programme	Yes
Request for official meetings with ministry's representatives	Yes
Official meetings with ministry's representatives programme	Yes
Name and surname of managers	Yes
Contact information of the institution	Yes
Financial resources, budget and accounting balance	Yes
Own programmes and strategies	Yes

186 Curtea de Conturi a României, (2013), Raportul Public pe anul 2012, [Online], available at: http://www.curteadeconturi.ro/Publicatii/Raport_public_2012.pdf, accessed [01.02.2015]

187 Ministerul Public, Direcția Națională Anticorupție, (2013), Raport privind activitatea desfășurată 2013, [Online], available at: http://www.pna.ro/bilant_activitate.xhtml?id=27#2.6., accessed [01.02.2015]

188 Parlamanetul României, (2001), Legea nr. 544/2001 privind liberul acces la informații de interes public

189 Guvernul României, (2002), Hotărârea nr. 123 din 7 februarie 2002 pentru aprobarea Normelor metodologice de aplicare a Legii nr. 544/2001 privind liberul acces la informațiile de interes public

Information	Availability
List of public documents	Yes
List of documents issued/managed by the institution	Yes
Other information	
Public procurements	Yes
Job competitions	Yes
Annual reports of activity	Yes
Anticorruption strategy	Yes
Employees' Code of ethics	Yes
Managers' CVs	Yes
Managers' and Employees' declarations of interests and assets	Yes
Departments'/Employees' email addresses	No
Yearly objectives of activity for management positions	No
Institutions under its management or supervision and their contact data	Yes
Salaries' level of all positions within the institution	No
Information about employees' misconduct and incentives	No
Commission Regulation (EC) no 1828/2006 of 8 December 2006	
Funding opportunities	Yes
The list of beneficiaries, the names of the operations and the amount of public funding allocated to operations	Yes
Use of electronic means for the exchange of information and financial data	Yes

Source: www.fonduri-ue.ro

According to the Law no. 544/2001, each institution is obliged to issue an annual report on implementation of the law. The communication activities of the Ministry of European Funds are presented below **(Table no. 21)**. According to the Ministry's of European Funds 2013 report[190], the most requested public information (70%) referred to the use of public funds (contracts, investments, expenses), while about 25% represented request of information regarding the way institution's attributions have been accomplished. The majority of request for information came from legal persons (about 83%) and the preferred method of addressing the request for information was by electronic means (98%).

In 2007 was been approved by Memorandum the National Strategy for Communication regarding Structural Instruments 2007–2013.[191] The elaboration of the strategy

190 Ministerul Fondurilor Europene, (2013), Raport de evaluare a implementării legii nr. 544/2001 privind liberul acces la informații publice în anul 2013, [Online], available at: www.fonduri-ue.ro, accessed on [01.02.2015]

191 Ministerul Economiei și Finanțelor, (2007), Strategia națională de comunicare pentru instrumentele structurale 2007-2013 România, [Online], available at http://www.fonduri-ue.ro/posdru/images/downdocs/strateg_nat_comunic_is.pdf, accessed on [01.02.2015]

Table no. 21: Communicability – Ministry of European Funds

Communication tools	Availability	Comments
National Communication Strategy 2007–2013	Yes	Not updated
Ministry's Communication Strategy	n.a.	
Annual Communication Plan	n.a.	
Information Centre for Structural Instruments (help-desk, call centre)	Yes	Low visibility; temporary non-functional because it is moving in a new location (undetermined period of time)
Toll number/Short number	Yes	
Website (www.fonduri-ue.ro)	Yes	
News flow	Yes	
Information bulletins	Yes	Not updated
Newsletter	Yes	Available upon registration by email
Events' planner (calendar)	Yes	Not filled in/not updated
F.A.Q. (Frequently asked questions)	Yes	Last update, 2 years ago
Visual identity guide	Yes	
Definition of terms	Yes	Not available for download
Foreign language version (e.g., English)	No	Partially available information in English on PO TA web page
Version for disabled people	No	
Search tool	Yes	
Links	Yes	
Electronic versions of communication products (audio-video materials, brochures, posters, flyers etc.)	Yes	Just brochures available
Visitors' counter	No	
Lists of projects financed	Yes	Not up-dated
Social networks (Facebook, Twitter)	Yes	Small visibility
Schedule of hearings	Yes	
Information events (conferences, seminars, training sessions etc.)	Yes	Information available on OP web pages (e.g. OP TA, OP IEC) but not updated
Public consultations		

Source: www.fonduri-ue.ro

was obligatory for Member States as stated in the European Commission Regulation no. 1828/2006 regarding the implementation of the Council Regulation no. 1083/2006. The Member States has the possibility to choose either to have a communication strategy created by each Managing Authority or to have a national strategy. Romania has opted for a national strategy in order to ensure an integrated approach to communicating the problematic of Structural Funds. Authority for Coordination of Structural Funds was responsible for communicating on general issues about the Structural Funds, while Managing Authorities, on specific issues related to the implementation of each OP.

The strategy hasn't been updated even if the institutional set-up changed in the period 2008–2012. A series of measures foreseen in the communication strategy have not been implemented. The failure to deliver the communication strategy is obviously seen in the results of the opinion poll conducted in September 2013[192] which shows that only 28% of the respondents consider that they have enough knowledge about the European funds available for Romania. Even if the general information level is low, it is slightly growing in comparison with 2011 and 2012. The respondents declared that they obtain the information regarding Structural Funds mainly from TV and outdoor publicity.

The web-site of the Ministry of European Funds – www.fonduri-ue.ro – is not known for about 86% of respondents, and those who are using it as source of information consider in a majority of 70% that the information is rather structured but you need to have knowledge about the EU funds in order to understand it.[193] There is no information available regarding the number of visitors of the website in order to appreciate its visibility.

Even if there is a will to promote the ministry's website as the main portal for information on structural funds in Romania, it is worth mentioning that each managing authority and some intermediate bodies (e.g., Intermediate Bodies for Regional Operational Programme) have their own web pages presenting the information in a different format and approach. Other websites containing information about Structural funds are: www.inforegio.ro – Regional Operational Programme; www.posmediu.ro – Sectoral Operational Programme Environment; www.ampost.ro – Sectoral Operational Programme Transport. Additionally, a separate website has been created for the evaluation of Structural Funds: www.evaluare-structurale.ro. Such array of websites can create confusion among users in searching for the information needed.

As part of the communication strategy but also as a legal obligation foreseen in Law no. 544/2001 regarding access to public information, within the Ministry of European Funds was been organised a Centre of Information for Structural Instruments. The Centre has been created with the support of EU financing from the OP Technical Assistance under a project which was implemented starting with 27th of December 2011 and finalised on the 30th of April 2014 and has benefited from a financing of 2,3 million Euro. The Centre was officially launched on the 27th of February 2012 and was offering the following services: front-desk, call centre, information materials, organization of information events etc.

192 OR, Sondaj de opinie [Online], available at http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/Documente_Suport/Studii/0_Studii_Instrumente_Structurale/Rapoarte-analiza/03.06.2014/Analiza.comparativa.OR-sept.2013.pdf , accessed on [01.02.2015]

193 *ibidem*

According to the data available on MEF web site[194], the Centre achieved since its launching by May 2014 the following results: 1 million accesses of the web page www.fonduri-eu.ro, more than 6000 replies to requests of information, 45 information events, 17 information products accounting around 40000 samples.

The Centre offers the possibility to contact the ministry by email or by filling in a standard form in order to obtain information regarding topics, such as: problems regarding implementation of projects; opened calls for projects; domains of activities financed; how to apply for financing. According to the opinion poll conducted in September 2013, 85% of respondents did not know that such Centre exists and 83% of those who knew about it never contacted it. Therefore, this tool for communicating to the public can be appreciated rather inefficient and the ministry should improve it or should find other tools to increase the awareness about its activity.

The most active and updated information tools are the ministry's press releases. On Ministry's website, there is also the possibility to register for a newsletter. Half-yearly information bulletins are also available on the website but they haven't been updated for more than 1 year. Part of Ministry's visibility is its presence on social networks, such as Facebook and Twitter, with a total of around 7500 appreciations. The existence of other communication tools is presented in the table below.

The signing up of institutional partnerships apart from those required by the law is more common at regional level than at central level. According to the law[195], at the level of each public institution it is mandatory the creation of the Commission for Social Dialogue which should meet monthly and should include organizations from the civil society. There are no records of other institutional partnerships, national or international, promoted at the level of the MEF.

At regional level, a series of partnerships have been formally created (**Table no. 22)** either on the bases of legal requirements or free voluntary associations, with or without legal personality, within different international projects or from the need to better collaborate inter-institutionally on horizontal themes, such as communication activities on Structural Funds, training, exchange of experience, twinning etc.

The most active IBs in concluding partnerships are the RDAs. Based on Government Decision no. 1115/2004 regarding the elaboration in partnership of the National Development Plan, Local Partnership Groups have been created at the level of each region since 2007 on a voluntary basis and in their structure one can find institutions of the local public administrations, regional intermediate bodies, universities, NGOs, banks, SMEs and multinational companies etc. Unfortunately, the functioning of these local groups is limited at the period of elaborating the regional development plans. Other partnerships have been concluded among IBs RDAs and other similar organizations from Europe in the framework of implementing in common projects financed by different European Programmes (e.g. RDA South Muntenia was implementing in a consortium of 10 partners a project financed through the Transnational Cooperation Programme Interreg IV).

194 http://www.fonduri-ue.ro/informative/transparenta/anunturi-diverse

195 Parlamentul României, (2011), Legea 62/2011 priving dialogul social republicată, M.Of. 625/31.08.2012

Table no. 22: Partnerships concluded by Regional IBs – Regional Development Agencies

Type of partnership	Examples	Regional IB
Legal partnerships (GD 1115/2004)	Regional Thematic Groups for the drawing up of the Regional Development Plan	RDA South Muntenia
Project partnerships	Transnational Cooperation Programme Interreg IV – Working for Talent Grundvig – "NoNEETS"– Permanent Training and Assessment Programme to NEETs Young Adults for their inclusion in the labour market and EU society	RDA South Muntenia
Regional cooperative partnerships	12 partnership agreements signed with local and regional institutions and NGOs[196] North West Regional Pact for Occupation and Regional Inclusion – regional association with legal personality and unlimited functioning term, consisting of 42 founding members[197]	RDA South–East IB for SOP HRD North West Region
International Cooperative partnerships	Cooperation agreement with the Region Brandenburg, Germany[198]	RDA Centre

Source: www.inforegio.ro

Learning institutions: adjustability and transferability

The institutions involved in the management of SF should be able to adjust their working practices in line with the best practices in the field. A first step is to find out what are other Member States practices, to make them known within their institution and if suitable, to transfer or adopt them into their own institution's procedures. Additionally, the institutions involved in the management scheme of SF should also be open and able to transfer their experience to other Member States or candidate and potential candidate countries. The participation in exchanges of good practices can be realized at formal and informal levels, by signing inter-governmental or inter-organizational cooperation agreements, or organization of visits and meetings with experts, seminars and conferences, consultancy and trainings.

Exchanges of good practices with similar institutions have been promoted in most of the institutions implementing SF in Romania, at central and at regional level equally. Some institutions have benefited from the experience of other Member States in the field of coordination, managing and control of SF through projects financed by the OP TA, such as the Ministry of European Funds. According to the MEF press release regarding the finalization of the project 'Support for the exchange of experience with other Members

196 http://www.adrse.ro/DezvoltareRegionala/Parteneriate.aspx, accessed on [01.02.2015]

197 http://www.prois-nv.ro/ce-este-prois-nv, accessed on [01.02.2015]

198 Agenția de Dezvoltare Regională Centru, (2014), 10 ani de parteneriat între Regiunea Centru și Landul Brandenburg, [Online], available at: http://www.adrcentru.ro/Document_Files/BRDB%20-%20Prezentare/00000624/x7agf_Material_prezentare_cooperare_BRB-Centru_RO-foto.pdf, , accessed on [01.02.2015]

States of the EU regarding the improvement of coordination, management and control of SF', employees of the MEF participated in 10 events and 80 days of delegation in MS for exchange of experience.[199]

As mentioned earlier in this study, following signing of an agreement in 2012 between the Romanian Government and the European Investment Bank, the MEF has benefited from specialized consultancy, costs being eligible through the OP TA. The consultancy offered by the European Investment Bank was dedicated to improving the management of OP Transport and OP Environment, which registered the biggest delays in terms of absorption rates. The consultancy value amounts 33 952 500 Euro and the project is ongoing.

The General Secretariat of the Government is benefiting from information and consultancy services from the World Bank, the value of the project reaching the amount of 23 861 986 Euro, the project being in implementation stage as well. The objective of this project is to improve the performance of the Government in implementing public policies and in delivering key services by the set up of a Delivery System and a Delivery Unit at the level of the Prime-Minister's Office.

In its quality of Member State, Romania has the right to offer technical assistance through institutional twinning out programmes and projects. The legal framework for this purpose has been adopted in 2008[200] and completed in 2010[201]. The Ministry of European Funds has been designated as the Administrative Authority for Twinning and Technical Assistance. Romania is not currently involved in any twinning projects regarding support for implementation of the management system of Structural Funds in other states.

At governmental level, a formal cooperation has been signed between the Romanian Government and the Government of Moldova, based on which an Intergovernmental Commission Romania – Republic of Moldova for European Integration was set up, its purpose being the cooperation for exchanges of good practices in the field of European integration and absorption of European funds.

Cooperation agreements have been signed at regional level as well, for example the Partnership Agreement between the Regional Development Agency Centre – Romania and the Regional Development Agency Centre – Republic of Moldova, within which Moldovan experts have benefited from training and consultancy from Romanian experts regarding the development of regional development plans, management and monitoring of projects or communication activities[202].

Other exchanges of good practices have been realized by informal means, either visits at foreign partners, organization in common of forums, conferences and seminars for exchange of good practices. For example, one can mention here the annual meeting of communicators on ROP entitled Forum of Regio Communicators, whose main purpose is

199 http://www.fonduri-ue.ro/informative/transparenta/anunturi-diverse, accessed on [01.02.2015]

200 Guvernul României, (2008), Ordonanţa de Urgenţă a Guvernului 196/2008 privind înfiinţarea activităţii de derulare şi gestionare a proiectelor de înfrăţire instituţională finanţate de Uniunea Europeană, pentru care România are calitatea de donator de asistenţă tehnică, cu modificarile si completarile urmatoare, [Online], available at: www.fonduri-eu.ro, accessed on [01.02.2015]

201 Guvernul României, (2010), Hotărârea de Guvern nr. 723/2010 pentru aprobarea Normelor metodologice de aplicare a OUG nr. 196/2008, [Online], available at: www.fonduri-ue.ro, accessed on [01.02.2015]

202 http://www.fonduri-ue.ro/comunicare/stiri-am-oi/2247-adr-centru, accessed on [01.02.2015]

to encourage networking and the exchange of good practices among employees from the national, regional and local level regarding different types of information and publicity activities of the Regional Operational Programme.

4.2.3 Presentation and evaluation of the institutional framework set-up for the administration of Structural Funds in Lithuania: within-case study

4.2.3.1 Overview of the institutional configuration of the national coordinator, managing authorities and intermediate bodies of Structural Funds

In Lithuania, the institution holding the status of national coordinator of SF management is the Ministry of Finance, according to Government Decision no. 1139/2007[203]. According to point 2.1.1, Ministry of Finance was delegated to perform the coordination, managing, certifying and payments of the operational programmes, and intermediate functions for the technical assistance priorities of other operational programme and for the Technical Assistance Operational Programme. Additionally, the Ministry of Finance had to create the management committee for each operational programme and to organize the evaluation of the EU Structural Funds system of management and control.

The following institutions have been established as intermediate bodies: Ministry of Environment, Ministry of Finance, Ministry of Labour and Social Security, the Ministry of Transport, Ministry of Health, Ministry of Education and Science, the Ministry of Economy, Ministry of Internal Affairs, Information Society Development Committee under the Government of the Republic of Lithuania. The following institutions have been designated as implementing bodies: Environmental Project Management Agency, European Social Fund Agency, Transport Investment Authority, Central Project Management Agency, Lithuanian Business Support Agency, private company 'Investment and Business Guarantees', Lithuanian Science Council.

The Audit Authority has been established within the National Audit Office.

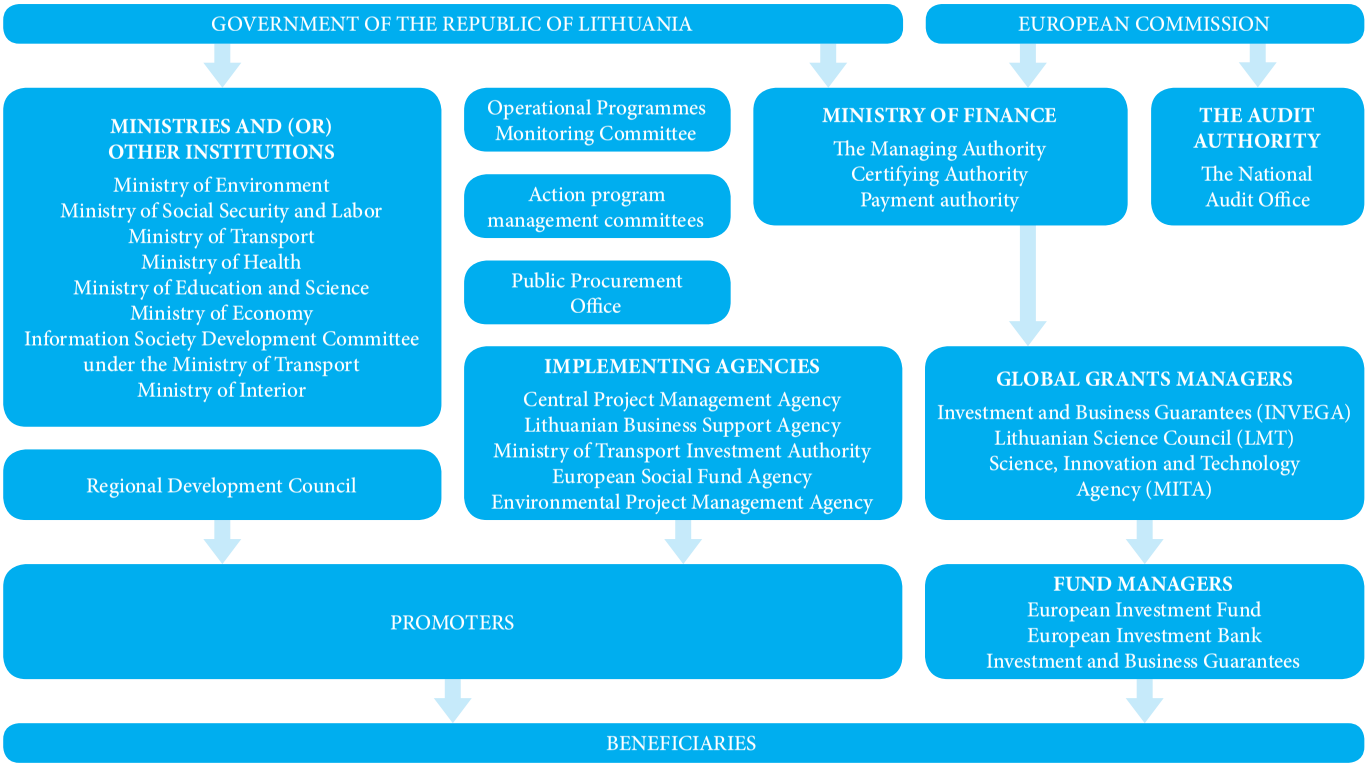
The institutional administration scheme is presented in the graphic below (**Graphic no. 5**).

The 2007–2013 administration schemes slightly differ from the 2004–2006 one. Based on the lessons learned in administering EU funds during 2004–2006, the 2007–2013 administration system has been changed and improved. According to some opinions[204], the main weakness of the 2004–2006 administration schemes was the legal vacuum regarding the delegation of functions from the managing authority to the intermediated and implementing bodies and regarding the institution responsible for the control of delegated functions.

The institutional administration scheme in the 2004-2006 period has been created in a very short term and basically on the model of administering pre-accession funds, having the Ministry of Finance in the centre of the institutional framework, fulfilling the functions of Managing Authority, Payment Authority and Audit Authority alike. Most of the

203 http://www.fonduri-ue.ro/comunicare/stiri-am-oi/2247-adr-centru, accessed on [01.02.2015]

204 Lietuvos Respublikos Vyriausibe, (2007), Nutarimas nr. 1139 2007 m. spalio 17 d. dėl atsakomybės ir funkcijų paskirstymo tarp institucijų, įgyvendinant Lietuvos 2007–2013 metų Europos Sąjungos struktūrinės paramos panaudojimo strategiją ir veiksmų programas



Graphic no. 5

Source: www.esparama.lt

institutions that were involved in managing SF in 2004–2006 continued to have the same functions in 2007–2013, with the following differences:

- a new ministry was introduced in the administration scheme: Ministry of Interior, having experience in administering the INTERREG programme and having the responsibility to coordinate the planning of regional projects;
- since in 2007–2013 the funds for agriculture and fisheries were not considered SF, the Ministry of Agriculture is getting out of the administration scheme of SF;
- new type of institutions are involved in the administration scheme: global grant managing institutions and the Regional Development Council.
- the administration scheme of the Cohesion Fund has been integrated in the common administration scheme of all the SF.

4.2.3.2 Evaluation of the institutional system performance for the coordination, management and implementation of Structural Funds

Functioning of the institutions

In 2007 the Government adopted the main legal act referring to the institutional set-up for the 2007–2013 EU structural Support – Government Decision no. 1139/17.10.2007 regarding the delegation of responsibilities and functions among institutions implementing Lithuania's 2007–2013 Structural Funds Strategy and Operational Programmes. The legal act has been modified several times (4 times) since 2007 to accommodate modifications in the functions of several institutions and organizations involved in the administration scheme.

Basically, during 2007–2013, the institutional framework as it has been approved in 2007 hasn't changed. More than that, the institutional framework has remained the same for the new programming period 2014–2020.

Government Decision no. 1139/2007 Chapter I clearly specifies the functions and responsibilities of each institution involved in the administration scheme. Therefore, the Government of the Republic of Lithuania is responsible for the set up of the operational programmes monitoring committees; it has a legislative role in approving the legal acts regarding the implementation of the strategies and the administration and financing of the OPs; it oversees the implementation of the strategy and of OPs.

The Managing Authority – Ministry of Finance – is the national coordinating institution of SF in Lithuania and it is delegated to negotiate with the European Commission all the aspects related to the implementation of SF. The MA is creating the SF management and control system, foresees its functioning and improvement. It administers all the OPs, creates and runs the managing committees of each OP. It applies the financial corrections, informs the EU Commission about frauds and takes any other necessary measures for a smooth implementation of EU and Lithuania legal acts. The MA can block temporarily any decision of the intermediate bodies if it believes those decisions do not respect EU regulations or Lithuania's legal acts.

The ministries and other state institutions are delegated the following functions: to participate in the drawing up of the strategies and operational programmes, as well as in the establishment of the common criteria for selection of projects; to propose modifications to the legal framework regarding the administration system of SF, as well as the

rules of financing. The ministries are also responsible to follow up that the EU funds would not be lost, preparing in this respect a prognosis of spending of EU money. Ministries and other state institutions are involved in preparing and implementing according to their specific attributions, of the publicity and communication plan on Structural Funds.

Special attributions are foreseen for the Ministry of Interior, as the national institution responsible for the coordination of the national regional policy. The Ministry of Interior coordinates the use of EU funds dedicated to the implementation of regional projects. In this respect, the ministry is responsible for preparing a list of regional projects and submits it to the Government, providing recommendations regarding the selection of regional projects. The Ministry of Interior has an important communicating function with the regional development councils and the municipal authorities regarding the regional projects' financing conditions and procedures.

The implementing institutions are also participating, according to their competence, in the preparation and updating of EU structural assistance management and control system description and in the preparation and modification of the legislation governing strategies and action programs administration and funding. But the most important role is to oversee that projects would be selected in accordance with the applicable criteria for selection as approved by the Monitoring Committee of each Operational Programme and that for the whole period of their implementation period the projects comply with the EU and national rules. Implementing institutions are also responsible for communicating to the project promoters all the details regarding the selection, preparation and financing of projects. All the information has to be published on the unique and common inter-institutional official website mentioned in the Government decision: www.esparama.lt.

The global grant managing institutions are having specific attributions in publishing calls for projects, in evaluating and selecting them, verifying the implementation of projects and checking the reimbursement claims **(Table no. 23)**. Their attributions are limited to certain key intervention area as there are delegated according to the laws and other delegating agreements. It is worth pointing out that INVEGA (Investment and Business Guarantees) is organized as a private company with limited responsibility. Its main object of activity is to provide financial services for small and medium-sized business by implementing and administering the financial and other types of support measures of the Lithuanian state or from the EU. As one can notice from the table below, for some priorities of OPs the absorption rate is high, more than 75%, for some the funds being already used 100%. For some priorities, the EU did not reimburse yet all the money that has been requested, some projects being still under implementation.

The Regional Development Council's functions are foreseen in the Law of regional development no. VIII-1889 from 2000, updated. According to art 12 of this law, at national level it is created the National Regional Development Council as a consultative group made up of representatives of ministries and other state institutions and bodies, Lithuanian Association of Local Authorities, social and economic partners and representatives of the Regional Development Councils. A Regional Development Council is composed of the region's mayors, municipal council members, delegates and the Government or an institution authorized by the person appointed.

Table no. 23: Global Grant Managers

Global Grant Managers	OP and Key Intervention Area	Amount allocated of EU funds	Absorption rate in January, 2015
Lithuanian Science Council (LMT)	OP Human Resources Development. 1.3 Priority: Research Capacity Building.	33 196 913,99 €	70%
Investment and Business Guarantees (INVEGA)	OP Human Resources Development. 1.1 Priority: Quality employment and social inclusion. Support for first employment	9 267 840,59 €	75%
	OP Human Resources Development. 1.1 Priority: Quality employment and social inclusion. Promoting Entrepreneurship	14 481 000,93 €	100%
	OP Economic growth. 2.2 Priority: Increasing business productivity and improving the business environment. Partial reimbursement of interest rate	16 218 721,04 €	96%
	OP Economic growth. 2.2 Priority: Increasing business productivity and improving the business environment. Guarantee fund	37 360 982,39 €	100%
	OP Economic growth. 2.2 Priority: Increasing business productivity and improving the business environment. Holding funds	228 477 757,18 €	100%
Science, Innovation and Technology Agency (MITA)	OP Economic growth. 2.1. Economic competitiveness and economic growth of research and technological development	n.a.	n.a.

Source: www.esparama.lt

According to art 13, paragraph 7, point 7, the Regional Development Council takes into consideration the municipal and state authorities' proposals for regional projects for social and economic development. In accordance with the national programming documents for the use of the EU Structural Funds, and other strategic planning documents and territorial planning provisions, it establishes and approves the list of projects proposed for funding.

The Public Procurement Office has a control and prevention function on compliance of projects' procurements with the law and other legislation implementing its require-

Table no. 24: Implementation scheme of Operational Programmes Lithuania 2007–2013

Operational Programme/priority	Intermediate institutions			
	Ministry and other state institution	**Implementing institution**	**Global grant managing institution/organization**	**Regional Development Council**
1. Human Resources Development Operational Programme				
1.1 Priority: Quality employment and social inclusion.	Social Security and Labour Ministry	European Social Fund Agency	Investment and Business Guarantees (INVEGA)	–
1.2. Lifelong Learning	Ministry of Education and Science	European Social Fund Agency	–	–
1.3 Priority: Research Capacity Building.	Ministry of Education and Science	European Social Fund Agency	Lithuanian Science Council (LMT)	–
1.4. Administrative capacity and efficiency of public administration	Ministry of Interior	European Social Fund Agency	–	Regional Development Council
1.5. Technical support for the Human Resources Development Operational Programme implementation	–	Central Project Management Agency	–	–
2. Economic Growth Operational Programme				
2.1. Economic competitiveness and economic growth of research and technological development	Ministry of Economy, Ministry of Education and Science	Lithuanian Business Support Agency, the Central Project Management Agency	Science, Innovation and Technology Agency (MITA)	–
2.2 Priority: Increasing business productivity and improving the business environment	Ministry of Economy	Lithuanian Business Support Agency	Investment and Business Guarantees (INVEGA)	–

Operational Programme/priority	Intermediate institutions			
	Ministry and other state institution	**Implementing institution**	**Global grant managing institution/organization**	**Regional Development Council**
2.3. Information society for all	Information Society Development Committee under the Ministry of Transport	Central Project Management Agency	–	Regional Development Council
2.4. Basic economic infrastructure	Ministry of Transport, Ministry of Economy	Ministry of Transport Investment Directorate, Lithuanian Business Support Agency	–	Regional Development Council
2.5. Trans-European transport networks	Ministry of Transport	Ministry of Transport Investment Directorate	–	–
2.6 Technical support for the Economic Growth Operational Programme implementation	–	Central Project Management Agency	–	–
3. The Cohesion Action Operational Programme				
3.1. Local and urban development, cultural heritage and nature and adaptation for tourism development	Ministry of Interior, Ministry of Economy, Ministry of Environment	Central Project Management Agency, Lithuanian Business Support Agency, Environmental Project Management Agency	–	Regional Development Council

Operational Programme/priority	Intermediate institutions			
	Ministry and other state institution	**Implementing institution**	**Global grant managing institution/organization**	**Regional Development Council**
3.2. Quality of public services and the availability of health, education and social infrastructure	Ministry of Health, Ministry of Education and Science, Ministry of Social Security and Labour	Central Project Management Agency	–	Regional Development Council
3.3. Environment and Sustainable Development	Ministry of Economy, Ministry of Environment, Ministry of Transport	Lithuanian Business Support Agency, Environmental Project Management Agency, Ministry of Transport Investment Directorate	–	Regional Development Council
3.4. Technical assistance for the Cohesion Action Operational Programme	–	Central Project Management Agency	–	–
4. Technical Assistance Operational Programme				
4.1. Technical support for the administration of the EU structural assistance received under the Convergence objective	–	Central Project Management Agency	–	–

Source: Government Decision no. 1139/2007

ments. It also consults applicants and (or) project operators regarding public procurement procedures and requirements.

The Certifying Authority is approving and sending to the European Commission three times per year the certified statements of expenditure and applications for payment. The Payment Authority makes the disbursement of funds to the promoters from the EU funds and (or) from the state budget. Both authorities are organised within the Ministry of Finance.

For the 2007–2013 period, Lithuania approved 4 Operational Programmes (**Table no. 24**), out of which one programme is for technical assistance. The distribution of responsibilities among institutions and across Operational Programmes and their priorities is clearly established in the following table foreseen in the end of the Government Decision no. 1139/2007, as follows:

Institutional overlaps are avoided with a clear delimitation of attributions and functions, but they are likely to appear especially at ministries level and between ministries and 2nd level intermediate bodies – the implementing bodies. One can noticed that in the legal act that regulates the administration process of the EU structural funds assistance there are no clear provision regarding the accountability relations between the ministries and the implementing institutions. If functionally and hierarchically there are no directly accountability relations between the ministries and the implementing bodies, some strains may occur between the two institutions and the ministries may not be willing to delegate their functions to the implementing bodies. The evaluation report[205] on the effectiveness of the administration scheme of SF in Lithuania recommends for the 2014–2020 period a *clearer delegation of functions and accountability (systematic monitoring of delegated functions, analysis of the administrative costs and burden, regular reporting) which could create opportunities for reducing the occurrence of the duplication instances and active delegation of functions to the 2nd level intermediate bodies.*

Another important aspect to mention is the financing of the institutions that are having delegated functions in the implementation of the Operational Programmes or of their priorities. Lithuania did not encounter problems in ensuring the national co-financing for the state institutions involved in the implementation of SF. According to one of interviewees, state financing of Operational Programmes was a priority in the Government meetings and treated like an implied political agreements among all parties. There were cases when the financing was delayed but never when the financing was blocked at all.

Institutional design

Since in Lithuania the Ministry of Finance is the main Managing Authority and coordinator of the SF assistance, the analysis will be focused on its institutional design. Within the Ministry of Finance it is organized a department called EU Structural Funds Management Department, which is an umbrella department for all issues related to the management of OPs, including the horizontal aspects: a direction for each OP, a direction for publicity and communication of the OPs, one for monitoring and analysis, one for evaluation, one for the management and control system and one direction for EU cohesion policy.

205 Viešosios Politikos ir Vadybos Institutas, (2013), ES Struktūrinės Paramos Administravimo Sistemos Efektyvumo Vertinimas, Galutinė Ataskaita, [Online], available at: www.esparama.lt, accessed on [02.02.2015]

Additionally, within separate departments, one can find the EU affairs coordination and analysis division, EU budget division as well as a National Fund Department which deals with declaration of expenses and repayment of EU funds. These are the main departments which are organized within the Ministry of Finance. Additionally, all the aspects related to the selection of projects have been externalised to the Central Projects Management Agency which belongs hierarchically to the Ministry of Financed but it is organized as a non-profit public institution. The Central Projects Management Agency was been created in 2003 and it is administering not only EU funds, but also financing from international donors and from the state budget.

It is worth mentioning that the Ministry of Finance has delegated two attachés in Brussels within the Permanent Delegation of Lithuania to the EU, called the structural policy attaché and the budget attaché. The structural policy attaché is responsible for the cohesion policy and structural support and for the issues related to the macro-regional strategies, while the budget attaché is responsible for issues related to the EU budget and financial control. The role of these employees is undoubtedly important, supporting the Ministry with important access to first hand information and decision-making in the EU regarding the aspects of cohesion policy and structural funds support.

All other ministries that are involved in the administration scheme of Structural Funds in Lithuania have specialized departments dealing with the management of the priorities from the Operational Programme that they are involved in as first level intermediate body. The Ministry of Social Security and Labour has a dedicated department called EU Structural Support Department with two divisions, a division on policy and a division on structural support management. The Ministry of Education and Science has a similar structure, a Department for the Coordination of EU Support, divided into two divisions, management and implementation divisions. Ministry of Social Security and Labour and the Ministry of Education and Science are the founders of the European Social Fund Agency which was created in 2002 as a non-profit public institution, having a similar status as the Central Projects Management Agency. In the period 2007–2013, the European Social Fund agency administered the Human Resources Development OP but also other funds, such as the European Refugee Fund, the European Fund for the Integration of third-country nationals and the European Globalisation Adjustment Fund program. Being established in 2002, the European Social Fund Agency administered equally pre-accession funds, but also the 2004–2006 human resources domains of intervention from the Common Programming Document.

Ministry of Environment has a dedicated department for the administration of the EU support with two divisions: management and planning procedure divisions, while the Ministry of Transport has a dedicated division for the coordination of the EU support under the Department for Budget and Management of State Assets. Each ministry has under its coordination an institution responsible for the management of structural funds as 2nd level intermediate bodies: Environmental Project Management Agency and Ministry of Transport Investment Directorate. Additionally, the Information Society Development Committee under the Ministry of Transport is acting as a first level intermediate body for one priority under the Economic Growth Operational Programme.

One can notice that the institutional design is rather simple and clear. The structures of the ministries are likely to change each time a new political management team is coming, but it does not affect drastically the EU support departmental and divisional design.

All ministries have externalized in a way or another their attributions in the management of SF by delegating implementing functions to other organizations which belong to the ministries or by other means they are connected hierarchically or functionally to the ministries. Most of the agencies have been set up in the pre-accession period and have accumulated significant experience in the management of EU funds (e.g. 2002, 2003). All the activities of management and coordination of SF in Lithuania are highly centralized, all institutions are in the capital city and they do not have regional or local offices.

Strategic management

The Ministry of Finance has approved on the 13th of December 2013 the Strategic Action Plan for 2014–2016[206]. The strategy states the mission of the Ministry in the abovementioned period and the most important priorities of the Government referring to its field of activity. Among these priorities one can find the one referring to the implementation of the 2014–2020 financial programming, which mentions two important deadlines: first quarter of 2014 for the preparation of the documents necessary to launch the foreseen funds and second-forth quarter 2014 for the distribution of funds and start of payments for projects. Additionally, the most important indicators for 2014 are the 2% from the national budget and the 6% from the EU budget paid amount to project promoters from the 2014-2020 financial allocation. Within the strategy there are also foreseen the resources allocated for the implementation of this priority, both financial and human. Yearly, the Ministry of Finance is issuing a report of activity which is properly evaluating the implementation of the strategy and the achievement of goals. According to the 2013 report of activity[207], Lithuania is one of the leaders among EU Member States which by the end of 2013 spent the largest amount of EU money which was allocated: EU average – 52%, while Lithuania – 67%. Therefore, Lithuania ranks fourth place after Portugal and Estonia. The general planned absorption rate for all institutions managing EU funds was reached an achievement rate of 80%, much larger than one year before.

Each other ministry has a 2 year strategic action plan which focuses on the Government priorities from its field of activity which foresees also the use of EU funds. Some ministries have also approved long-term strategies, such as the State Education Strategy 2013–2022.

Most of the institutions have implemented the quality management standards and have dedicated departments responsible for the monitoring of quality management system and its implementation **(Table no. 25)**.

Most of ministries have created working groups for the improvement of public management in their institutions and have adopted annual action plans. The working groups are made up from civil servants working in the ministry but also from politically appointed vice-ministers.

206 Lietuvos Respublikos Finansų Ministerija, (2014), 2014–2016 Metų Strateginis Veiklos Planas, [Online], available at: http://www.finmin.lt/finmin.lt/failai/strateginis_veiklos_planas_2007_2009/2014-2016/FM_2014-2016__SVP_pgl_ISTATYMA_keitimas_2014.05.07_1K-136.pdf, accessed [01.02.2015]

207 Lietuvos Respublikos Finansų Ministerija, (2013), 2013 Metų Veiklos Ataskaita, [Online], available at: http://www.finmin.lt/finmin.lt/failai/veiklos_ataskaitos/2013_m._VEIKLOS_ATASKAITA.pdf, accessed on [01.02.2015]

Table no. 25: Quality Management Standards

Institution	Quality management standard
Central Project Management Agency	LST EN ISO 9001:2008 and ISO 14001:2004 (LST EN ISO 14001:2005)
European Social Fund Agency	ISO 9001:2008 (since 2006), ISO 27001 (since 2011)
Environmental Project Management Agency	ISO 9001:2008
Lithuanian Business Support Agency	Department for quality and risk management
Ministry of Transport Investment Directorate	Department for quality and risk management

Source: www.cpva.lt, www.esf.lt, www.apva.lt, www.lvpa.lt, www.tid.lt

Human resources management

During the interviews and analysing the answers to the questionnaires, the quality of human resources in the institutions administering EU funds in Lithuania has been generally characterized as more than satisfactory towards a high level of professionals. It is also appreciated that the personnel employed is sufficient for the everyday work load of the institutions. The personnel flow is rather low is some institutions, while in others, due to unattractive salaries, the flow of personnel is characterized as rather high.

For some employees the salaries are considered as attractive while the incentives used in the human resources policy are various, ranging from financial to non-financial ones. Human resources are involved in constant training programmes, but some respondents appreciated that trainings should be more often organized than twice per year as it is today. Some employees are unhappy about the inexistence of personal career development plans and from this point of view they see their job without perspective.

Most institutions have codes of conduct or ethics for the employees.

Regulatory quality

The 2007–2013 period represented an opportunity to improve the legal regulations based on the weaknesses identified in the previous implementation period.

One of the most important legal initiatives was the development and improvement of the application of the public-private partnership legal provisions. The interest for the development of the public-private partnership exists in Lithuania since the time the country had access to pre-accession funds.[208] In 2010 the Government has approved a Programme for the Promotion of the Public-Private Partnership 2010–2012. The institutions charged with its implementation were the Ministry of Finance, the Ministry of Economy, Central Project Management Agency and Invest Lithuania. The program had the following objectives:

– to strengthen public sector capacity and expertise to develop and implement partnerships;

208 Šutavičienė, Ž., (2001), Viešojo ir privataus sektorių partnerystės poreikis ir galimybės Lietuvoje, Socialinių mokslų studijos, 3/3: 789-815, [Online], available at: www.ceeol.com, accessed on [25.01.2015]

- to involve in providing assistance to public sector entities responsible for the areas identified in this program, the development of partnership projects and documents searching for potential investors;
- to identify partnership criteria to be followed by the public sector when preparing long-term investment plans;
- to develop long-term partnerships in investment projects sectoral plans, they include not only the potential projects, but also the fact that the restructuring of the project implementing agencies of the budget allocations for the functions;
- to analyze the possibilities for the application of targeted financial measures to benefit the private sector, finance partnership projects, as well as the use of additional sources of funding for partnership projects;
- to ensure that the information on sectorial plans and methodical recommendations on how to develop and implement partnerships, is available to the public and private sector representatives;
- to improve the regulatory environment;
- to harmonize the public sector financial obligations under the partnership agreement with the volume of state financial opportunities.

The improved legal framework opened the possibility for combining Public Private Partnership (PPP) with the use of EU funds. In 2012, the Ministry of Economy prepared a list of 15 potential projects opened for financing with the use of PPP. The projects were scheduled for 19 to 25 years of implementation.

In 2012 Lithuania has attracted the appreciation of the EBRD in its study entitled *Evaluating the environment for public-private partnerships in Eastern Europe and the Commonwealth of Independent States*[209]*. The report* places Lithuania among the top five countries in Eastern Europe by institutional framework, investment climate, financial facilities and sub-national adjustment, noting constant improvements in PPP institutional design and the continuous encouragement of private sector participation.

The report appreciates that Lithuania has applied the best international practices in the creation of the regulatory and institutional framework. In terms of legislative aspects, EBRD has evaluated the Lithuania Law on Concessions as the best drafted laws in the countries covered by the EBRD operations. The law on investments amended in 2010 had also a positive influence in attracting more and more foreign investors, Lithuania facing a growing demand for public infrastructure and services.

Lithuania has been constantly improving the regulatory framework for the operation of PPP. In December 2014, the Government has approved amendments to rules for the implementation of PPP projects. The most important improvements target to speed up the whole procedure, by simplifying the rules and imposing clear deadlines for the decision making process as a whole, especially in terms of approval process deadlines.

Control of fraud and corruption

In May 2002, the Parliament of Lithuania approved the Law on prevention of corruption no. IX-904. The law foresees several measures for the prevention of corruption

209 European Bank for Reconstruction and Development, (2012), *Evaluating the environment for public-private partnerships in Eastern Europe and the Commonwealth of Independent States, [Online], available at:*http://www.ebrd.com/downloads/news/eecis.pdf, accessed on [01.02.2015]

and distributes obligations for state institutions and other organizations in applying these measures. The corruption prevention measures are: corruption risk analysis; anti-corruption programs; the statutory provisions of the draft legislation or anticipated regulatory impact assessment of the extent of corruption (legislation or draft anti-corruption assessment); provision of information about a person seeking or holding office in a state or local government agency; submittal of information in the registry of civil servants and legal entities; public education and awareness; publicity of detected acts of corruption; other statutory measures to prevent corruption.

Within the Ministry of Finance it has been created a commission for the prevention of corruption, coordination and control, and in each institution under the Ministry's of Finance authority, it has been delegated a person responsible for prevention of corruption and control, including in the Central Projects Management Agency. By order of the Minister of Finance adopted in 2008 and modified in 2010, there have been identified the fields of activity which are the most sensitive to corruption, having the highest probability for occurrence of corruption cases. Among these fields of activity, one can find those activities related with the management of EU funds, such as: Cohesion Fund technical assistance administration; Human Resources Development, Economic Growth, Cohesion Promotion and Technical Assistance Operational Programmes Managing Authority functions; EU and other international aid coordination and administration; 2007–2013 EU structural support to the convergence objective, functions of the certifying authority; applications for payment of EU financial assistance and (or) the payment applications to the European Commission and other reports and to the European Commission and other authorities and officials; EU financial support for the transfer of funds to implementing and (or) the paying agencies. Other activities performed by the Central Projects Management Agency have also been mentioned: management of EU and other financial support (administered programs and projects); Phare and Transition measures Ignalina program administration (contracting authority functions); Structural Funds administration.

The Ministry of Finance is implementing its own anticorruption programme adopted in 2004 and modified in 2010, based on a yearly action plan. Additionally, the Ministry of Finance submits to the Special Investigation Office (in Lithuanian, Specialiųjų Tyrimų Tarnyba – STT) an annual report[210] which analyzes the occurrence of corruption probability in each of the institutions under its authority. On Ministry's of Finance website, one can find the 2013 and 2014 reports. Similarly, the Central Projects Management Agency has adopted an own anti-corruption programme for the period 2013–2014 and a plan of implementing measures. The institution has also publicly informed about the principles of behaving of its employees with gifts offered.

The majority of institutions involved in the administration of Structural Funds in Lithuania have adopted and published on their websites the programme for the prevention of corruption and the annual action plan **(Table no. 26)**. Some institutions do not present up-to-date information while just four published information about the code of conduct of their employees. All institutions have set up a working group for prevention and control of corruption, some having a dedicated email offered to the public to inform about corruption cases.

210 http://www.finmin.lt/finmin.lt/failai/korupcijos_prevencija/20150108014.pdf, accessed on [01.02.2015]

Table no. 27: Anti-corruption measures

Institution	Anti-corruption programme and annual action plans	Code of conduct of employees	Publicity over the employees declarations of interests and property	Notification about corruption cases
Ministry of Finance	Yes	No	No	Dedicated email
Central Projects Management Agency	Yes	Yes	No	Dedicated email and redirecting web page to STT
Ministry of Social Security and Labour	Yes	No	No	Redirecting web page to STT
Ministry of Education and Research	No	No	No	No
European Social Fund Agency	Yes	No	No	Dedicated email
Ministry of Environment	Yes	No	No	Dedicated email, hotline, redirecting web page to STT
Environmental Project Management Agency	No	Yes	No	No
Ministry of Communication and Transport	Yes	No	No	Redirecting web page to STT
Ministry of Transport Investment Directorate	Yes	Yes	No	Dedicated email, redirecting web page to STT
Ministry of Economy	Yes	No	No	Redirecting web page to STT
Lithuanian Business Support Agency	Yes	Yes	No	Dedicated email, hotline, redirecting web page to STT

Source: public information available on the websites of the institutions listed above

A key institution involved in the prevention programme and fight against corruption is STT – The Special Investigation Service. The ***Special Investigation Service of the Republic of Lithuania*** is an anti-corruption agency accountable to the President and the Parliament of the Republic of Lithuania, whose main **mission** is to fight against corruption and to reduce it. STT is an institution for law enforcement but also for anti-corruption education and awareness in the society. Among its priorities, one can find the prevention of corruption in the area of allocation of funds and procurement from the state budget and the EU Structural Funds.

Among its prevention functions, STT is performing risk analysis of state institutions which are prone to corruption, is assessing the anti-corruption legislation, overseeing and implementing the national multiannual anti-corruption programmes in various institutions, as well as collecting information and performing checks on individuals seeking to hold or holding a position in the state institutions.

Another institution involved in law enforcement regarding the use of SF is the ***Financial Crimes Investigation Service***, an agency accountable to the Ministry of the Interior. The Financial Crimes Investigation Service is nominated the contact point institution with OLAF. Among its current priorities is the investigation and prevention of criminal acts related to illegal receipt and use of the funds of financial support from the European Union. In 2013, implementing tasks entrusted to the Service, 14 pre-trial investigations related to the illegal receipt and use of the EU support funds were initiated, in the process of which the embezzlement of 11,7 million LTL and illegally received funds were detected, their amount totalling 15,3 million LTL.

In 2013, Transparency International Lithuania Office has issues a study[211] dedicated to the corruption risks in implementing EU funds in Lithuania. The study identifies several risks at the level of programming, calls of proposals, project implementation and report and monitoring stages. At programming level, the study identified the following risks: Lack of clear rationale behind strategic and regional planning of EU funding priorities and / or measures; too broad or too narrow financing conditions creating prerequisites for unfair competition; lack of quality cost-benefit analysis. At implementation stage, the following risks have been identified: undue political influence from the intermediary agencies and politicians; lack of clear standards for the institutional set-up of implementing agencies and the legal status of staff working with EU funds; corruption risks in public procurement.

Institutional openness

Institutional transparency is appreciated as more than satisfactory by the respondents to the questionnaires. The respondents appreciate the quantity and quality of information offered to the public from good to very good. At a similar level it is appreciated the institution's relationship with the mass-media regarding communication on Structural Funds management/implementation. Among the measures of transparency mostly mentioned are the publication on internet of the private interests' declarations and a large amount of information on structural funds.

In the table below **(Table no. 27)**, the availability of information on the website of the Ministry of Finance as the main coordinator of Structural Funds administration and implementation is presented.

In 2008, by order of the minister of finance[212], it has been approved the Information Plan about the Structural Funds Support. The order contains the principles of information and the main key messages as well as the distribution of responsibilities among institu-

211 Transparency Internatinal Lithuania Office, (2013), Corruption Risks in Implementing EU funding, [Online], available at: http://transparency.lt/media/filer_public/2013/10/16/corruption_risks_in_implementation_of_eu_funding.pdf, accesed [01.02.2015]

212 http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=326289&p_query=&p_tr2=, accessed on [01.02.2015]

tions. The order foresees also the obligation to draw up yearly an information plan, which has to contain the main measures of information contained in the order **(Table no. 28)**.

Table no. 27: Institutional Transparency – Ministry of Finance

Type of Public Information	Availability
Legal acts regulating the organization and functioning of the institution	Yes
Organizational chart	Yes
Attributions of departments	Yes
Working programme	Yes
Request for official meetings with ministry's representatives	No
Official meetings with ministry's representatives programme	Yes
Name and surname of managers	Yes
Contact information of the institution	Yes
Financial resources, budget and accounting balance	Yes
Own programmes and strategies	Yes
List of public documents	No
List of documents issued/managed by the institution	Yes
Other types of information	
Public procurements	Yes
Job competitions	Yes
Annual reports of activity	Yes
Anticorruption strategy	Yes
Employees' Code of ethics	No
Managers' CVs	Yes
Managers' and Employees' declarations of interests and assets	No
Departments'/Employees' email addresses	Yes
Yearly objectives of activity for management positions	Yes
Institutions under its management or supervision and their contact data	Yes
Salaries' level of all positions within the institution	Yes
Information about employees' misconduct and incentives	Yes
Commission Regulation (EC) no 1828/2006 of 8 December 2006	
Funding opportunities	Yes
The list of beneficiaries, the names of the operations and the amount of public funding allocated to operations	Yes
Use of electronic means for the exchange of information and financial data	Yes

Source: www.minfin.lt

Table no. 28: Communicability – Ministry of Finance

Communication tools	Availability	Comments
National Communication Strategy 2007–2013	Yes	Adopted by order of the minister of finance in 2008
Annual Communication Plan	Yes	
Information Centre for Structural Instruments (help-desk, call centre)	No	
Toll number/Short number	No	
Website (www.esparama.lt)	Yes	
News flow	Yes	
Information bulletins	No	
Newsletter	Yes	Available upon registration by email
Events' planner (calendar)	No	
F.A.Q. (Frequently asked questions)	Yes	
Visual identity guide	Yes	
Definition of terms	No	
Foreign language version (e.g., English)	Yes	Only partial information is translated
Version for disabled people	Yes	
Search tool	Yes	
Links	Yes	
Electronic versions of communication products (audio-video materials, brochures, posters, flyers etc.)	Yes	
Visitors' counter	Yes	
Lists/maps of projects financed	Yes	
Social networks (Facebook, You Tube)	Yes	Small visibility
Information events (conferences, seminars, training sessions etc.)	Yes	
Public consultations	No	

Source: www.minfin.lt

The Ministry of Finance has created a special website for providing information about the structural funds use in Lithuania: www.esparama.lt for the 2007–2013 period and www.esinvesticijos.lt for the 2014-2020 period. All the necessary information for project promoters is concentrated on a single platform and it is constantly updated. The website www.esparama.lt is active since 2011 and the website www.esinvesticijos.lt since 2014.

They are financed from EU and governmental funds. The website format is user-friendly and contains a large amount of relevant information, including a database of financed projects. For each piece of information there is a link to the responsible institution which is handling the financed priorities. Additionally, each other institution involved in the administration of Structural Funds in Lithuania has its own website.

According to the 2012 evaluation report[213] regarding the information and publicity activities of Structural Funds the model of providing communication on the SF is appreciated positively. Information and publicity activities are shared between the intermediate and the implementing bodies. The implementing bodies are responsible for information while the intermediate bodies are mainly responsible for publicity. However, there are some domains of information activity where the responsibilities of the institutions are overlapping, therefore proper coordination and cooperation is recommended.

The information and publicity activities for the programming period 2007–2013 have produced a lot of positive steps, starting with the introduction of a centralized planning system and the use of the information and communication groups for the purpose of coordination and dissemination of information. The fields of activity that can be improved refer to a deeper and larger involvement of economic and social partners in the communication activities but also internally, to an increase of professionalism of civil servants responsible for communication activities.

Learning institutions: adjustability and transferability

Analysing the most recent reports of activity available (2013) of all the implementing agencies, one can notice that just two institutions report activities of internationalization consisting either in bilateral visits for exchanges of good practices (study visits and delegations) as well as implementation of twinning and technical assistance projects. In 2013, the Central Projects Management Agency has finished implementing 5 projects, out of which 2 twinning projects with Croatia and Serbia, one project for technical assistance with Moldova and 2 projects EUNIDA with Kazakhstan. Additionally, in 2013 the CPMA won the competition for 3 twinning projects with Macedonia and Montenegro. Study visits were organized both in Lithuania and abroad and delegations from other member states and candidate countries were received. The twinning projects with Macedonia and Montenegro include as partner the European Social Fund Agency and the Ministry of Labour and Social Security, proving a good example of inter-institutional partnership.

The European Social Fund Agency reports in 2013 a series of delegations, study visits and meetings with similar institutions from several member states, such as Sweden, United Kingdom, Poland, Belgium, and Finland.

Both agencies are participating in various European and international networks, such as EUNIDA 'European Network of Implementing Agencies', 'Active Inclusion Learning Network', 'INIO (Informal Network of Informational Officers of the ESF)', 'Learning Network on ESF Transnational Cooperation', 'Community of Practice on results based management (COP RBM)', 'School to Work – S2W', Inclusive Europe – Baltic Sea Network etc.

213 Lietuvos Respublikos Finansų Ministerija, (2012), Informavimo apie Europos Sąjungos struktūrinę paramą ir jos viešinimo vertinimas Galutinė vertinimo ataskaita, [online], available at: http://www.esparama.lt/es_parama_pletra/failai/fm/failai/Vertinimas_ESSP_Neringos/Ataskaitos_2010MVP/Informavimo_vertinimas_summary.pdf, accessed on [01.02.2015]

4.2.4 Cross-countries case study

The institutional set-up is very important in determining the performance of a Member State in absorbing the Structural Funds. The European Commission has continuously stressed the importance of the administrative capacities of the Member States as a key point in implementing effectively and efficiently the EU's strategies for development. Weaknesses of the state institutions leave place for inefficient use of EU money, fraud and corruption, therefore, strengthening of administrative capacities, especially of those ministries, agencies and other organizations managing and implementing EU funds has to be a strategic direction for each Member State, and in particular for the Member States that accessed the EU in 2004, 2007 and 2013.

Both Lithuania and Romania used intensively EU pre-accession funds, while Lithuania had an advance with a so-called 'trial period' of 2 years in using EU Structural Funds. Lithuania has stabilized its institutional framework around 2007, making a smooth transition from the pre-accession to the post-accession model of administration of EU funds, while Romania has constantly changed the institutional set-up, especially the national coordinator of Structural funds and stabilized its institutional framework in 2012 only, after a temporary suspension of several Operational Programmes.

Lithuania has chosen a centralized model of administering the funds, while Romania tried to combine the centralized and the decentralized model, delegating some attributions to other ministries but also at regional level, to the regional development agencies. It is interesting to notice that sometimes the regional implementing bodies proved better performances than central implementing bodies, due to their experience in administering EU pre-accession funds but also, it can be appreciated, due to their specialization in regional and local development and administration of EU funds. For the moment, the centralized model of administering the Structural Funds in Romania seems to lead to better results that a decentralized one, due to the traditional system of public administration which has been created on a centralized model. It is estimated that in Romania, a decentralized system of administering Structural Funds, such as, for example, investing the Regional Development Agencies with the attributions of Managing Authorities could be successful only with the implementation of the public administration reform which should first of all clarify the status of the development regions and of their political and financial power.

On another hand, an important aspect that can be mentioned here is the delegation of attributions of managing authorities and of intermediate bodies at NUTS 2 level but also in some case at the level of LAU 3 (local administrative units) in Romania. The regional penetration of the institutional framework in Romania is much larger than in Lithuania. Following the reform of public administration in Lithuania which ended with the elimination of the institutionalization at regional level – repealing of the *apskritis* administrative level, it appeared a vacuum between the central level and the local one. Defenders of this administrative reform consider that the public administration becomes more efficient and by elaborating the directive lines from the centre for the regional development policy it is ensured a more efficient harmonious development of the regions.

A very important aspect in the stability of the institutional framework is the political agreement between different parties running the Government. In both countries there

have been elections and changes of Governments during the 2007–2013 period but only in Romania it could be noticed a change of the national coordination institution with each change of the Government, and changes of Government in Romania have been twice more often than in Lithuania. In Romania, each new Government had a different vision on which institution should be the national coordinator of structural funds and this aspect influenced negatively its performance and its capacity to promote at least a medium-term strategy for the absorption of EU funds. In Lithuania, the Ministry of Finance has always been the national coordinating institution, accumulating also the role of payment and certifying authority, while in Romania, the Ministry of Finance has been deprived in 2011 of the attributions of national coordinating authority, keeping only the payments and certifying authority role. Another aspect that influenced the performance of the national coordinating authority is not only that it was moved from one institution to another but also that it was invested in a newly created ministry, such as the Ministry of European Affairs, fact that necessitated a lot of efforts to build the organizational management and culture.

The economic crisis from 2008–2009 and the following years caught and kept Romania in a difficult situation which affected strongly the performance on accessing the structural funds. The public institutions, at both central and regional level, had to suffer, being the target of Government's cuts of salaries and reorganization. It is the moment when the top-ups of civil servants working with structural funds, amounting 75% of the basic salary, are cut off and additionally, there is a general cut with 25% of salaries of civil servants. Practically, most of civil servants start to work for the minimum average salary. Therefore, the institutions administering structural funds had to confront consecutively several problems related to the management of human resources: inexperienced new personnel, and low motivated, unoccupied positions, financial and workload inequalities among employees from different institutions, continuous and unfulfilled needs for specialized training, decoupling between work and performance. These aspects led to a high personnel fluctuation, a lot of experienced specialists flowing out from the public system to the private sector. In average, the fluctuation of personnel in various institutions managing structural funds in Romania amounted 15–20%. The massive problems with the human resources tend to diminish starting with 2012, the work force being stabilised, a standardization of salaries being introduced as well as a system of indicators of work performance.

In Lithuania, the situation of the human resources was not so drastic like in Romania. In Lithuania there haven't been reductions of personnel at such a level like in Romania, while the cut and 'freezing' of salaries affected the political positions equally (ministers and vice-ministers). Most of the civil servants working in the institutions managing structural funds declared themselves rather satisfied with the level of their salaries but one could notice that incentives are not equally applied in institutions, in some missing at all, while in other being mixed, financial and non-financial.

The low performance of some institutions in the management of structural funds and the suspicions of fraud attracted a special attention from the EU Commission which undertook several audits and controls which ended with the suspension of some Operational Programmes in Romania. The quality of the management system has been qualified as rather low, while a lot of projects have been selected on less transparent procedures, existing suspicions that funds have been allocated on preferential criteria, such as on political ones. According to the information available, no institutions involved in the administra-

tion of Structural Funds in Romania has implemented a system of quality, that means a professional and standardized management of documents and procedures for decision-making, for example in the selection of projects, in their monitoring or in the management of irregularities.

On another side, Lithuania did not experience the suspension of any Operational Programme. Following the research, it has been identified that most of institutions have implemented a system for improving the institutional management, either an own system of monitoring and control of the quality of the public decision or a certified system of quality of management, identified especially in those intermediate bodies that are selecting and monitoring the projects, consequently they deal with a large amount of documents, such as the Central Projects Management Agency.

The economic crisis created for Romania additional problems as well. The most relevant in this respect is the financing of the Operational Programmes. Even if all politicians recognised the importance of the European funds for the financing of public projects important for the development of the Romanian economy and for creating jobs, some Governments have faced the problem of unavailability of public funds for ensuring the national co-financing of OPs. In the search of solutions, the fiscal overload increased, new taxes were introduced and old taxes increased, such as the VAT (from 19% to 24%). Additionally, it has been introduced the non-eligibility of pre-financing or its diminishing for certain OPs and reimbursements of funds to projects' implementers were delayed to unacceptable terms. Only starting with 2012 the Government has identified solutions and in agreement with the European Commission, have decided to allocate temporarily some part of the financial sources from the privatizations' fund to financing the national contribution until reimbursements from the EC were received. As the financial aspect has been a stringent factor for both the public institutions and the projects promoters, other solutions have been identified, such as the creation of a Development Bank on a model used in other countries, like France and Poland, but there is a need firstly for a political decision to implement this system which will be likely used only in the 2014–2020 period.

The regulatory quality is as important as the stability of the institutions. In Romania, most of institutions from the central level, e.g. ministries, have the possibility to initiate legal acts for improvement of the procedural framework and diminishing of bureaucracy. Unfortunately, the regulatory quality can be characterised as rather low, first of all because of its instability – some legal acts are too often changed, and without previous public consultation, sometimes the Government making excessive use of emergency ordinances but also because of the abundance of legal acts, such as the case of instructions and corrigenda to the guide of applicants, which create confusion among project promoters regarding the requirements for projects' implementation. Another aspect related to the regulatory quality remarked by project implementers was the fact that some legal provisions changing elements from the contracts for financing after they have already been signed between the managing authorities and the project promoters were applied retroactively, affecting and sometimes even increasing the obligations of contracts' parties.

Lithuania's legislative framework is more stable, the main legal acts in the field of Structural Funds use being seldom modified. Additionally, there have been constant improvements in legislating important tools for combined use of Structural Funds, such as

the public-private partnership, as an application of the principle of partnership in projects' promotion and implementation.

There is still place for improvement of the institutional communication regarding Structural Funds in Romania and Lithuania. Both countries have chosen a centralized model of communicating the information about the financial support from the EU, elaborating a national communication strategy approved by the European Commission. Lithuanian institutions are performing better in communicating the information about Structural Funds than the Romanian ones. The efficiency of the communicating tools in Romania is rather low according to the opinion polls from 2013, which report a still low public awareness about the institutional framework for the administration of funds and about the funds' destination. The public opinion is still reserved about the legal use of the EU funds, assimilating and accusing high corruption levels in the allocation and use of the funds. Additionally, most respondents appreciate the information about EU funds as too technical and consider difficult to apply for financing because of excessive requirements imposed to projects' promoters.

In terms of institutional transparency, one could identify real improvements over the period 2007–2013. In both countries, most of information about the institutions and about the funds is published on the internet, on the official web sited of the institutions managing the EU funds. This is also due to the enactment of public institutions' obligations to make available to the public certain category of information classified as public information. The mostly used tools for transparency are the institutions' web sites. Consequently, such information as the declaration of interest of civil servants or average salaries of civil servants working with structural funds is now published on the internet. For communication and transparency reasons, there is a tendency in both countries of the use by public institutions of social networks for the promotion of EU funds, although their visibility is still low.

Basically, each institution involved in the administration of structural funds has its own website which provides information about the OPs or the key priorities that they are managing. Additionally, in Lithuania, there is a unique portal collecting and publishing information about EU funds, administered by the Ministry of Finance in its quality of national coordinator institution, which is very popular, accounting about 38 million visits during 2007–2015 (www.esparama.lt). In Romania there is a tendency of transforming the web site of the Ministry of European Funds (www.fonduri-eu.ro) in a similar unique portal for communicating the information about EU funds, but the platform has to be better developed and updated and there is a need for a higher standardisation and professionalization of the service. Such a portal could be created and developed through a technical assistance project.

A phenomenon that is affecting the sound implementation of the Structural Funds is the level of corruption. Both countries have made efforts to prevent and eliminate different forms of corruption especially at the level of managing authorities and intermediate bodies. In Romania, a national anti-corruption strategy has been adopted and it started to show its results, especially by unmasking the high level corruption, such as ministers, vice-ministers but also presidents of country councils and mayors. Cases of corruption under investigation have affected the schedule of implementation of several important public projects by delaying and cancelling the public procurement activities where most

of the cases of corruption have been revealed. Together with the prevention of corruption, important steps have to be made in the improving of the legal framework and in promoting as much as possible the transparency of procedures for allocating public funds to allow the prevention, monitoring and alarm system to work efficiently in the fight against illegal use of EU funds. Comparably, Lithuania is scoring better in 2014 than Romania regarding the corruption perceptions index: 39th against 69th place from 175 countries monitored by Transparency International[214].

Following the data resulted from the analysis of the transferability of knowledge and experience in managing Structural Funds, one can appreciate that Romanian institutions administering Structural Funds are still at an intensive learning stage, a so called *maturation* stage and an incipient stage of transferring expertise to other countries, new Member States, such as Croatia or candidate countries and potential candidate countries, such as Republic of Moldova with which Romania has a special political relationship. The exchange of experience with the Republic of Moldova is promoted even at regional level, by extended partnerships with the Regional Development Agencies. On another side, Lithuania is more advanced in providing expertise and one can notice this aspect by the type of twinning projects that is implementing in countries such as Croatia, Macedonia, Serbia, Montenegro and Republic of Moldova.

4.3 Analysis of good practices at Operational Programmes' implementation level

4.3.1 Introduction: Programming rules for all Member States

According to the rules established in the EU regulations[215] for the period 2007–2013 each Member State had to prepare a National Reference Strategic Framework based on the European Union's Community strategic guidelines on cohesion. The NRSF had to be approved by the European Commission. Following its approval, the next step was the drawing up and approval of Operational Programmes which should have covered the period between 1 January 2007 and 31 December 2013. Each Operational Programme had to cover just only one of the three objectives of the cohesion policy: convergence, regional competitiveness and employment, and European territorial cooperation.

The regulation foresaw deadlines for the Member States and the EC for elaborating and approval of relevant documents. Member States had to propose to the EC the Operational Programmes no later than 5 months after the approval of the Community strategic guidelines on cohesion, while the Commission had to approve an OP no later than 4 months after a Member State submitted it.

214 http://www.transparency.org/cpi2014/infographic/compare

215 Council of the EU, (2006), Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999, [Online], available at: www.europa.eu, accessed on [01.02.2015]

According to the Regulation no. 1083/2006, each Operational Programme had to contain at least the following information:

a) a SWOT analysis of the eligible area or sector;
b) a justification of the priorities chosen;
c) information on the priority axes and their specific targets, quantified by indicators for output and results;
d) an indicative breakdown by category of the programmed use of the contribution from the Funds to the operational programme;
e) a financing plan;
f) information on complementarity with measures financed by the EAFRD and those financed by the EFF;
g) the implementing provisions for the operational programme;
h) an indicative list of major projects.

In order to ensure effectiveness of OPs, the Council Regulation 1083/2006 foresaw the obligation for Member States to carry out strategic and operational evaluations. There were foreseen three types of evaluations: ex-ante, on-going and ex-post. Evaluations had to be carried out by experts, internal or external, functionally independent from MA and IBs. Member States were responsible for organizing the whole evaluation process, by allocating the necessary funds from the technical assistance programme for the purpose of improving the programming quality.

4.3.2 Programming in Romania: within-country case study

The European Commission approved Romania's NSRF on 25th of June 2007, Romania being the 15th Member State of the EU which finalized the negotiation of this document. Some OPs there were still being drawn up, while the first guides for applicants appeared in 2008 only. Practically, in the beginning, one year was almost lost.

Romania has proposed 7 Operational Programmes to be financed from the Cohesion Fund, ERDF and ESF. One operational programme was dedicated for technical assistance but also each OP had a dedicated axis for technical assistance support. Additionally, 8 operational programmes for territorial cooperation were financed by the ERDF **(Table no. 29)**.

Table no. 29: Correlation between the European Funds and OPs in Romania

Cohesion Fund	European Regional Development Fund	European Social Fund
SOP Transport SOP Environment	ROP SOP IEC 8 OPs for territorial cooperation	SOP DHR SOP DAC

Source: National Strategic Reference Framework 2007–2013 Romania

Policy making

The quality of the strategic documents, namely the National Strategic Reference Framework and the individual Operational Programmes has been intensively criticized

by evaluators. The evaluation reports[216] point out that Structural Funds strategies appear insufficiently anchored in the overall national development strategy. The implementation of Structural Funds seemed disconnected from the overall development context, also the specific legislation was not correlated with the rest of the national legislation. Generally, the implementation of Structural Funds was negatively influenced by a set of overarching, policy related factors, especially a lack of correlation in strategic, legislative and financial terms.

The slow pace of the absorption rates of Romania in the beginning of the programming period could be explained by distortions following from the logic of policy-making. Evaluators mentioned that *a major factor in this respect was the insufficient consistency and coordination of national policies and strategies with the aims of EU-funded interventions*[217]. This so-called *accommodation* of Operational Programmes into the national legal, financial and development context lasted about 2 years, this misfit explaining the delays in launching operations within the Operational Programmes, often changes of the legislative framework and implementing rules. Institutions lacked a long-term strategic vision which affected the implementation of Operational Programmes.

The lack of a long-term strategic vision is doubled by a weak tradition of partnership at institutional level. The evaluators noticed that Romania had a poor tradition in respect of partnership involving various stakeholders in the policy making process. The low progress of certain interventions was also explained by the inability of policy makers to incorporate beneficiaries' needs and expectations into the planning process. The low popularity of certain interventions, where no applications have been submitted by potential beneficiaries, could also be similarly explained. Later on, such interventions were withdrawn from the Operational Programmes and resources have been allocated to other domains of intervention.

Nevertheless, a certain level of partnership exists at programme level, but it is limited to consultations with local and regional authorities and the civil society. At regional level, based on legal requirements and at the initiative of Regional Development Agencies, Local Partnership Groups (LPG) have been set up since 2007 for the purpose of contributing to the drawing up of the Regional Development Plans on whose basis the Regional Operational Programme has been adopted. For example, the Regional Development Agency South Muntenia[218] has benefited from financing in organizing the meetings of the Local Partnership Groups based on a Twining Convention financed by the UK Department for International Development. For the whole programming period 2007–2013, the activity of the partnership groups can be detailed as follows: 121 institutions and organizations involved in the Local Partnership Groups; 56 meetings of the LPG; 3 seminars regarding Structural Funds and 7 training courses.

It can be debated here the reason why Romania did not adopt a Regional Operational Programme for each of the 8 development regions, considering how big it is its territory and how many differences are among its regions. Romania is the only country

216 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), Final Report – A Formative Evaluation of Structural Instruments in Romania, [Online], available at: www.evaluare-structurale.ro, accessed on [22.01.2015]

217 *ibidem*

218 http://www.adrmuntenia.ro, accessed on [01.02.2015]

with a significant large territory in the EU which does not have separate regional operational programmes for the regions it contains. According to the evaluation report[219] of administrative capacity of regions in the field of regional development, the quality of the process of regional development planning is rather satisfactory, the Regional Development Agencies being able to conduct successfully the process. The requirements for effective partnerships are fulfilled, being reflected by the relatively high number of stakeholders involved and their constant involvement and participation in consecutive planning exercises. The problems identified refer basically to the quality of the Regional Development Plans (RDPs), as they are no yet clearly integrating the development objectives of the national and EU regional policies, having the tendency to identify too many areas for intervention and missing proper prioritization of development objectives. Additionally, the RDPs do not enjoy proper financing at regional level. The RDPs are neither administratively nor politically assumed by the institutions and organizations part of the Local Partnership Groups, being guiding documents rather than concrete action plans in regional development.

Institutionally, Romania is still not prepared to adopt separate regional operational programmes as the 8 development regions are still lacking an administrative background to allow them to adopt such strategic documents and to allocate funds thereof. The centralized model of drawing up a single Regional Operational Programme is still followed in the new programming period 2014–2020 and no other options appear at the horizon, as the process of regionalization and decentralization is ongoing and there are still political debates regarding the legal personality of the 8 development regions and the role of RDAs in this process.

According to a study conducted in 2007[220] by the European Institute from Romania, it is mentioned that the quality of the programming process has been influenced by several important factors: partnerships were rather formal, there have been weak inputs following consultations and there have been a total lack of transparency in choosing the members of the Monitoring Committees. The partnership principle, a key principle of the regional policy, has been formally applied by Management Authorities in all the consultations regarding the drawing up of Operational Programmes. Despite the fact that consultations have been organized, they were rather formal, from the following reasons: partners were not actively informed before the meetings, a number of limited partners were invited, the time allocated for discussions was too short and there were no feed-backs from partners after the consultations. The study explains that the limited capacity to develop local visions and development strategies at local and regional level is due also to lack of experience. In the absence of development strategies, the role of Management Authorities and Intermediate Bodies in selecting the most important strategic projects for regional development became strong and authoritative.

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219 Ministerul Dezvoltării Regionale și Turismului, (2011), Raport de evaluare: Evaluarea capacității administrative a regiunilor în domeniul dezvoltării regionale, [Online], available at: www.evaluare-structurale.ro, accessed on [01.02.2015]

220 Institutul European din România, (2007), Impactul Fondurilor Structurale – Aspecte Calitative, [Online], available at: www.ier.ro, accessed on [01.02.2015]

Openness, transparency and communication

According to Regulation 1083/2006, for each Operational Programme has to be created a Monitoring Committee. Monitoring is an essential activity that ensures the quality of the implementation of Operational Programme. In Romania, there have been established Monitoring Committees for each Operational Programme, but the availability of information varies from one Managing Authority to another.

According to the study[221] conducted in 2007 in Romania by the European Institute, it has been noticed a total lack of transparency regarding the selection of members and working procedures. In 2014, there is much more information available regarding the activity and membership of the Monitoring Committee but some Management Authorities still fail to make available on line the data regarding the membership of the Monitoring Committee or the decisions taken or to update the information **(Table no. 30)**.

Table no. 30: Monitoring Committees – Transparency 2014

Operational Programme	Availability of the Organization and Functioning Regulation	Availability of membership composition	Availability of meetings' minutes and decisions	Availability of Monitoring Reports	Other information
OP DAC	Yes	Partial, just institutional	Partial, just synthesis of decisions	Yes	Pictures
ROP	Yes	Partial, just institutional	Yes	Yes	n.a.
SOP Transport	No	No	Yes	Yes	Presentations made by members, Pictures
SOP Environment	Yes	Partial, just institutional	Partial, not updated to 2014	Yes	Presentations
SOP DHR	Yes	Partial, just institutional	Yes	Yes	n.a.
SOP IEC	Yes	Partial, just institutional	Yes	Yes	n.a.
OP TA	Yes	Yes	Yes, but partial; not updated to 2014	Yes	n.a.

Source: www.fonduri-ue.ro

221 Institutul European din România, (2007), Impactul Fondurilor Structurale – Aspecte Calitative, [Online], available at: www.ier.ro, accessed on [01.02.2015]

The National Communication Strategy regarding Structural Funds has been published relatively late and was constantly modified. The Authority for Coordination of Structural Funds has published even since 2005 information materials about the Structural Funds, but they were rather general and brief, and had to be revised in the following years as they were not up-to-date anymore. The general impression about the Structural Funds before accession to the EU was that they were difficult to access due to multitude of documents needed and lack of co-financing, but also due to the suspicions of corruption regarding the institutions involved in their management. In a study from March 2007 entitled the Barometer of European Integration issued by the Agency for Governmental Strategies[222], 57% of respondents appreciated that the European funds are not correctly distributed by the Romanian authorities, and 32% believed that Romania does not have the capacity to use entirely the European funds that it has been allocated.

Information campaigns started rather late, some of them even just one or two months before deadlines for submitting the applications. The language used has been often classified as heavy, technical, containing too many abbreviations, excessive, and too general. These aspects have been observed also by the study conducted by the European Institute in Romania, which mentions that *The Managing Authorities haven't shown their interest in organizing the public communication activities. The information they provide is generally limited, rarely updated and not tailored to specific target-groups*[223].

The respondents of this study pointed out that sometimes communicators from Management Authorities were overwhelmed by the questions addressed; they did not know the most updated information; during communication campaigns, it appeared an overlap of institutions which were supposed to offer the information officially. Direct contact with potential beneficiaries created communication difficulties for those who were employed to offer professional and actual information. Additionally, information services have been sub-contracted by the Management Authorities, quite expensively and without visible results. For example, the budget allocated for information and publicity measures regarding Operational Programme Environment 2007–2013 amounted approximately 30 million Euros, all these amounts being allocated through the technical assistance axis.

At later stages, information campaigns and events started to develop. The Management Authorities increased activities of information at regional level as well. Brochures and flyers of an attractive quality have started to be produced. But not only Management Authorities started to make publicity of Structural Funds. A lot of materials appeared from doubtful sources, some think-tanks and NGOs, even politicians starting to make information campaigns about Structural Funds.

Almost all Management Authorities have developed own communication plans. Communication and information activities have been organized at regional and local level as well. Management Authorities have organized information events at sub-national level with the support of their regional intermediate bodies, while the Management Authorities which are not supported by Intermediate Bodies at regional level have organized either

222 Agenția pentru Strategii Guvernamentale, (2007), Barometrul integrării europene, [Online], available at: http://contextpolitic.net/spub/2008%20si%20vechi/MMT%20ASG%20martie%202007%20barometrul%20integrarii%20europene%20via%20ContextPolitic.net.pdf, accesed on [01.02.2015]

223 Institutul European din România, (2007), Impactul Fondurilor Structurale – Aspecte Calitative, [Online], available at: www.ier.ro, accessed on [01.02.2015]

large mass media campaigns (TV and radio), or direct meeting with potential beneficiaries, such as caravans, conferences, seminars or trainings. Helpdesk and information centres activities are unequally distributed around the country. In some regions there are functioning Europe Direct Information Centres which are providing also information about EU funds and Operational Programmes. A Centre for Information on Structural Instruments was set up in the capital city of Romania in 2012, but it is temporary not functional and it does not have any branches at regional or local level **(Table no. 31)**.

Table no. 31: Communication of OPs

Operational Programme	Communication Plan	Visual Identity Manual	Publications	Mass Media Campaigns	Conferences, seminars, trainings for beneficiaries	Information Centre/ Help desk	Other tools
OP DAC	Yes	Yes	Yes	No	Yes	No	n.a.
ROP	Yes	Yes	Yes	Yes	Yes	Yes; in some development regions there are Europe Direct Information Centres	Online applications for request of information; free number
SOP Transport	Yes	Yes	Yes	Yes	Yes	No	n.a.
SOP Environment	Yes	Yes	Yes	N.a.	Yes		OP brand strategy
SOP DHR	No	Yes	Yes	No	Yes	No	n.a.
SOP IEC	No	Yes	Yes	No	Yes	No	n.a.
OP TA	Yes	Yes	Yes	No	Yes	Yes	n.a.

Source: www.fonduri-ue.ro

The answer to the question 'How effective the information campaigns about Structural Funds have been in the last 7 years?' is difficult to offer, but if one looks to the absorption rate and to the results of opinion polls, it is rather obvious. According to the last opinion poll contracted by the Ministry of European Funds in 2013[224], 49% of respondents consider that they are not very well informed about the European funds available for Romania after accession to the EU. When it comes to even more detailed knowledge about the system of management of SF, eligibility rules, institutions, in average around 40% are not

224 OR, Sondaj de opinie [Online], available at http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/Documente_Suport/Studii/0_Studii_Instrumente_Structurale/Rapoarte-analiza/03.06.2014/Analiza.comparativa.OR-sept.2013.pdf, accessed on [01.02.2015]

aware of such information. The domains of activity that the funds are available are known to respondents in the following order: agriculture (85%), development of towns (77%), development of villages (75%), environment (70%), infrastructure (67%), education (60%), culture (58%), human resources (52%), and health (50%). The respondents appreciate that the information should be channelled with priority through: the local public administration (36%), mass-media (24%), NGOs (18%) and just 15% through Government and ministries.

Interconnectivity and e-Cohesion

The core database for the collection, processing and maintenance of data regarding projects financed through the SF is the SMIS – Single Management Information System, which is managed centralized and maintained by a specialized department within the Ministry of European Funds. Respondents to the surveys conducting under the formative evaluation of Structural Funds[225] were generally dissatisfied with the support provided by SMIS which was described as unable 'to deal with the specificities of the different Operational Programmes and its need for continuous updates.' This is the reason why some Management Authorities have built up their own database systems, such as ACTION WEB under the Operational Programme Development of Human Resources and GIS under the Regional Operational Programme.

The Operational Programme Technical Assistance contained a dedicated axis for financing the functioning and development of the SMIS but by the end of 2012, extremely low progress was achieved (1% absorption rate), according to the 2012 Annual Implementation Report of the Operational Programme Technical Assistance[226]. Several projects were contracted and under implementation. Among these projects, it has been created a platform called MySMIS, which is an extension of SMIS at the level of beneficiaries. The project's implementation did not finalize yet and the platform is not available. The purpose of MySMIS is to allow the potential beneficiaries to submit all the requests through a unique and integrated system: to apply for projects (e-Calls), to request financing (e-Request), to evaluate the project proposals (e-Evaluation), to implement the project (e-Implementation). The system could be easily used in the same time by both beneficiaries (called front-office users) and Management Authorities and Intermediate Bodies (called back-office users).

In 2010 the European Commission addressed to the Parliament and to the Council a Communication entitled *Europe 2020 Flagship Initiative – Innovation Union* with the intention to attract the attention towards the fulfilment of the Europe 2020 strategic priorities whose core is innovation[227]. According to statistics, Europe is not performing very

225 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), Final Report – A Formative Evaluation of Structural Instruments in Romania, [Online], available at: www.evaluare-structurale.ro, accessed on [22.01.2015]

226 Ministerul Fondurilor Europene, (2013), Raportul anual de implementare, [online], available at: www.fonduri-eu.ro/poat, accessed on [01.02.2015]

227 European Commission, (2010), Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Europe 2020 Flagship Initiative, Innovation Union, [Online], available at: ec.europa.eu/enterprise/policies/innovation/policy/innovation-union/communication/iu_en.pdf, , accessed on [01.02.2015]

well in comparison with USA and Japan, yet China, as a fast developing country. Budgets for research and innovation in Europe are hardly reaching the target of 3% of GDP, currently EU average laying around 1.8 %. Europe is not only missing the financial support for innovation in times of financial crisis (but not necessarily directly related to it), but also an integrated strategic approach towards development and growth through investment in innovation, ICTs, research and higher education. In the 3rd millennium, it has become more than urgent for Europe to take measures to catch up with the innovative world leaders and to face the global challenges of today, such as climate change, energy and resource scarcity, health and ageing.

The European Union itself has to start to prove example of implementing innovative measures of e-government by *undressing* the coat of bureaucratic giant that has been created over the years and to issue fast and flexible models of decision-making and decision implementation, especially in terms of financial support. The reference here is made mainly at the use of Structural Funds and of Framework Program for Innovation as the main EU financial supports for development, research and innovation. The access to EU funds must be simplified and concentrated on results' delivery and not on control, in order to maximize their impact and added-value. *Researchers and innovators should spend more time in the lab or doing business and less on paperwork*[228].

A Europe of economic, social and territorial cohesion should be supported by innovation while innovation is spread at all territorial levels. This would be translated by the integration of research and innovation within all the EU funding programs, including the Cohesion Funds allowing all the regions to have access to them, to implement their results, to promote them and to become leaders and drivers of innovative measures of development. This might be very well contributing partly to the creation of the e-cohesion concept, targeting the equal distribution of innovation among the regions of the European Union.

Looking through the reform proposals of the cohesion policy, one can easily notice the almost obsessive mentioning of the *innovative* term: an *innovative* concentration on core priorities; promoting additional, *innovative* and flexible spending; addressing the efficiency objective: the case of *innovation*[229]. Indeed, the policy itself needs to introduce new tools to become more efficient in its creation, management and evaluation and monitoring.

Undoubtedly, the concept of e-cohesion is closely related with the target of investing minimum 3% of EU's GDP in innovation, research and development set by the Europe 2020 Strategy, the European Union prioritizing projects regarding the development of new technologies and high-speed Internet access. The implementation of this concept is regarded as having a double meaning: a political and a technical one. By adopting the e-cohesion concept, the EU is 'practicing what it is preaching' that means the implementation of e-government services, the Digital Agenda in Cohesion policy management and the reduction of administrative burdens for beneficiaries. On the technical side, the e-cohesion should encourage the digitization between the administrations and the beneficiaries, creating and enhancing electronic portals as well as the suppression of parallel paper flows.

228 *ibidem*

229 Barca, F., (2009), An Agenda for a Reformed Cohesion Policy, A place-based approach to meeting European Union challenges and expectations, Independent Report, European Communities, Belgium

The main information regarding the e-cohesion concept is the article 112 of the new policy document mentioned above which refers to the responsibilities of the Member States in the management and control systems of the Structural Funds. According to this article, the Member States should ensure that no later than 31st of December 2014 all exchange of information between beneficiaries and all authorities involved in management, certification, auditing, selection and evaluation of applications will be carried out solely by means of electronic data exchange systems. These systems should also ensure the interoperability with national and EU frameworks and allow the beneficiaries to submit the needed documentation just once.

There is a clear standpoint that the introduction of innovative management systems for the administration of Structural Funds has to start from the very top, including the European Commission and the national management authorities. They are the ones to create and to promote the proper environment for the electronic submission and evaluation of applications, as well as on-line support for applicants and beneficiaries. These procedures should go along with a simplification process and cut of red-tape becoming more user-friendly especially for SMEs that will surely get more encouraged and keen to submit applications due to a clearer and faster access to information. It is well known that difficult access to co-financing but also long-run and bureaucratic procedures for the access to European funds make most of the companies give up submitting any kind of project or projects are abandoned during their implementation.

In its policy document entitled 'Cohesion Policy 2014–2020 Investing in Growth and Jobs', the European Commission acknowledges that 'electronic data management can seriously reduce administrative burden, while increasing the controllability of projects and expenditure' and sets for the Member States a deadline of 2014 to implement a system that would permit the beneficiaries of funds to provide all the needed information by electronic means[230].

Analyzing this message, one can notice that the European Commission refers only to the projects that have been already approved for financing and are in the implementation phase but one considers that the Member States should be as well encouraged to introduce electronic submittal of projects while implementing the electronic signature regulations. This message is addressed mainly to the management authorities, be they of national or regional level.

The research has targeted to gather information about the following topics: the availability of the on-line submittal of projects and of any electronic support for the beneficiaries from the part of the specialists and of an electronic system for data exchange between beneficiaries and management authorities and for documents' management during implementation phase **(Table no. 32)**.

On line submittal of projects is available in some member states but it is conditioned in most of the cases by a preliminary registration on the basis of a username and password (for example, Romania, the Management Authority for the Operational Programme for the Increase of Economic Competitiveness). The Management Authority for the Opera-

230 European Commission, (2011), Cohesion Policy 2014–2020 Investing in Growth and Jobs, Luxemburg, Publications Office of the European Union, [online] http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation2014_leaflet_en.pdf, accessed on [09.01.2012]

Table no. 32: E-cohesion

Operational Programme	Electronic submittal of Projects	Electronic data exchange system between beneficiaries and MA	Electronic submittal of reimbursement requests and progress reports	Integrated/interactive electronic database/ portal of projects
OP DAC	No, original documents by post or personally	By email for technical assistance; any submittal of documents follows the ordinary written procedure, by post	No; Ordinary written procedure, by post	No; only excel file database
ROP	No, original documents (4 samples), submittal by post or personally	By email for technical assistance; any submittal of documents follows the ordinary written procedure, by post	No; Ordinary written procedure, by post	Yes: http://administratie.gisportal.ro/mdrap/; Excel file database; PDF files, short description of projects
SOP Transport	No, original documents (4 samples) and CD, submittal by post or personally	By email for technical assistance; any submittal of documents follows the ordinary written procedure, by post	No; Ordinary written procedure, by post	No; only PDF files
SOP Environment	No, original documents by post or personally	By email for technical assistance; any submittal of documents follows the ordinary written procedure, by post	No; Ordinary written procedure, by post	No; only PDF files
SOP DHR	Yes, ACTIONWEB, but backed by paper documents. Previous registration with username and password	By email for technical assistance; any submittal of documents follows the ordinary written procedure, by post	Yes, ACTIONWEB, but backed by paper documents	No
SOP IEC	No; paperback submittal of projects (3 samples) and electronic CD	By email for technical assistance; any submittal of documents follows the ordinary written procedure, by post	No, just paper documents (3 samples)	No
OP TA	MySMIS (under implementation; not fully functional)	MySMIS (under implementation; not fully functional)	MySMIS (under implementation; not fully functional)	Automatic update of projects from SMIS

Source: public information available on the websites of the Management Authorities listed above

tional Program for the Development of Human Resources has developed among the first ones in Romania an on-line application called ACTIONWEB that allows the applicants to submit their projects on line in a user-friendly environment. Even if electronic submittal is available, hard copies of documents are still compulsory (Romania) or requested by the Management Authority if needed.

In Romania, even if the project is submitted on line, the applicant is given a deadline to provide all the documents, including the application itself, in written. Even if electronic documents are accepted, as nowadays most documents are issued electronically and do not have a paper version, there is still specified that such electronic documents have to be kept in the same secured environment as paper copies and for the same duration.

Electronic management systems could be also introduced by the management authorities in the process of selection of the evaluators, in order to ensure that the evaluators are chosen randomly by the computer and they would not have any personal interest in a certain project evaluation.

There is still place for improving the service delivery for applicants and beneficiaries using the on line real-time communication tools and well as introducing platforms of information exchange among different applicants on the web sites of the managing authorities or of the implementing bodies that are open to comments and discussions. A more use of web forms instead of portable document formats would make the application more interactive and user-friendly.

There are types of projects where a total digitization of the project will not be possible, for example big strategic environmental projects which request a lot of documentation and field visits. One has also to consider the present reality that access to internet in Europe is still restricted in disadvantage regions, such as rural or mountain areas and the efforts to introduce electronic systems of project management have to go hand in hand with the efforts to create broadband networks or mobile internet access according to the requirements of the Digital Agenda for Europe whose aim is to ensure that by 2020 all Europeans should have access to Internet at speeds above 30Mbit/s and 50% or more of European households should have subscriptions above 100 Mbit/s.[231]

The implementation of the e-signature at national level might help lowering the costs and simplifying the systems, if a rule of submitting all documents only electronically would be enforced. The two work flows of today, electronic and paper, present in some systems create additional complexity, duplicated work and bureaucracy.

There are still steps to be taken to achieve the e-cohesion concept as drawn by the EC and the 2014 target might very well be too ambitious for the Member States and become a time restriction in exchange. There are views that suggest that the deadline should be extended to 31st of December 2015 as the Member States will not be able to select in due time the Operators who will manage the new data exchange systems. Nevertheless, efforts in this field are made by the management authorities as there are clear advantages of introducing electronic data management systems both for applicants, evaluators and management authorities' specialists. In this respect, a good contribution to the process can

231 European Commission, (2011), Cohesion Policy 2014–2020 Investing in Growth and Jobs, Luxemburg, Publications Office of the European Union, [online] http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/pdf/2014/proposals/regulation2014_leaflet_en.pdf, accessed on [09.01.2012]

be represented by the exchange of good practices and sharing experiences by looking into other domains (such as e-Procurement) or same domain but in different regions of the EU.

A political challenge might influence the acceptance and implementation of the e-Cohesion by different Member States due either to the stage of the technical development of their national systems or to the reluctance related to security and interconnection with the European system. In this respect, the EC recommends to put in place a task-force, as a centre of excellence, for the support of the implementation of the e-Cohesion which would encourage the active participation of Member States and increase credibility and transparency in the interoperability of the European data exchange system. Challenging might also be the creation of interregional electronic platforms and sharing of costs in the framework of the European Territorial Cooperation projects which counts partners from different states located in border regions[232].

The implementation of the e-cohesion might as well have an impact at the organisational level, as a higher digitization might require a stronger technical professionalization of the management authorities but as well a reorganisation even reduction of departments and personnel. In a more complex management structure might be difficult to maintain and update the systems, so it is recommended to avoid setting up more than two levels of monitoring systems for the funds[233].

Changes in legislation of the Member States might occur due to the demands of implementing the e-cohesion. Impact on legislation might vary from low to high depending on the digitization of the country itself and the use and acceptance of e-services in the public life (see model of e-Estonia). Legislation needs to be issued or amended regarding the legal recognition of digital documents, especially for audit purposes. Similarly, national laws on personal data protection that might influence the successful implementation of the e-cohesion will need to be adjusted accordingly.

Financing the e-cohesion will challenge the national budgets in the next years. Technical assistance operational programmes financed by Structural Funds are the main tools that the management authorities can use for introducing electronic data management systems but these programmes have already been approved for the period 2007–2013 and are during implementation phase. The deadline of 2014 is therefore too tight if to use the possibilities offered by the Structural Funds and the management authorities are likely to search for other potential financing sources, for examples with the use of own governmental public investments, public – private partnerships or support from other international financing institutions.

Monitoring and evaluation capacity of Operational Programmes

The elaboration of annual implementation reports is an obligation for the Member States. The Monitoring Committee of each Operational Programme has to approve the Annual Implementation Report and send it every year until June for approval to the EC. The purpose of the implementation report is to reflect the stage of implementation of each

232 Conference Wittenberg, (2011), IT-Systems and Cohesion Period 2014 +, Conference Final Paper [online], http://www.wittenberg2011.de/sally/data/mediapool/111019_it-conference_final-report_book.pdf, accessed on [22.02.2012]

233 *Ibidem.*

Operational Programme and to identify the milestones in the absorption process. It is a useful internal evaluation tool for the Management Authority and Intermediate Bodies.

Most of the Management Authorities have elaborated the annual implementation reports, but their availability on line is not recent **(Table no. 33)**. The most recent annual implementation reports date back from 2013. Apart from their availability, the efficiency of the monitoring results has also been discussed in various evaluation reports[234] over the Structural Funds implementation in Romania. Lack of proper quantification of results determined a rather low quality of the monitoring process. For some Operational Programmes the indicators of performance haven't been realistically determined and there was a need to adjust them by the Monitoring Committee. In other cases, it was noticed that there was no record keeping of various indicators and it was difficult to monitor the achievement of several activities of the programme. Some Operational Programmes (e.g., Operational Programme Development of Human Resources) even fail to identify the monitoring indicators at all, the interim and the final results alike.

Within the Authority for Coordination of Structural Funds (ACSF) there has been created a Central Evaluation Unit (CEU) which has also been responsible for evaluation of pre-accession funds. Its experience in the field of evaluation has been transferred to the post-accession funds. Additionally, the CEU ensures the secretariat of the Working Group for Evaluation (WGE) which was established in 2006 with a mandate from the ACSF and from the Management Authorities for Operational Programmes. The WGE met monthly and since 2007, twice per month. Extraordinary meetings were also convened on the proposal of its members. The culture of evaluation has been promoted through the activity of the CEU and of the WGE, sustained training activities and a series of projects financed from the Operational Programme Technical Assistance.

The activity of evaluation has been organized on the basis of a series of methodological guides produced by the Working Group for Evaluation, such as: standards for the evaluation function of Structural Instruments; general procedures for evaluation; evaluation model of Structural Funds; guidelines for intermediate evaluations; framework for elaboration of annual evaluation plans etc.

For National Strategic Reference Framework and for each Operational Programme multiannual plans of evaluation have been produced and updated almost yearly. For each Operational Programme the following ongoing evaluations were planned to be produced: two intermediate evaluations (2009 and 2012), ad-hoc evaluations and cross-cutting or thematic evaluations. Ad-hoc evaluations could be contracted when the monitoring of an Operational Programme identified a significant departure from the initial objectives, while cross-cutting or thematic evaluations could focus on strategic themes for the Operational Programme or on horizontal themes.

As one can notice from the table above **(Table no. 33)**, a series of evaluations haven't been produced in the proposed deadlines. Some evaluation plans have been constantly changed to accommodate the new needs for evaluation, either for ad-hoc reports or for thematic ones. Some reports of evaluation have been published with a delay of one or two years after the planned date because of long procurement procedures and a lack of hu-

234 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), Final Report – A Formative Evaluation of Structural Instruments in Romania, [Online], available at: www.evaluare-structurale.ro, accessed on [22.0.2015]

Table no. 33: Evaluations 2007–2014

Operational Programme	Evaluation	Type of Evaluation	Planned Year	Achieved Year
OP DAC	Ex-ante Evaluation. Operational Programme Administrative Capacity Development	Ex-ante	2007	2007
	Ad-hoc Evaluation of SOP DAC – KIA 1.3 and 2.1	Ad-hoc	2009	2009
	First Interim Evaluation of the Administrative Capacity Development Operational Programme for the period from 1st of January 2007 to 30th of June 2010	Intermediate	2010–2011	2011
	Intermediate evaluation of SOP DAC for the period 2010–2012	Intermediate	2012	2013
	Evaluation of Performances in the Management and Implementation of SOP DCA (2008–2012)	Intermediate	2013	n.a.
	Ex-ante evaluation of SOP DAC for the period 2014–2020	Ex-ante	2013	n.a.
ROP	Ex-ante Evaluation	Ex-ante	2007	2007
	Intermediate Evaluation Study for the ROP period 01.01.2007–30.06.2009	Intermediate	2009	2009
	Evaluation of the Priorities and Projects from ROP 2007–2013 dedicated to the business environment	Thematic	2010	2011
	Evaluation of the Administrative Capacity of Regions in the Field of Regional Development	Thematic	2010	2011
	Second Intermediate Evaluation of ROP	Intermediate	2011	2014
	Impact Evaluation of KIA 4.3 – Support for Development of Microenterprises	Thematic	n.a.	2014
SOP Transport	First interim evaluation SOP T	Intermediate	2009	2015 (expected)
	Second Interim Evaluation SOP T	Intermediate	2012	n.a.
	Ex-ante evaluation of SOP T 2014–2020	Ex-ante	2013	n.a.
	Ex-post evaluation of SOP T 2007–2013	Ex-post	2015	n.a.

Operational Programme	Evaluation	Type of Evaluation	Planned Year	Achieved Year
SOP DHR	Ex-ante Evaluation of SOP HRD	Ex-ante	2007	2007
	First Interim Evaluation of SOP HRD	Intermediate	2009	2011
	Second Interim Evaluation of SOP HRD	Intermediate	2012	n.a.
	Ex-ante Evaluation of SOP HRD post 2013	Ex-ante	2013	n.a.
	Ex-post Evaluation of SOP HRD 2007-2013	Ex-post	2015	n.a.
OP TA	First Intermediate evaluation of OP TA	Intermediate	2009	2010
	Second Intermediate evaluation of OP TA	Intermediate	2011	n.a.
	Evaluation of Absorption Capacity of OP TA	Thematic	n.a.	2012
	Evaluation of KAI 1for OP TA	Thematic	2014	n.a.
	Evaluation of KAI 2 for OP TA	Thematic	2013	n.a.
	Evaluation of KAI 3 for OP TA	Thematic	2013	n.a.

Source: www.evaluare-structurale.ro

man resources. As most of Operational Programmes are still in implementation process, it is unlikely that ex-post evaluations will be issued in 2015 or even in 2016. In parallel, since the new programming period already started, the Management Authorities should produce the ex-ante evaluations of the new Operational Programmes, which should be published in 2015. Overall, since 2012, there have been constant delays and failures in accomplishing the annual evaluation plans and the proposed evaluation reports, be they interim, thematic or ad-hoc.

In the case of Operational Programme Development of Human Resources, since the second intermediate evaluation was not produced in due time (planned in 2012), it is expected that the ex-post evaluation planned for 2015 will cumulate its role.

In the case of the Operational Programme Transport, the elaboration of intermediate evaluations failed completely. Only in November 2014 has been approved a project for technical assistance to produce the intermediate evaluation of the Operational Programme for the period 2007–2011, whose purpose has been extended to consultancy in drafting the Operational Programme for the new programming period 2014–2020.

The evaluation process offers support in policy and programmes formulation and in the improvement of the processes of management. The most challenging task for the Management Authorities was to take into account the results of the evaluations and to try to change and improve the delivery of the Operational Programmes. 'Ignoring the results of evaluation determines no improvements in the administrative system, both at institutional and legislative level', as has been pointed out in a study[235] conducted in 2005 and referring to the challenges faced by the 10 new Member States in implementing the Structural Funds.

Increasing the professionalism and capacity for internal evaluations has been a permanent task for the CEU, similarly with the development of a culture of evaluation in Romania. In January 2013, it has been produced a report[236] for the measuring of the evaluation culture in Romania in the context of the EU cohesion policy. According to the conclusions of this report, the overall indicator for the measurement of the evaluation culture reaches a satisfactory level of 63,35%. The most critical indicator refers to the institutionalization of the evaluation culture. Most of the recommendations focus on increasing the professional capacities of the civil servants working in the field of evaluation, but also on raising the awareness of decisional factors over the importance of the evaluation culture.

4.3.2 Programming in Lithuania: within-country case study

Policy making

The European Commission approved Lithuania's National Strategic Reference Framework on 26th of April 2007[237]. For the 2007–2013 period, Lithuania was entitled to receive

235 European Policies Research Centre, Irene McMaster and John Bachtler, (2005), Implementing Structural Funds in the New Member States: Ten Policy Challenges, [Online], available at: http://www.eprc.strath.ac.uk/eprc/, accessed on [01.02.2015]

236 Ministerul Fondurilor Europene, (2013), Raport de măsurare a culturii de evaluare din România în contextul Politicii de Coeziune a UE, [Online], available at: www.evaluare-structurale.ro, accessed on [01.02.2015]

237 Europos Komisija, (2007), Komisijos Sprendimas 2007/IV/26 patvirtinantis tam tikras Lietuvos nacionalinio strateginių krypčių plano dalis CCI 2007LT16UNS001, [Online], available at: http://www.

an amount of 6 775 492 823 EUR which would be distributed to fulfil the following objectives: Productive human resources for the knowledge society; a competitive economy; the quality of life and cohesion. Lithuanian has subsequently adopted 3 Operational Programmes and 1 Operational Programme for technical assistance **(Table no. 34)**.

Table no. 34: Correlation between the European Funds and Operational Programmes in Lithuania

Cohesion Fund	European Regional Development Fund	European Social Fund
OP Economic Growth OP Cohesion Promotion	OP Economic Growth OP Cohesion Promotion	OP Human Resources Development OP Technical Assistance

Source: Lithuania's National Strategic Reference Framework

In the period 2004–2006, Lithuania has used a Single Programming Document, while for the period 2007–2013 has chosen to adopt 3 Operational Programmes plus 1 technical assistance operational programme. Each operational programme has been dedicated for the achievement of each of the three objectives stated in the National Strategic Reference Framework. Additionally, two planning practices have been introduced: the state project planning and the regional project planning. The purpose of the new approach was to ensure that more projects will be selected on a non-competitive tendering basis as it happened in 2004–2006 which would increase the absorption rate but would also ensure that Structural Funds are implemented in accordance with the national long-term strategic planning priorities.

According to the Ex-Ante Evaluation of the Lithuanian Operational Programmes 2007–2013[238], the priorities identified in the Human Resources Development Operational Programme, Economic Growth Operational Programme, Cohesion Promotion OP including the Technical Assistance Operational Programme are coherent with the high-level objectives set out in the National Strategic Reference Framework but also with the EU employment and cohesion policies, such as the Integrated Employment Guidelines for 2005–2008 and the Community Strategic Guidelines 'Cohesion Policy in Support of Growth and Jobs' 2007–2013. Lithuania's Operational Programmes prove also 'internal coherence' understood as strategic and policy linkages between the operational programmes. The ESF interventions are properly correlated with the ERDF support, adding to each other strategic values. Generally, the report appreciates that '*In most cases, there is already a good assessment of linkages and synergies but in some instances, this could still be improved*'.

Lithuania has experienced the application of the partnership principle in 2004–2006 in particular at national level. The key social and economic partners have been included in the consultations and working groups involved in the drawing up of the 2007–2013 Operational Programmes, such as the Lithuanian Chamber of Commerce, business as-

esparama.lt/es_parama_pletra/failai/fm/teises_aktai/K1808.pdf, accessed on [01.02.2015]

238 Centre for Strategy & Evaluation Services LLP, 2006, Ex Ante Evaluation of the Lithuanian Operational Programmes 2007-2013, Final ex-ante evaluation report, [Online], available at: http://www.esparama.lt/es_parama_pletra/failai/fm/failai/Vertinimas_ESSP_Neringos/Final_Report_Ex_ante_integrated_2007_May.pdf, accessed on [01.02.2015]

sociations, trade unions etc. The partnership principle had to be further enhanced and strengthened by extending the array of partners involved equally in the process of programming and implementation, such as the civil society and other social partners in order to develop and increase the 'funds' stakeholder ownership'.

Additionally, the regional partnership has to be improved and promoted. The regional partnership in the programming and implementation process of 2004–2006 had to suffer because the funds were distributed on competitive principles, which compromised the creation of partnerships at the level of municipalities[239]. The introduction of Regional Councils and of regional project planning had addressed the issue of partnership development at regional level.

The role of the Regional Councils becomes significant in the implementation schemes of Structural Funds in Lithuania in 2007–2013. They are working closely with the Ministry of Interior which was delegated the attribution of a new intermediate body. Among other functions, the Regional Councils' role was to facilitate dialogue and cooperation with the key regional stakeholders. The Regional Councils were considered to be the '*main vehicle for co-ordinating the implementation of Structural Funds at regional level*' as long as they were properly endowed with human and financial resources in order to build and improve their capacity for partnership promotion[240].

In the previous 2004–2006 period, in Lithuania there was a single Monitoring Committee which had responsibility for monitoring the implementation of the Objective 1 of the Single Programming Documents. In the new 2007–2013 period, the single Monitoring Committee took over the role of the previous MC and covered all 3 Operational Programmes. From one programming period to another the role of the MC did not change but it had to face the challenges of higher coordination among institutional actors in order to continue to play an effective role in evaluating the overall performance of the Operational Programmes.

In January 2007, the Government approved the decision for the setting up and competence of the Monitoring Committee[241] **(Table no. 35)**. By order of the Ministry of Finance it is established the nominal structure of the Committee. According to the Government Decision, the Monitoring Committee can have a maximum of 40 members, out of which one third can be representatives of the socio-economic partners.

The Ex-Ante Evaluation expressed reserves regarding the choice of having a single Programme Monitoring Committee (PMC) rather than separate PMCs for each Operational Programme and it suggested the creation of sub-committees for each Operational Programme but keeping in mind that these structures would not impose additional and

239 Kondraitienė, V., (2012), Subsidiarumo kaip Europos Sąjungos teisės taikymas Lietuvos valstybės valdymo sistemai decentralizuoti, Viešoji politika ir administravimas, issue: 11(2)/2012, pp. 331-334, [Online], available at: www.ceeol.com, accessed on [25.01.2015]

240 Atkočiūnienė, Z. O., Gineitienė, Z., Žiogelytė, L., (2010), Regionų plėtra: žmogiškųjų išteklių potencialas, Public Administration, Vol. 1:25/26: 44-52, [Online], available at: http://web.a.ebscohost.com/, accessed on [25.01.2015]

241 Lietuvos Respublikos Vyriausybė, (2007) Nutarimas 2007 m. Sausio 22 d. Nr. 60, Dėl stebėsenos komiteto veiksmų programų, įgyvendinančių lietuvos 2007–2013 metų Europos Sąjungos struktūrinės paramos panaudojimo strategiją, įgyvendinimo priežiūrai atlikti sudarymo, [Online], available at: http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=386240&p_query=&p_tr2=2, accessed on [01.02.2015]

excessive strains on the intermediate bodies by creating inefficiencies and inhibiting absorption capacity.

On the website www.esparama.lt, the following information related to the activity of the Monitoring Committee is available:

Table no. 35: Single Monitoring Committee

Availability of the Organization and Functioning Regulation	Availability of membership composition	Availability of meetings' minutes and decisions	Availability of Monitoring Reports	Other information
No	Yes, including nominal composition approved by Order of Minister of Finance	Yes	Yes	Pictures from MC meetings

Source: www.esparama.lt

Openness, transparency and communication

According to the annual strategic reports for 2013, the public awareness of the EU funds 2007–2013 for Lithuania increased constantly since 2008 and in 2013 reached 83% of the population interviewed who appreciate that they know a lot or have heard about the EU funds **(Table no. 36)**. Compared with the previous year survey, there is a clear increase tendency (4%) of respondents who appreciate that they have heard or they know a lot about the EU funds. It should be noted that the benefits of EU support are felt mostly in the fields of transport (58 %), agriculture (37%), education (33 %), environment (17 %) and health care (15 %).

Table no. 36: Information and publicity activities. Achievements in 2013 compared with 2008

Indicator	2008	2013
Percentage of population who knows about the EU funds 2007–2013 for Lithuania	Knows a lot – 6% Have heard – 38%	Knows a lot – 24% Have heard – 59%
Percentage of population who felt personally the benefit of EU funds	50%	61%
Percentage of population who appreciates positively the transparency of distribution of EU funds	31%	42%
Evolution of the visibility of website www.esparama.lt	22318 unique visitors per month	16194 unique visitors per month

Source: www.esparama.lt

Most of intermediate bodies have conducted different information activities in order to increase the visibility of the Operational Programmes and in particular of the key intervention areas that they were administering **(Table no. 37)**. In the plans of activities of

several institutions one can notice that information and publicity are introduced as separate priorities, targeting the improvement of cooperation with their 'clients' – the projects' promoters and the projects' implementers and the reduction of administrative barriers in the access to funds. Most of implementing institutions have organised information activities, such as seminars, conferences and trainings for their clients, in some cases the training and information events being available on line. As examples of good practices, one can mention here the ESF Akademija, an electronic tool for learning and information addressed to a specific target group, the gymnasiums from Lithuania and the ESF Club of Lecturers which is functioning already for several years and is dedicated to training activities for agency's employees. Most of implementing institutions offers online interactive databases/maps of projects that received financing, while others present a summary of successful stories of implemented projects.

Table no. 37: Communication of OPs by implementing bodies in Lithuania

Institutions	Publications	Conferences, seminars, trainings for beneficiaries	Information Centre/Help desk	Other tools
ESFA	Yes	Yes	N.a.	ESF Akademija: e-learning and e-information tool for project promoters from gymnasiums ESF Club of lecturers
CPMA	Yes	Yes	N.a.	Projects' online database Newsletter
LPVA	Yes	Yes	Yes, regional information centres for SMEs	
APVA	Yes	Yes	N.a.	Projects' online database
TID	Yes	Yes	N.a.	List of projects' success stories

Source: public information available on the websites of the institutions mentioned above

Most of implementing institutions edit newsletters which can be accessed either by registered email or directly on the institutions' website. The website www.esparama.lt offers to the public a comprehensive database of all the publications from various fields which have been edited with EU financing within different projects that have been implemented during 2007–2013.

Interconnectivity and e-Cohesion

Lithuania has adopted an integrated data exchange system, managed by the Ministry of Finance called Domenų Mainų Svetainė (DMS) – https://dms.finmin.lt/dms/faces/index.jspx and financed from EU Structural Funds. This web site is used for implemented projects data review and electronic data exchange between the promoter and the Implementing Agencies. The right to use the data exchange system is provided to each project imple-

menter after the signing of a financing contract and of an administration contract based on which the project implementer receives a user name and a password. The project implementer has the possibility to access all the data related to his project, such as to follow the situation of his financing contract, to submit reimbursement claims and to manage them, to submit reports of activity and to manage them, to submit different requests, to introduce and change the information about the achievement of project indicators, to observe the amounts of reimbursed money.

The DMS is used commonly for all projects financed from the 4 Operational Programmes and according to some respondents the system is often overcrowded and difficult to access. Most of respondents have accused problems in using the system, for example while filling in the reimbursement claims, the system is not registering the request and the project implementers are forced to restart the filling in of the data, which is frustrating and time consuming. Some of respondents mentioned that at the time being, the difficulties in using the DMS is probably the biggest problem faced by the SF projects' implementers in Lithuania and urge the Ministry of Finance to find as fast as possible solutions for its technical improvement or even to eliminate the system at all, as well as the requirements and obligations imposed to the projects' promoters for using this database for the administration of their projects.

Lithuania does not have a system for submitting the applications for financing on line. In all the cases, the guide of applicants request to submit the project in paper format and on CD. On the websites of the implementing agencies, one can find the electronic forms of the request for financing form and for information purposes a filled-in model. Other useful information, such as model of contracts and of reimbursement claims, is available electronically on the websites of the implementing agencies. A lot of methodological information materials are available on the portal www.esparama.lt, such as recommendations regarding the eligibility of expenditures, methodology for project income calculation and monitoring, the cost-benefit analysis etc.

4.3.3 Cross-countries case study

There is a significant difference between Romania and Lithuania not only regarding the institutional setup but also regarding the programming of the Structural Funds. In the period 2004–2006, Lithuania has opted for a single programming document and after the experience in 2007–2013 with 4 operational programmes, for the 2014–2020 Lithuania has returned to the previous model of having a single integrated programming document for all the development priorities. On the contrary, for the period 2007–2013 Romania has used the programming system with several operational programmes, system which is continued for the period 2014–2020. The advantage of a multi-fund operational programme is that it is easier to negotiate and it is faster adopted by the EU Commission but also easier to coordinate its implementation at national level. For example, the EU Commission has already approved Lithuania's Operational Programme for EU Structural Funds Investments 2014–2020, while in the case of Romania there have been approved only 2 operational programmes out of seven Operational Programmes proposed. As a consequence, Lithuania will start to spend EU money faster than Romania since they are already calls for submittal of projects. In the case of Romania, the scenario of late adoption of Operational Pro-

grammes is repeating, that time the Operational Programmes being adopted 1 year later than the beginning of the programming period. The first projects were financed in late 2008, beginning of 2009. It is appreciated that the begging of the programming period is very important as it may show the trend of spending the EU funds for the new period: a delayed start predicts a slow absorption rate and possible decommittments in the middle of the programming period.

The quality of the programming documents is another aspect that is important for a better absorption rate. The quality of the programming documents is reflected by the experience and professionalism of the institutions and their employees involved in the drafting of the strategic documents, but also by the level of implementation of the partnership principle at the programming stage. In both countries the application of the partnership principle can be much stronger enhanced so that the real needs of development would be included and reflected in the programming documents. Romania has learned from its previous experience and for the elaboration of the National Partnership Agreement, extended consultations with the civil society took place in 2012–2013.

Another important aspect is the activity of the Monitoring Committees of Operational Programmes, their openness and transparency. If Romania has chosen to have a Monitoring Committee for each Operational Programme, Lithuania has worked with a Single Monitoring Committee even in the period 2007–2013 when it had four operational programmes. Additionally, in Lithuania the structure of the Single Monitoring Committee is established by law and has a fixed membership, including nominated organizations from the civil society, while in Romania, the organizations of the civil society interested to take part form the Monitoring Committee have to submit a request to the National Coordination of Structural Funds (Ministry of European Funds) which makes the final selection among candidates based on their national representation, expertise and experience.

The regional perspective of the national development policy through the use of Structural Funds is different in the two countries object of this research. In Romania, the regional investments are supported with the help of a dedicated operational programme – the Regional Operational Programme. The support measures are administered at regional level through the 8 regional development agencies, which are organized as non-governmental organizations but are financed by the county councils which belong to the region. There have been opinions that each region should adopt its own Regional Operational Programme tailored on its specific development needs, but it has been suggested that regions and their structures in Romania did not reach yet the full stage of expertise and experience to manage independently the Operational Programmes. It can be appreciated that the regional structures administering structural funds in Romania are an example of good practice in approaching the regional policy to its beneficiaries but their functioning has to be reviewed and improved. The regional development agencies are having an important role in the elaboration of the regional development plans which are the starting point for the drafting of the Regional Development Programme.

Lithuania does not have any regional development agencies that should be involved in the administration and management of the structural funds. Lithuania did not embrace this model first of all due to its size and additionally, in 2010 Lithuania even abolished its regional administrative tiers of government (*apskritys*) which were previously involved in EU funds administration. Lithuania headed to even more centralized management system of Struc-

tural Funds and in order to correct the regional intervention in the management of structural funds, it has created the Regional Councils and adopted the regional project planning.

In terms of communication activities of the Operational Programmes, the main sources of information in Lithuania are the centralized official information web page: www.esparama.lt and the web pages of the implementing bodies. Other sources of information are the direct contact with implementing institutions' employees but also the extended use of private consultancy services. The visibility of Structural Funds in Lithuania grew constantly since 2008 and along it, the positive opinion of citizens about the benefit of the EU funds for their country's development.

In Romania, the opinion polls have identified as main sources of information the mass media, marking also an increase of information among citizens. Managing Authorities have run intensive activities for communication and information about the Operational Programmes managed but there is still reluctance of the public opinion regarding the transparent use of the funds in Romania.

4.4 Analysis of good practices at *projects'* implementation level

4.4.1 Introduction: Project Cycle Management, as recommended model by the European Commission

In 1992, the European Commission has adopted for the first time the concept of 'Project Cycle Management' (PCM) as a set of project design and management tools, constructed on the Logical Framework Approach and in 1993 it published its first manual for the management of projects financed by EU funds entitled 'Manual Project Cycle Management' which has been subsequently updated and improved[242].

These guidelines have been crucial for project promoters in writing and implementing good quality projects, defined through relevance, feasibility and effectiveness. The guidelines have been initially created for implementing projects financed by the European Commission in the field of development policy but it has been extensively used in all the types of projects financed by the EU, including Structural Funds.

The European Commission recommends the use of the Project Cycle Management principles for the identification, appraisal, implementation and evaluation of EU funded projects. The Logical Framework Approach can be a very effective analytical and managerial tool and if it is correctly applied in the different stages of the PCM, it can contribute to the successful implementation of the projects.

The Project Cycle Management operational guidelines identify five stages for managing projects which are cyclic: programming-identification-formulation-implementation-evaluation and audit. The main principles of the cycle of operations refer to the fact that the decision-making criteria and procedures are defined at each stage, that the phases of the cycle are progressive and that new programming and project identification draw on the results of the monitoring and evaluation phase.

242 European Commission, (2004), Project Cycle Management Guidelines, [online], available at:http://ec.europa.eu/europeaid/sites/devco/files/methodology-aid-delivery-methods-project-cycle-management-200403_en_2.pdf, accessed on [01.02.2015]

For the purpose of the research, the focus will be only on the implementation stage. According to the Project Cycle Management Manual, a set of quality criteria and standards have been created for assessing the quality of project implementation. These are:

- the projects remain relevant and feasible;
- the project's objectives are being achieved;
- the project is being well managed by those directly responsible for implementation;
- sustainability issues are being clearly addressed;
- good practice principles of project cycle management are applied by EC Task Managers.

Keeping in mind the criteria of quality for projects' implementation mentioned in the European Commission's Project Cycle Management Manual, a series of indicators have been identified that can help to the achievement of the good quality standards for implemented projects.

4.4.2 Projects' implementation in Romania: within-country case study

In the process of implementation of Structural Funds, there has always been an interest to share the use of good practices. Sometimes the examples of good practices are provided unilaterally by the Management Authorities and sometimes it is not enough information to conclude on what basis it has been taken the decision to provide some projects as examples of good practices.

Nevertheless, based on the data collected during interviews and on a critical analysis of the examples of good practices offered on the websites of the Management Authorities, some indicators of good practices have been identified that might be applicable to beneficiaries of structural funds.

There are definitely some preconditions that influence the successful of a future project and are related either to the capacity of the potential beneficiary, such as the financial power of the applicant or to the external environment, such as the context for the development of the project.

Below are presented the main fields of project implementation where good practices have been identified and the key questions attached to them, such as: partnership, synergy and complementarity, human resources – the project team, involvement of the target group, and innovative methods of implementation.

The Forum of Good practices in Operational Programme Human Resources Management projects from Romania, held on the 8th of February 2011 in Bucharest, specifies that through the method of good practices are mentioned those pragmatic approaches with a powerful managerial content that in some organizations proved to be extremely efficient in solving important problems, that appear with a relative high frequency and, which systemized in an operational methodological manner is available for managers and interested specialists from that or other organizations.

This approach suggests that any type of projects has the chance to become a good practice example as long as it is managed in an efficient manner that includes the high involvement of the project manager and/or of the project team in solving the problems that appear. The major problems that interfere with the implementation process might be foreseen by the management team with the help of risk analysis tools or might be unpre-

dictable, such as the economic crisis. If and how management solutions are found to cope with those problems might turn the projects into being successes or failures.

During the above mentioned forum it has also been mentioned that the expression *the best practices* does not have to be treated entirely as such and it should be considered as an approach proved to be efficient that can be used with *guaranteed* results in similar situations.

Therefore, each project has the potential of becoming an example of good practice by fulfilling at least one of the indicators of success, if not all. Nevertheless, there are indicators that have a high influence over the implementation success of projects and they cannot be ignored.

Within the implementation of programmes and policies of regional policy, successfully implemented projects should be seen as the baseline, because successfully implemented projects contribute to the achievement of the overall targets set by national authorities within the strategic programming documents. If a project succeeds to achieve more results than it has proposed through the application, than management authorities have the tendency to appreciate those projects as examples of good practices. Some projects' applicants intentionally indicate lower targets, within the limits of the requirements, if there are such, even if in reality they estimate that it can be achieved more. Their fear is that those results might not be achieved due to reasons that they cannot control and if those results do not appear, during evaluation and monitoring visits they risk either to be sanctioned or to be approved subsequent financing.

The financial power of the applicant is clearly a precondition for any investment steps, including financing through Structural Funds of the European Union. It is quite strange that some applicants and authorities ignore this basic requirement when submitting, respectively selecting projects disregarding applicant's financial situation **(Table no. 38)**.

Table no. 38: Precondition: The financial power of the applicant/beneficiary

Indicator	Definition/Content/Explanation	Risks
The financial power of the applicant/ beneficiary	The applicant/beneficiary has the possibility to ensure co-financing and to cover the non-eligible costs without any problems	Impossibility to ensure co-financing Negative cash flow Withdrawal of projects

Source: author

It is well known that access to the EU Structural Funds is conditional:

- EU Structural Funds are offered on the principle of reimbursing that supposes that beneficiaries should have the financial resources available to start the project and to cover the non-eligible expenses.
- Structural Funds are and should be treated as additional financial resources, complementary sources that fulfil in certain percentages the need for financing the development of beneficiaries. In comparison with pre-accession funds, most of the Structural Funds are not grants. That means that it is not offered 100% financing for project implementation.

Most of the projects whose implementation was delayed or even stopped were projects facing basically financial problems, such as the impossibility to ensure co-financing, beneficiaries going bankrupt or in procedure of reorganization.

Under the pressure of the economic crisis that strongly affected the Romanian economy in 2008–2009, the private companies had to focus on building survival strategies instead of engaging into long-term investments. Most of them, facing deep financial problems, decided to postpone the development of any EU financed projects, therefore affecting the general absorption pace and progress. The considerable number of withdrawn projects between the approval and the contracting stages supports this statement: 15% withdrawal rate in the case of micro-enterprises financed under the Regional Operational Programme (until June 2009) and 13% of the SMEs supported under the Sectoral Operational Programme Increase of Economic Competitiveness (between December 2009 and January 2010)[243].

The intermediate evaluation of the Operational Programme Increase of Economic Competitiveness[244] appreciated that the access of financing for SMEs was a real problem even before the launching of Structural Funds, and that the economic crisis just worsened the situation. A strong impact had the fall of the real estate market that decreased the value of constructions that were brought as guarantees for credits offered by banks. The evaluation report states that participation of companies in projects financed by Structural Funds became a result of *auto selection on somehow Darwinist principles,* in the sense that just companies with a strong financial situation afforded to submit and implement projects from European funds.

In order to give to more private beneficiaries the possibility to access Structural Funds, it has been created the financial tool of pre-financing, which was not provided automatically, but on the basis of an analysis and following approval by the Managing Authority and within a limited budget. Beneficiaries interviewed in Romania suggested that pre-financing was vital for start-up and that its value was quite important, amounting in the beginning 30% of eligible costs. After a decision has been taken to diminish the pre-accession to 10% provided in two or even three instalments, its importance decreased and was not significant enough to help the beneficiary to cope with financial problems.

Another issue was related to the fact that pre-financing was not available to public applicants who had to count on their own budgetary resources or on the budget of a patron institution that they belonged to. This rule had an effect over projects submitted by public organizations which amounted, according to statistics, to almost 70% of all beneficiaries in Romania. Even if for public applicants in some cases the value of co-financing requested was up to 10% (mostly 2% or 5%), if it was about strategic projects whose budgets were in millions Euro, then even this minimum co-financing rate was significant in absolute value.

Additionally, as mentioned before, some public organizations at regional and local level depending financially on money transfers from a patron institution were not allowed

243 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), A Formative Evaluation of Structural Instruments in Romania, Final Report, [Online], available at: www.evaluare-structurale.ro, accessed on [02.02.2015]

244 Guvernul României, (2010), Evaluarea intermediară 2009 a Programului Operațional Sectorial Creșterea Competitivității Economice [Online], available at: www.evaluare-structurale.ro, accessed on [12.01.2015]

through legislation to receive extra budgetary revenues, and that meant that their financial dependency was total. The possibility to have additional own resources would allow them to ensure co-financing or even to cover temporary some expenses until resources from the national budget would be available.

Another consequence of the fact that public institutions were not able to receive pre-financing, but private organizations were (companies and NGOs), was the fact that if the project promoter was a public organization, it could have the possibility to receive pre-financing on behalf of a private partner, therefore, most of their projects included a private partner in order to benefit from the advantage of pre-financing. That supposed that the relationship between the promoter and the partner should be a very trustful one, as the promoter was obliged to transfer the funds into partner's account not later than 3 days after receiving them. This procedure led to rather strange dependency and power relationships among project partners and from this point of view it is appreciated that good partnership relations might also be considered as an indicator of success for project implementation.

Another aspect that is related to the financial power of the beneficiary in relationship with administration of funds provided by the Managing Authorities in Romania is the high delay in reimbursing the funds by the authorities that created the negative cash flow. These delays were due to several reasons that were mostly originating in the functioning of the Managing Authorities, such as a large volume of work with limited number of personnel and their reluctant attitude in processing the applications for reimbursement. Bureaucracy increased, as Managing Authorities were asking for more additional supportive documents which attracted delays in processing the applications, as new terms were calculated. These reasons created delays of 3 up to 6 months in reimbursing the money to beneficiaries who considered this practice unacceptable and dangerous for their financial stability.

In the case of private beneficiaries, who engaged credits for financing their contribution and for pre-financing, the late reimbursement of funds by the Managing Authorities affected the contractual relationship with the banks. The most affected were the start-up and the spin-off companies. The late reimbursement of financing affected the credit return schedules agreed between beneficiaries and banks, the later ones applying usually penalties for late payments as well as creating a possible negative evaluation of the client for future credit demands. In Romania banks haven't been very flexible in applying the rules of crediting to beneficiaries of Structural Funds. Even if the likeliness of credit return was very high in these cases, banks were applying the same procedures as for admittance of any other credit, asking for the same guarantees and collaterals, without any special facilities for project promoters.

The late reimbursements were also due to another reason: the difficulty of the Government to ensure the proper national co-financing of the Operational Programmes (OPs), once the economic crisis appeared. Consequently, the measures that were taken led to serious negative impacts, such as the blocking of projects and even of programmes, leading to a stagnation of the absorption rate. Such measures like the non-eligibility of pre-financing for certain OPs or for certain beneficiaries (e.g. private) or lowering the rates of pre-financing (up to 10% of project value) made even more difficult the access to Structural Funds.

A solution was to temporary allocate amounts of money from the national Treasury, namely revenues from privatization, to ensure the necessary amounts of money at the

disposal of Managing Authorities to make reimbursement payments to beneficiaries until expenses are certified, approved and paid by the European Commission. According to the 2013 report of the Ministry of European Funds[245], in the period March-December 2013, there have been adopted a number of 11 Government decisions which allocated around 2 billion Euro for payments to beneficiaries. The disadvantage of this system was that for each supplementary budgetary allocation, there was a need to pass a Government Decision to allocate money for each OP, which was bureaucratic and time consuming.

A solution which would address the poor financing of both the Managing Authorities and the beneficiaries is the creation of a Bank of Development. This model exists in Poland and France. The role of the Bank of Development is to be an instrument for managing all the financial aspects in the relationship with beneficiaries of European funds. The Bank of Development could offer credits guaranteed up to 100% by the state, to all beneficiaries, public authorities, private companies and even individuals who propose concrete projects. The scope would be to co-finance not only eligible but also non-eligible expenses with a comfortable interest rate for beneficiaries. The mechanism to be implemented is one of guaranteeing of credits from a fund of guarantees to which any European investment bank would be able to participate.

In Romania a specific situation is met in the case of public beneficiaries whose budgets have been considerably decreased during the economic crisis. A measure that had a negative effect on the human resources from public institutions was to declare (even if temporary) the non-eligibility of salaries for civil servants working with Structural Funds. This determined a visible decrease of their involvement in drawing up, implementing or monitoring projects, both numerically and qualitatively, backed up by the release from office of around 25% of civil servants in 2010, fact that increased the volume of work for those who remained in job. Apart from the dissatisfaction factor of financial nature, the personnel of public institutions dealing directly with implementation of projects faced professional challenges, such as insufficient skills for project management, both technical and financial, as well as their charging with different tasks not related with project management but part of the current job description. This requested additional working hours that according to the law have been limited in length and extra payment as well, either by the internal rules of the public organization or through the project that was implemented. This situation brought the civil servants in a discriminatory position as such rules did not apply for their private partners whose extra working hours within the project were not limited and their payment was more flexible.

Considering the above analysis, one tends to believe that Structural Funds are dedicated only to those financially strong beneficiaries. The reality shows that applicants come from all categories while their reasons for applying for financing from the Structural Funds are different. During interviews it could be found out that some financially strong companies that in terms of co-financing the project wouldn't meet any problems, nevertheless bewared to apply for financing through Structural Funds, because they feared bureaucracy and corruption, considering safer and easier to make investments from their own resources (reinvested profit) or from bank credits. Despite all difficulties, most of

245 Ministerul Fondurilor Europene, (2014), Raport de activitate pentru anul 2013, [Online], available at: www.fonduri-eu.ro, accessed on [25.01. 2015]

beneficiaries appreciated as positive their experience and would recommend to others to apply for European financing.

A changing context during project's implementation can produce both types of effects for beneficiaries: negative and positive **(Table no. 39)**.

Table no. 39: Precondition: the context of the project implementation

Indicator	Definition/Explanation	Risks
A stable or easy predictable context during the project implementation	Those external conditions that influence the implementation of projects and that should be or remain stable and easy to predict from the moment of submitting the application until the end of the implementation period Includes mainly political factors, legislation, procedures, rules of authorities and other financing institutions, as well as the situation of the target groups, stakeholders' analysis They are not under the control of the applicant/beneficiary and depend mainly on the decision power of other instances/stakeholders The applicant might identify those external conditions through the risk assessment matrix and prepare action plans to address those risks	Fast changing legislation Increased requirements Retrospective application of the law Bureaucracy and corruption Fluctuation of the exchange rate Economic crisis Changes within the target group Suspension of Operational Programmes Often changes in Government structure and organization

Source: author

Unfortunately, in the beginning of the programming period in Romania most of public decisions had a negative effect on beneficiaries and only after the implementation system entered a deep crisis (in 2010–2011), with the suspension of several Operational Programmes and of payments by the EC, the changes adopted started to produce benefits. These positive changes appear when there are initiatives of the public authorities to improve the situation of the beneficiaries or to ease the implementation process. The reference is made with regard to changes of legislation or procedures initiated by the Managing Authorities that come to beneficiaries' support, such as, for example, decreasing the administrative burden of submitting certain documents or improving the public procurement procedures for private beneficiaries. Clear and stable legislation and procedures, user-friendly for applicants and beneficiaries can constitute examples of good practices if they are build on their needs and requirements and respect the principles of predictability, transparency, simplicity, availability, overall applicability and innovation.

The context of the project implementation is an external factor that has to be analysed by the applicant before submitting his application for financing and a very useful tool in this respect is the *risk assessment analysis*. This analysis refers to the factors that might influence the implementation of a project, the likelihood of their appearance and their consequences and includes an action plan for addressing them. It is appreciated that at both Managing authorities and beneficiaries' level there is a low practical knowledge and experience of the management of risk as an instrument of management.

Except for the Operational Programme Transport and Operational Programme Environment, the applications for financing do not include the risks' assessment analysis and where beneficiaries include one, they do not receive additional points during project evaluation. The risk assessment analysis is not common for most of Romanian organizations and even less common when applying for financing through the Structural Funds. Only banks make a risk analysis of those clients that request credits for co-financing or for pre-financing of their projects. As for the Operational Programme Transport, the evaluation of risk and sensitivity counts for 5% of the evaluation criterion *the quality of project proposal* which represents one third of the entire evaluation criteria[246] . For the Operational Programme Environment, in some applications the applicant is requested to mention the main constraints and risks for project implementation and their impact, as well as the measures taken to address them[247] .

There are different attitudes towards risks of private and public beneficiaries. Private beneficiaries have a more pro-active attitude towards risks; they are more flexible and tend to find faster solutions to problems. They tend usually to get involved in projects that have a low complexity and therefore have fewer risks. For public beneficiaries the situation is different. Public beneficiaries have first of all a higher aversion to risk and this reduces their management capacity itself. The personnel of some public beneficiaries are reluctant to get involved at decisional level as, according to the laws, their responsibility can be attracted for the failure of a project and financial penalties may be applied against individuals. For major infrastructure projects, even if there is an obligation to keep a record of risks, this one includes just a listing of them and not a serious analysis with concrete solutions to address them. Concrete activities for the management of risks are neither planned, nor implemented in practice.

The *ad-hoc* evaluation report regarding the capacity of the beneficiaries[248] mentions that the lack of risks assessment management skills becomes more evident especially when the applications for reimbursement are delayed. Shortly after, it appears a temporary insufficient money liquidity that troubles the beneficiary financially and the project implementation process as well, as further planned activities have to be postponed due to money shortage. Having not properly foreseen this risk, some beneficiaries, especially those having a low financial power, meet serious difficulties in covering the non-eligible expenses.

The monitoring of risks during implementation is a step forward for the success of the projects. For the Operational Programme Transport, beneficiaries were asked to submit at certain intervals of time, along with other documents, two scenarios regarding implemen-

246 Ministerul Transporturilor și Infrastructurii, Autoritatea de Management Programul Operațional Sectorial Transport, (2010), Ghidul Solicitantului, [Online], available at: http://post.mt.ro/ghid%20solicitant/Ghidul%20solicitantului%2014%2005%20%202010%20FINAL.pdf, accessed on [02.02. 2015]

247 Ministerul Mediului și Pădurilor, Autoritatea de Management pentru POS Mediu, (2014), Ghidul Solicitantului Axa prioritară 2, DMI 2 „Reabilitarea zonelor poluate istoric", [Online], available at: http://www.posmediu.ro/upload/pages/Ghidul%20solicitantului%20Axa%202(1).pdf, accessed on [02.02.2015]

248 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2011), First *Ad-hoc* Evaluation, Challenges in the Capacity of Public and Private Structural Instruments Beneficiaries, Final Report , [Online], available at: www.evaluare-structurale.ro, accessed on [02.02. 2015]

tation, one optimistic, without risks, and another one pessimistic, and including the risks identified and the measures to overcome them[249] .

The economic crisis affected especially the Romania's public finances, as macro-economic indicators show: the share of Government expenditure in GDP went up to 40.4% in 2009 from 36% in 2007; the share of Government revenues decreased from 33.5% to 32.1% for the same period of time; the public deficit grew to 8.3% in 2009, while the public debt reached 23.7% of GDP in 2009 in comparison with 12.6% in 2007[250]. Combined with the lack of multi-annual financing, the decline of public finances put pressure of the Ministry of Public Finances to raise funds in order to ensure co-financing of Operational Programmes. Solutions have been identified, such as contracting of a co-financing facility of 1 Billion Euros with the European Investment Bank for ensuring national co-financing of strategic infrastructure projects; temporary borrow of money from the Treasury to cover the absence of financial resources for reimbursements; increase of the Government capacity to co-finance projects by enlarging of the maximum ceiling of revenues from privatisations' fund to 4 Billion RON[251].

Additionally, the private sector was strongly affected by the tightening of the credit standards by banks, which based their decisions on the expectations with regard to the evolution of the economic activity in general, the evolution of financial markets, the monetary policy decisions of the National Bank of Romania as well as due to the drop of the real estate market that decreased the value of the collaterals.

In Romania, the exchange rate of the national currency RON is fluctuating; it is not tight to Euro or Dollar, depending freely on imports and exports of the country. As exports decreased and the general economic situation worsened, the exchange rate started to fluctuate strongly in a short period of time, especially in 2008 and 2009. For example, the exchange rate increased with 20% from the moment of submitting a project until its approval that made the previous estimations unrealistic. In the case of projects foreseeing imports, such as equipments produced abroad, the reduction of the value of the national currency increased investments costs, making more difficult for beneficiaries to implement the project in the absence of additional financing sources.

The regulatory framework including laws, regulations and procedures for the implementation of projects is another external factor for applicants/beneficiaries that they cannot control but more than that, they depend on, because it sets the rules for eligible activities and expenses, potential beneficiaries and target groups, monitored indicators, partnerships, documents to be submitted, VAT recovery, procurement etc. The Romanian legal framework has been constantly characterized as being incoherent and not coordi-

249 Ministerul Transporturilor, Autoritatea de Management Programul Operațional Sectorial Transport, (2014) Instrucțiune nr. 13 din 28.03.2014, [Online], available at: http://www.ampost.ro/fisiere/pagini_fisiere/Instructiune_DG_-_13.pdf, accessed on [02.02. 2015]

250 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2010), A Formative Evaluation of Structural Instruments in Romania, Final Report, [Online], available at: www.evaluare-structurale.ro, accessed on [02.02.2015]

251 Guvernul României, (2014), Ordonanța de Urgență nr. 29/2014 pentru modificarea și completarea Ordonanței de urgență a Guvernului nr. 64/2009 privind gestionarea financiară a instrumentelor structurale și utilizarea acestora pentru obiectivul convergență, [Online], available at: www.cdep.ro, accessed on [02.02.2015]

nated with the reality, often changing, contradictory, and not compatible or poorly aligned with European regulations or even more restrictive and demanding than requested by the EU (for example, in the case of procurement regulations). This led to confusion and frustration among beneficiaries, and consumption of material and financial resources to produce the documentation and time-consuming (for example, as one beneficiary mentioned in the interview, it was requested provision of documents in the submission stage, such as construction permits, documents which according to laws have limited viability and if their validity was expiring during the project selection, the documents needed to be submitted again). An overwhelming bureaucracy was accused by beneficiaries: project's documentation was requested both in paper (2 or 3 samples) and electronic format, several signatures and stamps had to be applied on each page within the Application File etc.

If preconditions are fulfilled, there is a high chance that projects will be implemented in a smooth way. Favourable preconditions are necessary but not sufficient circumstances to generate a successful implementation of projects. Following discussions with beneficiaries and analysing implementation and evaluation reports of Operational Programmes, here is below a list of several indicators of good practices indentified in several projects that could contribute to overall success of projects' implementation.

Synergy and complementarity of projects have to be followed up from the moment of drawing up of the application for financing **(Table no. 40)**.

Table no. 40: Synergy and complementarity

Indicator	Definition/Content/Explanation	Risks
Synergy and complementarity	The project's scopes and objectives are integrated into a multilateral development strategy (local or regional); the projects' activities fulfil the needs of the target group and represent a support/link for the development of other projects from other fields of activity	Incoherence Low impact Non-sustainability

Source: author

Most of applications request that the project applicant would fill in the key intervention area of the Operational Programme to which the results of the projects are supposed to contribute. In some cases, projects promoters are just 'hunting' for financing and are not looking to solve problems from today's society. Projects are not just some ideas for creating a better (financial) situation for the project promoter. Projects have to be part of a multilateral local or regional strategy or plan and get integrated into them. Projects have to be built on concrete needs of the target group and bring a positive change into their lives. Synergic and complementary projects produce unexpected positive effects in other spheres of public life, such as environment, citizens' security, tourism, business competitiveness, transport, social services etc.

The creation of synergic and complementary projects is possible especially if one thinks about large projects but it is equally possible for smaller projects. Large projects are usually promoted by regional level implementers who have a more strategic view on the local and regional needs of development. Smaller scale projects can be a link in networking and combining similar projects or can develop into a larger project with a more

integrated approach. The experience cumulated through these projects is not lost, on the contrary, can be capitalized and used for ensuring continuity of development measures.

The involvement of partners in projects financed by EU Structural Funds is in most of the cases an obligatory requirement, during the evaluation process, the application receiving more points if the project foresees one or more partners. The partnership principle is one the four main principles of Structural Funds. The partnership principle has to be present in all the stages of the Structural Funds implementation scheme, from programming to projects' implementation **(Table no. 41)**.

Table no. 41: Partnership

Indicator	Definition/Content/Explanation	Risks
Partnership – selection of partners/suppliers and their capacity to influence the project implementation	The ability of project promoter to select and involve within the project reliable partners/suppliers and with relevant experience that can contribute positively to the successful implementation of the project's activities	Withdrawal of partners Bankruptcy of partners/suppliers Dependence on suppliers who won contracts of public procurement Delay in project's activities implementation

Source: author

During project's evaluation for selection for financing, the implementation capacity of applicant and of his partner/s is equally evaluated, if both are involved in project implementation. After analysing several models of applications from different calls of proposals, it can be concluded that both applicant and partner are evaluated if they have previous experience in implementing similar activities; if human and financial resources are allocated according the implementation needs of the project; etc. From this point of view, it is understood that partners have the same responsibilities in project implementation as the applicant itself. Additionally, in some cases, the internal management capacity of partners for project implementation is similarly evaluated, for example if they have a clear strategy for monitoring the project implementation or if there is a clear delimitation of tasks, procedures and human resources allocated therefore.

From the organizational point of view, the partner/s should be as much involved in project implementation as the applicant at such a level, that, if necessary, it could take over project implementation if applicant fails to do it. Unfortunately, in most of the cases, partners are less than a support organization for the applicant and sometimes they negatively influence the project implementation.

It is the obligation and responsibility of the applicant as project promoter to control the partners, and in order to ensure a good management of the project, they should take immediate measures to replace the bad performing partners, even if this decision means in most of the cases delays in project implementation and additional costs[252]. Private ben-

252 Ministry of Public Finances, Authority for Coordination of Structural Instruments, (2011), First *Ad-hoc* Evaluation, Challenges in the Capacity of Public and Private Structural Instruments Beneficiaries, Final Report , [Online], available at: www.evaluare-structurale.ro, accessed on [02.02.2015]

eficiaries tend to have more control on their partners as most of their partnerships are based on previous collaborations.

In a more difficult situation are the public beneficiaries that rely almost totally on their suppliers, and their relationship is usually dictated by the contractual obligations born from public procurement regulations and procedures.

During the interviews, beneficiaries of funds have mentioned that during project implementation, they had met difficulties in running the project due to partners' behaviour. Most of the reasons mentioned refer to the following attitudes: lack of promptitude and consequence in running the specific activities; partial accountability for the implementation of the project by some partners; exchange of responsibilities among partners; failure to observe the deadlines; some transnational partners were not able to cope with frequent changes of the project's activities implementation and requirements from Romanian authorities; partners who had to deliver specific activities of a project went bankrupt during project implementation etc.

Most of beneficiaries of EU Structural Funds implement projects using the human resources available in their organizations, while some promoters employ consultancy companies for drawing project applications and for the so-called administrative and financial implementation **(Table no. 42)**.

Table no. 42: Human resources – the project team

Indicator	Definition/Content/ Explanation	Risks
Human resources involved in project implementation – project team	The optimal quality and quantity of human resources allocated for the implementation of project's specific activities	Insufficient personnel Low experience of personnel Low motivation of personnel High fluctuation of human resources Non-integrity of personnel

Source: author

In this section, it will be discussed only the situation when promoters apply independently for financing and implement projects with own resources. Large organizations, applying intensively for financing from EU sources, usually have established separate departments responsible for drawing up applications and for administrative and financial implementation. Most of human resources are highly qualified and have relevant experience in the field of project management. Consequently, their salaries are competitive and motivating, and due to the financial reason, fluctuation of personnel is not high in these cases.

Unfortunately, situation is opposite for small and medium-sized organizations. Having low operational budgets, they fail to attract project managers or other experts, since they cannot afford to pay them competitive salaries. Such organizations do not invest either in constant training of their personnel in accessing and implementing Structural Funds. Nevertheless, some organizations understood the key role of a project manager in their organization's development and they tend to invest in employing and maintaining such jobs. The project manager is the organizational link for implementing successful

projects, creating the bridge among people having different jobs in organization – the project team. In these cases, the salaries offered are more competitive than those of civil servants working in the same field of activity as project managers. As interviewees mentioned, working in the private sector on a relatively higher salary than in the civil service, has advantages and disadvantages: if in the public sector the working schedule is not flexible, in the private sector you can agree easier on your schedule; in the private sector, the performance criteria are more closely taken care of; in the public sector, the financial and non-financial incentives are determined by laws, while in the private sector they are more flexible and suitable to employees' needs; in the private sector, sometimes extra-working hours are not accounted by the employer etc.

The promoters of projects from the public sector (e.g. local public administrations) have encountered a series of problems related to the human resources allocated for projects' implementation: personnel was not sufficiently trained or training was rare (just once in two years) and irrelevant (too general, not tailored to specific needs); the institution did not have enough resources to employ the needed personnel or to pay for the training if personnel, due to budgetary constraints (especially during the economic crisis); the salaries of civil servants were not competitive and the personnel was not motivated enough to perform effectively (in average, 250–300 euro); due to low salaries and lack of professional perspective, there was a high flow of personnel; the personnel was overload with other job related tasks apart from project implementation etc.

While developing projects financed from the Operational Programme Human Resources Development, promoters had to mention into their applications which were the final beneficiaries of their projects. The target group was identified quantitatively (a certain number of participants benefiting from project's activities) and qualitatively (from a certain social group: e.g. unemployed, women, young or old people etc.) **(Table no. 43)**.

Table no. 43: Involvement of the target group

Indicator	Definition/Content/Explanation	Risks
Involvement of the target group	The collaborative and participative attitude of the target group as main beneficiaries of the activities of the project	Low number of participants from the target group Non-achievement of the project's and programme's indicators

Source: author

The Managing Authority was requesting proofs based on documents (for examples, lists of participants with names and surnames, personal data, signatures) regarding the achievement of the declared number of participants. There were cases that went to the attention of criminal investigators, when such data was falsified, either because the project promoters wanted to get the benefits for themselves, or because they were in the impossibility to gather the total number of participants anticipated in the project application.

During the interviews, some promoters mentioned that it is highly important to know very well the needs of the target group when you draw up the application, and this will guarantee their full involvement. In some cases, that meant for promoters being them-

selves part of the target group or identifying the needs of the target group by applying questionnaires for analysis of problems and needs. Additionally, some promoters mentioned that their projects foresaw different methods of determining the involvement of the members of the target group, by using different stimulations, such as: financial and non-financial incentives for participating to trainings and consultancy, bonuses for drawing a business plan of about 10% of its value etc.

Important roles in gathering the necessary amount of participants were played also by other aspects: the accurate and permanent monitoring of the number of participants for each event that was offering the project team a clear view on the achievement of results and could apply corrective measures; intensive public communication activities and large and diverse media coverage that helped the information to get to the target group, including the attraction into the projects of partners such as the local agencies for employment, local public administration or companies.

Table no. 44: Innovative methods of implementation

Indicator	Definition/Content/Explanation	Risks
Innovative methods of implementation	The innovative approach used in all spheres of the project, starting with the identification of the general and particular objectives, the methodology of determining the needs of the target group, the tools and instruments used for implementation	Low impact Limitation of the impact by the applicant who play the role of a gate-keeper Non-sustainability

Source: author

Innovative projects attract the attention of the financing authorities, of the target group and of public institutions as well. These types of projects have usually a high impact on the market and tend to be more sustainable over time than other projects. They have a multiplier effect at local and regional level and sometimes cross-border effects. In some cases, they tend to standardize and become part of local or national public policies. Their innovation character and powerfulness determines their transformation and validation from a one-time/one-level practice into a national/cross-national policy **(Table no. 44)**.

Innovative projects bring the changes needed into today's society and transform them into legislative measures. For example, assisted employment of adults with disabilities promoted in one project did not have any legislative basis, but following constant and successive applications promoting this idea, it provoked and contributed to the creation of the needed legal framework.

The impact of projects can be limited by the applicants themselves who block intentionally their multiplication effects. The applicants play the gate-keeper role for a piece of information that could become everybody's key to success. They fear to provide freely such ideas, expecting a substantial financial profit, willing to safeguard the know-how and to get additional benefits, especially after European financing is over and they are unable to refinances multiplying activities.

Promoters and implementers of EU financed projects, through their common and unified efforts are having an important role in today's society in Romania. They do not only contribute to the achievement of an Operational Programme indicators or targets,

but also to the implementation of the national development plan for the creation a more sustainable and competitive society. Promoters of projects have understood that in the process of accessing European funding, it is important not only to respect the rules of the financer, but also to make a positive difference through their projects at local, regional or even national and European level.

The financial support offered by the European Union is a deep breath into the Romanian economy and the effective use of the whole amount of investments can make the difference between rich and poor regions in Europe. Unfortunately, this aspect was not understood from the very first beginning, and means to fraud the funds for personal or political interests have brought a negative reaction from the European Commission, which suspended in 2012 some Operational Programmes. Apart from corruption, bureaucracy kept away a lot of possible project promoters or made them give up with their projects. The unstable institutional framework, often changing legislation, inflexibility and over-regulatory administration of Structural Funds are the realities of the 2007–2013 financial framework in Romania. It is also true that most of project promoters were not prepared either financially or professionally to cope with the implementation requirements of the Operational Programmes. All these explain the lowest absorption capacity of Structural Funds registered by Romania among the Member States of the EU.

During this research, several indicators of good practices have been identified during the implementation of several projects financed by the EU funds. These projects have been declared by the Managing Authorities as examples of good practices but in some situations, the criteria for their selection were not revealed. Two preconditions that could guarantee the success of projects were presented above, namely the financial capacity of the promoters and the external environment. Organizations are living entities that easily react to the external environment and if this environment is unstable, it creates malfunctions into their activity as well.

If the two preconditions are fulfilled any project that applies and respects the indicators of good practices have the capacity to become an example of good practice. Some indicators might have a higher influence on the success of a project but if applied all together, they tend to influence each other. Promoters don't have to forget that projects are not a one-time and static effort to create economic and social wealth but a small step in the cyclic existence of public policies. No matter how small might be, every step counts, and especially if this step is of high quality. Therefore, project promoters should be encouraged to keep this in mind when applying for financing from Structural Funds and consider the indicators of good practices in any of their future initiatives.

4.4.3 Projects' implementation in Lithuania: within-country case study

For the 2004–2006 period Lithuania has implemented a system of selection of projects based on a competitive procedure. The projects' competition was the main procedure for selecting projects for financing from the EU funds. The procedure for project financing was changed for 2007–2013 and there have been introduced additionally two project planning procedures: state project planning and regional project planning. In the 2007–2013 period, the projects selected on competition basis accounted 13%, the state project plan-

ning – 69% and the regional project planning – 11%[253]. The purpose of introduction of the state and regional project planning was to fasten the absorption of the EU funds, to ensure a better control of projects' content and to better direct the projects towards the achievement of the strategic development objectives.

Both the state and regional project planning have advantages and disadvantages. These types of project selections allow the allocation of limited financial resources to the achievement of national or regional strategic objectives, while the state project planning can be used effectively to implement system level reforms.[254] But on the other hand, the state institutions, once they are listed for state project planning, consider that they have already been selected for receiving the EU financing and the quality of the project applications that they submit might not be very high. Another aspect is related to the limits of application of the cost and benefit analysis: non-proportionality (cost and benefit analysis is applied independent of projects' scale) and inconsistency (cost and benefit analysis is applied only during project's application evaluation process).

The implementation of the regional project planning met also several specific challenges, such as the lack of coordination between the regions and the central government and the inconsistency between the real needs of development of the municipalities and the list of projects proposed for financing.

Another gap is identified in the selection of projects of regional importance. The projects that are relevant for the region are agreed upon within the regional councils. The role of the regional councils, made up of mayors of the municipalities from a certain region, is very important in planning the financing from EU funds of concrete projects within the regions. Nevertheless, quite often there are selected projects that are more relevant for a certain municipality and not for the entire region.

Most of inefficiencies of the state and regional project planning system were basically due to the lack of experience of both central state institutional and regional actors – the municipalities. State and regional project planning was appreciated as a successful practice which needs further improvements for the 2014–2020 period. These improvements refer to: increasing the flexibility of the procedures, higher cooperation and coordination between the central and the regional levels, diminishing the administrative burdens etc.

Regarding the stage of projects' cycle implementation in Lithuania, some of the interviewees mentioned that, for example, for projects financed by the European Social Funds, the requirements of the Management Authorities regarding the percentage of employment of the target group is too high, given the high unemployment level on the Lithuanian market. Similarly, there are too high requirements for the project implementer regarding the period of time for the on-job training (6 months) and that there should be allowed to sum up the training periods of different new jobs created. Application forms are characterised as rather difficult to fill in, confusing and too long, while budget form as too detailed. Additionally, the scopes for fulfilling the priority criteria could be more accurate and easier to define, appointed in accordance with the logic.

253 Viešosios Politikos ir Vadybos Institutas, (2013), ES Struktūrinės Paramos Administravimo Sistemos Efektyvumo Vertinimas, Galutinė Ataskaita, [Online], available at: www.esparama.lt, accessed on [02.02.2015]

254 *Ibidem*

Regarding the functioning of the electronic integrated system for administration of projects (DMS), some respondents complained that the web platform is not functioning at full parameters and shows high instability while using it. For example, even if the Implementing Bodies know the fact that the system is not working properly, they accept only the documents submitted through the system. There are also many cases when the data which is requested to be filled in is repeating in various other registers; therefore it appears an unnecessary duplication of information and increase of bureaucracy. From another hand, some applications, such as the reimbursement claim, do not allow to visualize the older information already submitted, while changes to contracts are difficult to manage from the system, since the system requires the refilling of the same data and that the budget should be submitted in Word format, which is incompressible. Another discontent of projects' implementers is the fact that there are requested a lot of supporting documents for backing up of the expenses, while their number could be considerably minimised.

The recommendations addressed to the managing authorities and implementing bodies refer mainly to the elaboration of more simplified guides for applicants and of their annexes as well as the more flexible application and interpretation of implementing instructions and shortening of time for the reimbursement of expenses.

The Ministry of Interior of the Republic of Lithuania has published in 2014 a publication[255] which presents ten examples of good practices of implemented projects in the field of public management improvement in Lithuania in 2007–2013. The aim of the publication was to familiarise the public with the 10 best practices and to inspire other project promoters to take a creative approach to solve the problems of the public management system. According to the information provided in the above-mentioned document, the criteria according to which the selection of best practices has been made are the following: uniqueness of projects and of their administration process; appropriateness of actions taken; stakeholders' support and cooperation; impact/results and their sustainability; innovation and adaptability. Among the factors of success of the implemented projects, there are mentioned several external conditions that helped to their smooth implementation, such as:

- permanent political support from different Governments; strong support from public authorities: executive and legislative; a certain ministry should assume responsibility for coordinating the project implementation;
- involvement of the institutions accountable to the Government and their co-operation during the entire project helped ensuring the sustainability of the project results;
- willingness of stakeholders to get involved at expert level and promote change;
- plan service provision schedules in greater detail and to establish stricter liability for delays in executing service contracts;
- the success of the project largely depends on people's perception, motivation and desire to change the long-standing problems. In order to increase the motivation

255 Ministry of Interior of the Republic of Lithuania, (2014), The 2007–2013 projects for Public Management Improvement in Lithuania financed by EU Structural Funds: Best Practices Examples, [online], available at: file:///C:/Users/user/Downloads/Gerosios%20praktikos%20leidinys_anglu%20k%20(1).pdf, accessed on [02.02.2015]

of the project participants, the practical benefits of cooperation must be demonstrated to each of them;
- experience of foreign countries.

The internal conditions for successful implementation are mentioned below:
- the project was coordinated by the experienced project team;
- the project was built up in a consistent manner and its activities were adapted as new needs arose during its execution; considerable attention was paid to publicity and dissemination of project implementation results;
- work redistributed among the project team members working on the project so that the project activities do not become an additional load for them, leading to increase of ownership and motivation;
- focusing measures on the areas with the greatest risk;
- implementation on a pilot project basis which clarified the vision and let to extension of the project to a larger extent;
- the project is electronically advanced;
- the was a balance between centralisation and decentralisation of decision-making;
- long term projects: human resources role in maintenance of the institutional memory;
- large scale projects: good internal communication;
- implementation of additional activities;
- strong leadership support contributed to the sustainability of changes in the organisation.

Data has been collected in order to find out if the institutions involved in the management and administration scheme in Lithuania encourage the identification and spreading of the examples of good practices in project implementation.

An example of encouragement in the identification of good practices has been identified since 2005 in the work of the Commission for the selection of examples of good practices in the public administration field organised within the Ministry of Interior of the Republic of Lithuania and in further subsequent publications[256]. The main purpose of the Commission was to identify several examples of good practices that would be presented in national and international conferences on the thematic of quality of public administration. The most relevant information that can be retained refers to the criteria of evaluation for the good practices, which are: innovation; improvement of the results of the activities; adaptability; compliance with priorities. The competition is organised on a biennale basis and at each round a series of projects are selected and acknowledged on the website of the ministry with the purpose to create a national corpus of examples of good practices. This type of promotion of good practices allows their spread at national level and contributes to the recognition of the dedicated efforts for better services for citizens.

This type of initiative has been taken over in the field of promotion of good practices in the implementation of European Union Structural Funds projects. There are several institutions that organize yearly competitions in order to determine, by selection of a special-

256 Vidaus Reikalų Ministerija, (2011), Viešojo administravimo kokybė Lietuvoje – gerosios patirties pavyzdžiai, [Online], available at: http://vakokybe.vrm.lt/lt/Kokybes_iniciatyvos, accessed on [02.25.2015]

ized committee of experts or by vote of public opinion, the most successfully implemented projects that can be noticed by specific characteristics.

The Ministry of Public Finances organizes yearly a competition called *Europos Bures*[257] dedicated to the selection of the best EU implemented projects. The projects that want to participate in this competition have to fulfil a series of demands, such as: to have been partially financed from the EU Structural Funds, to have been fully implemented or in the last stage of implementation, to have used the funds properly and transparently and not to have won awards in earlier competitions. The projects are firstly selected by a commission made up of representatives from the public institutions, experts and opinion leaders. The projects selected by this commission are then submitted to the public opinion which has the possibility to vote on line for the best projects.

The criteria according to which the commission selects the projects are the following: relevance, usefulness, efficiency, impact and continuity. There are several categories of this competition:

- Innovation: this category evaluates innovative solutions in science, technology, business, state management;
- Smart business: this category evaluates business ideas, companies and increasing competitiveness of the country, developed or implemented jobs in advanced technology;
- Opportunities for improvement: this category evaluates training initiatives to help reintegration into the labour market and adaptation to it;
- Opportunity to work for youth: this category evaluates projects which offer opportunities for young people to work;
- Cosy environment: this category evaluates projects targeting at improving the quality of life and environment-friendly solutions;
- e-Solutions: this category evaluates projects which offer online and electronic solutions.
- The most effective communication: this category evaluates projects for the original design of communication tools and techniques that have contributed to a targeted public awareness of the benefits of the project and added value;
- Meaningful leisure time: in this category the projects are valued for the high-quality entertainment, sports, and fitness and recreation facilities;
- Paving ways: this category evaluates projects for development of infrastructure, engineering progress, health and social projects that improve communication, collaboration and integration.

The European Social Fund Agency organizes yearly a similar competition called *ESF Žingsniai*[258] which selects ten success stories in the implementation of EU projects. The criteria for selection are based on: authenticity and originality, results of the projects and the importance of benefits for the projects' implementers. The format of the competition is new and unusual, because it does not evaluate the projects on the basis of the standard criteria of performance, such as: the achievement of key indicators, overall results and benefits for the target group.

257 www.finmin.lt

258 www.esfa.lt

4.4.4 Cross-countries case study

The projects' implementation stage in Romania and Lithuania has some similarities but also several important differences. First of all, in Romania the state and regional project planning procedure are not met as *per se* legal procedures but one can see their practical application in several Operational Programmes, such as, for example the Operational Programme Transport and Environment – for state planning projects (highways and big environmental infrastructure projects) but also for regional planning projects (poles of development). It is appreciated that for Romania it would be useful to learn from Lithuanian experience in applying these project planning procedures.

In Romania most of projects are selected on competitive calls for proposals. A competitive environment in project selection should theoretically guarantee a *free market* of projects' selection and implementation. On the contrary, in Romania, the free competition for EU projects does not necessarily guarantee the transparency of the funds' allocation, as due to difficulties in meeting the selection criteria, in most of the cases, the selection processes are influenced by the interference of the political interests, especially in projects of local, regional and national public infrastructure and related works.

Both Romania and Lithuania direct most of the EU public funding towards state institutions, be they national or regional, but Lithuania shows a more experienced implementing attitude which is reflected in the results of the country's outstanding absorption rate. Lithuania's better performance in managing EU funds is also due to the high state control and strongly centralized implementation system which has tested its performance in the 2004-2006 period. The advantage of this so-called *testing period* is rather obvious as Lithuania debuted with a positive start in implementing the 2007–2013 allocated Structural Funds, while Romania improved its procedures only in late 2012.

Both countries register a still high level of bureaucracy when it comes to projects' application and implementation requirements, although Lithuania scores better in terms of the general bureaucracy index. For addressing the issue of bureaucracy, it can be noted that both countries focus their efforts on the development of electronic means of project administration: submitting, implementation, evaluation but there are still a lot of steps ahead to be taken. The on-line project application procedure (e-SMIS under development in Romania) and the electronic project administration facilities (DMS in Lithuania) are important innovative projects' implementation technologies that still need a lot of technical and operational improvements to be fully beneficial for project promoters. Additionally, in Romania there is a need to correlate all the existing applications and create a single operational platform for all projects, while Lithuania, in implementing the e-cohesion concept, should develop a similar application for project submittal on-line.

It can be stated that Lithuanian project promoters have met similar challenges as the Romanian ones, both external and internal, but at a smaller scale and in an inconsequent matter. For Romanian project promoters, the external factors with the strongest impact over the 2007–2013 period were the general financial instability and the performance of the entire administrative and management system of Structural Funds. The economic crisis affected entirely the financial administration of the Structural Funds in Romania which had a strong impact on the reimbursement of funds, but also on the allocation of funds for certain Operational Programmes. Even if Lithuania went through the same economic

crisis, it managed to keep at the engaged level the financing addressed to investments from Structural Funds and there haven't been registered delays in reimbursements of funds or in the proper allocation of resources for the Operational Programmes. It can be openly stated that Government's priority for proper financing of the Operational Funds in Romania was rather 'declarative' while in Lithuania was mostly 'operative'.

It can also be noticed that the permanent political support from different Governments and the strong support from public authorities, executive and legislative are specific for Lithuania, while in Romania it could be noticed an opposite tendency. Every new Romanian government was rather criticizing the work of the previous one and implementing own way of Structural Funds management, often changing the institutional framework and the implementing rules. The political decision-making discontinuity affected the entire performance of the administration and management system and reflected downwards at the level of implemented projects.

The dissemination of good practices of projects implemented from Structural Funds is equally important and promoted in both countries, although one could notice that there is no clear methodology for the definition of a *good practice* project. In Romania, the good practices examples are mainly selected by the public authorities, the general public doesn't have an option in selecting them. In Lithuania, the selection of good practices occurs in two stages: a pre-selection made by the public authorities and a final selection based on the vote of citizens, which can be appreciated as more democratic and relevant for the final beneficiaries. In general terms, one could identify the same criteria for project characterisation as a good practice: internal and external. The internal characteristics refer basically to the internal capacity of management, either of finance or of human resources, while the external ones focus on the favourable political or legislative framework, reliable partnerships and stakeholders' involvement.

DISCUSSIONS

Over the last 30 years of the official existence of the regional and cohesion policy, the European Union in cooperation with the Member States have constantly looking for a permanent improvement in the delivery system of the Structural Funds. The main reasons for doing that were among others: the need to simplify the procedures, to accommodate after enlargement the new Member States from Central and Eastern Europe, to better coordinate the harmonisation process of regional development around Europe and not the last, to improve the overall performance of the European economy and to increase its competitiveness at a global level.

The main tools used in this process were first of all the legislative measures – the EU regulations and connected acts as well as subsequent national legislative acts. Even if, due to their specific legal nature, the EU regulations are directly applicable in the Member States' internal law, most of the Member States have adopted a set of legal acts in order to clarify or coordinate the implementation of the European law in the field of the regional and cohesion policy at national level. Most of the above mentioned legal acts from the Member States refer to the configuration of the institutional framework and procedural aspects.

With respect to the configuration of the institutional framework, following this research, one could notice that in the both countries analysed (Romania and Lithuania), the institutional configuration choice came from the existing administrative traditions that means that the new institutional framework for the management of Structural Funds in Romania and Lithuania was conceived basically as an overlap to the existing institutions, which received the new specific obligations and only additionally, several new institutions were created just for the specific purpose of administering the Structural Funds.

The participation of both countries in the management and administration schemes of Structural Funds have been treated with priority in both countries, the Structural Funds being considered an importance source of financial assistance for regional and national economic development. On the other hand, one could obviously notice in the countries analysed the evolution of a so-called *institutional adaptation*, which tended to be shorter or longer, based on the moment of accession to the EU and country's size and administrative traditions. For example, for Lithuania it has been very useful the participation in the 2004-2006 Structural Funds management, even if it was a short period of time to adjust to the EU rules and requirements and the absorption rate was modest. But the country used this experience in order to improve the management and delivery system of Structural Funds and was able to produce much better results in the next programming period.

The institutional configuration for the management and implementation of Structural Funds can be easily adopted and changed through legislative measures, but probably what matters more, as one could find out from this research, is the institutional stability and the long-term strategic approach, assumed at political level and independent from any changes that might occur after every general elections, at the level of Parliament or Government. In the case of Lithuania, the permanent political support from different Governments contributed especially to the success of large infrastructure projects whose implementation is medium to long-term and extended over the electoral periods, requiring the involvement of subsequent Governments of different political configurations. The same subsequent po-

litical support applied to other type of projects as well, such as the public projects in the field of development of the public administration. These type of projects enjoyed strong support not only from the Government but also from other public authorities: executive and legislative, while the national coordinating institution, the Ministry of Finance, was tasked from the first programming of Structural Funds to manage and coordinate the whole Lithuanian national system. The roles of this ministry never changed over the programming periods, being able in this way not only to gather significant experience in the field but also to strengthen its leader position in the centre of the entire administrative and implementation scheme of Structural Funds, its competence today being appreciated as crucial.

In Romania, on the contrary, one could notice that, if initially the administrative structure was built on the model of pre-accession funds implementation, with the Ministry of Finance in the centre of the administration scheme, the model became soon obsolete and, since there was no institutional performance analysis and no clear institutional and political strategy referring to what institution should actually take over the national coordinating role of the Structural Funds implementation, for several years one could notice a permanent swing among central level authorities fulfilling the role of the national coordinating institution, dictated every time by the creation of another new Government with other political priorities and strategies. Therefore, both stability of the institutional framework and overall institutional competence were strongly affected and led in the end to a low performance in the absorption process of Structural Funds in Romania. Even if one could notice that the institutional system stabilized since 2012 (because the Government remained in power during this period), on the other hand, there is no guarantee that it will remain the same in the future, once a new Government will be nominated, as today there is no written or implied political agreement or consensus about the present institutional framework. Another aspect that worth's being mentioned here is that in some cases, even if the institutional structure didn't change, the institutional performance was strongly influenced by the leadership skills of the top managers who were running the public organizations.

Taking into consideration to propose some measures that could be applied in order to avoid such situations, one could suggest to include in the EU regulations an obligation for the Member States to maintain the same institutional structure for an entire multi-annual period (seven years) and every intended modification to be previously notified to the EU Commission and backed up by an institutional performance analysis made independently. In this case, one could avoid changing the national institutional partners in the relationship with EU institutions but also with other national and regional institutions or organizations involved in the management of Structural Funds, therefore avoiding institutional overlapping and Structural Funds management gaps or vacuum.

In line with other scholars' opinion[259], one would also suggest the adoption of a more legal binding relationship between each Member State and the European Commission in the application of the EU regional and cohesion policy. This enhanced cooperation agreement, either under the form of a *contract* or of a *partnership agreement* (as already adopted

259 Barca, F., (2009) , An Agenda for a Reformed Cohesion Policy, A place-based approach to meeting European Union challenges and expectations, Independent Report prepared at the request of Danuta Hübner, Commissioner for Regional Policy

for 2014–2020), would include the main rights and obligations of the Member State and should be built on the basis of good practices in the management and implementation of Structural Funds commonly agreed upon.

It is strongly suggested that such enhanced agreements should be obligatory for those Member States that are net beneficiaries of the regional policy. Such approach should be considered reasonable because it might contribute to solving the issue of different contributions to the budget for the regional policy. There have always been disputes among the Member States regarding the allocation of funds, as some older Member States, as large countries, contributing extensively to the budget, were not allocated enough funds to balance their contribution. Therefore, according to the solidarity principle, countries with lower GDP were allocated more funds comparing with their contribution. Nevertheless, in the inter-mid evaluations and afterwards, in the end of the programming periods, one could notice that these countries were not able to absorb the money allocated and what was actually happening was that the financing of investment opportunities was postponed and lately redirected. But this meant a loss of time and opportunities and at some point, a freeze of money for other investments.

Additionally, if such a solution would be proposed and approved for the net beneficiary countries, the funds' allocation should be made not on a competitive basis, but on strategic large projects negotiated and approved with the European Commission, that are equally important for the country but also for the European Union, such as for example, building of highways part of the European Transport Network. The needs for development of the net beneficiaries of Structural Funds in fields such as environment, transport and business infrastructure are very high and in order to bring them closer to Western standards, there is a need for fast and huge financing solutions.

If the regional policy will not accommodate such solutions for faster development of the net beneficiaries and in the same time continue to finance moderately the net contributors, then the regional development gap will continue to exist in future as well and the net beneficiaries will always lag behind in fields such as innovation, technologies or social and business solutions.

Another aspect for the continuation of the idea of signing an enhanced agreement between the Member States and the European Commission is the inclusion as a third party in this contract of the regions or signing of a separate agreement with the development regions. The region becomes therefore directly involved and responsible for its development strategy and its implementation results but it is also avoided the sometimes total political dependence from the national Government. It can be therefore eluded the allocation or redistribution of funds based on purely political reasons. For this purpose, the region has to be recognised administratively and empowered by democratic elections to represent the interests of its citizens and organizations. In this respect, one stands for the idea of regionalization of European Union with the creation of European macro-regions within the borders of its Member States and not of European cross-border macro-regions taking into consideration the current political evolutions neighbouring European Union.

This type of regionalization might not work or be not preferable in the case of small countries, such as Lithuania and other Baltic States or smaller states from South Europe and in these cases it should be left as optional. But in the case of larger countries, the regionalization in macro-regions should be compulsory and additionally, encouraged with

additional funding if cross-border European macro-regions are voluntarily created. As mentioned before, due to today's political situation, one tends to appreciate that the creation of European macro-regions should not become compulsory for those countries that are external borders of the EU just to avoid the creation of opportunities for local minorities concentrated along borders to separate on political reasons by using the regional economic and social development purpose of the European regional policy.

Another desirable measure, which can be considered as non-legislative but equally legislative depending on the country and its political traditions, is the existence of a tacit political agreement (such as a *gentlemen's agreement*) or of a political agreement adopted by a legal act of the Government or of the Parliament and signed by all political parties regarding the maintenance of the institutional framework for the management of Structural Funds but also for ensuring the national co-financing. The lack of a political agreement, based on such concrete topics as mentioned above contributed in Romania to the failure in obtaining sustainable results in the accession of Structural Funds, marked by constant delays, suspension of Operational Programmes, lack or shortage of national co-financing, corruption and redirection or lost of funds.

The insurance of the national co-financing proved to be a difficult task for some countries especially in the time of the economic crisis. For Romania, this topic became crucial, as the economic crisis affected not only the promoters of funds but also the state resources. The contraction of the international financial markets had a spill over effect on the weakest European economies, especially those under development and restructuring, such as the Central and Eastern European countries. The crisis affected the capabilities of these countries to gather resources to the state budget and to be able to allocate further on funds for the national co-financing of Structural Funds and pay in time for the reimbursement of funds already spent by project promoters. Being pressed from two sides, as the state was lately reimbursing the funds and the banks were reluctant to offer credits to finance European projects, the project promoters found themselves in a difficult situation and were obliged to give up developing and implementing projects from Structural Funds. Consequently, the quality of projects implemented and their timely implementation had also to suffer.

As a solution to this problem, in Romania there are discussions regarding the creation of a Bank of Development or the possibility to grant to a state bank the role of a bank for development. Such financial institution is functioning today in France and Poland and its main purpose is to manage all financial relations with the beneficiaries of EU funds. The advantages of having a bank of development are obvious: the bank could offer credits with state guarantees, for both eligible and non-eligible expenses with a conformable interest rate for beneficiaries and would address in a simple and centralized way the problem of co-financing for both the state and the beneficiaries.

The option of having a bank of development could be left at the free will of the Member States but it can be the role of the European Commission to promote its use in the implementation scheme of Structural Funds and to provide some financial incentives for those countries using this model of financing their contributions to the Structural Funds.

Another aspect that could be regulated in common by the European Commission and the Member States is the selection and quality of the human resources working with the Structural Funds. In Romania big gaps have been identified in this field: starting from the

top managers until the lowest level civil servant in the hierarchy. First of all, there was no strategy of human resources working with the Structural Funds. In the beginning, the only tools for attracting and retaining professionals in this field were the premiums to the salaries accounting for 75% of the salary. Following the economic crisis and the elimination of these incentives, the personnel started to flow out of the system considerably, especially towards the consultancy companies from the private sector.

Secondly, the tasks of the personnel were not clearly stated and distributed and were additionally mixed with other types of activity, while some tasks could be externalized in order to relieve the workflow of the civil servants and allow them to provide a better and timely service to project promoters and implementers.

The number of personnel involved in the management of Structural Funds in Romania was too big from the very first beginning and reductions of personnel based on actual performance in the workplace had to be made long time ago. This would allow the personnel who would have remained in their jobs to be of the highest professionalism and perform their jobs at the highest standards and receive consequently competitive salaries which would increase their retention rate in the public sector.

The introduction of a set of key performance indicators and the obligation to pass through the selection of the European Personnel Selection Office at least for the management positions should be a must in future. Romania needs to have such high level professionals at least at the level of the national management authorities and intermediate bodies as part of their salaries are financed by the EU through the technical assistance programmes, so one could assimilate them as 'employees' of the European institutions and also because of their level of representation, as most of the times they communicate directly with the European Commission and other European institutions and organizations.

These aspects could be regulated internally by the Member States with the promotion, for example, of a specific human resources policy involved in Structural Funds management and implementation, which should mention clearly what is the status of these employees, the criteria for their selection, the standards of experience and professionalism, their level of external representativeness as well as guarantees and incentives. There is a need to create a special status for these employees in order to protect them from vulnerabilities such as exposure to corruptive tentatives and political influence. There can be also made agreements with the European Commission and other European institutions and organizations to organize in common the professional testing or preparation of these employees and the obligatory organization of practical exchanges of experience with other Member States on a regular and stable basis, coordinated by the European Commission, in order to explore the examples of good practices in the field of Structural Funds management from various European countries.

Institutional openness, control of fraud and corruption and the extensive use of the e-cohesion tools are strongly inter-connected. A bright future could be forecasted for the e-cohesion tools not only in the developing of efforts to make the use of Structural Funds easier and more and more accessible for the project promoters and target groups in specific regions and countries, but also in combating corruption and fraud and overall, in connecting the institutions and project promoters from all countries of the European Union. The extensive distribution and application of e-cohesion tools would allow the spread of good practices in using the EU funds, in all the stages of the process: from program-

ming to implementation and among different users: public or private organizations and individuals. Data would be available for consultation, research, application, testing and implementation.

Since there still is a large array of procedures and instruments in European countries and their applicability has already been tested in other parts of Europe, it would be helpful for other interested parties to have access to such information and to rediscover in a practical collaboration with the initiators of a specific practice the alternatives or other various solutions to similar problems. An example could be provided here: national databases of successfully implemented projects connected to a European umbrella database, accessible for all users; electronic means of submitting applications, of managing and administering the projects and the documentation related; electronic tools and systems for informing about corruption and fraud related with the use of EU funds; electronic database of individuals and organizations convicted for fraudulent use of Structural funds; the use of electronic signature etc.

It has to be advocated for a full openness of the information system of Structural Funds because it is dealt here with European public goods and funds which are ultimately directed to the improvement of lives of European citizens, from whatever country they might be. So there has to be a mutual respect in each Member State for the territorial use of EU money. By allowing and insuring transparent rules and procedures in each country, any European citizen should be able to track where the EU money is at any moment and also to find out what types of investments are being done with it. During this research one has identified several disruptions in the application of the communication and information obligations in Romania, mostly related to the outdated information available on the management authorities' websites, but also with the frequency and quality of information provided around the country by the civil servants to potential project promoters.

It is worth mentioning the example of Lithuania which has implemented a unique platform on the internet for project promoters and implementers where all the necessary information is concentrated in an updated and user-friendly website (www.esparama.lt), while in Romania, there is no single e-gate that would provide all the information needed, but several websites, one for each managing authority, national intermediate body and regional intermediate bodies, in total around 30 websites.

It is an evident proof that Romania does not have a strong institutional coordinator of the information and communication strategy regarding the Structural Funds. This aspect is evident also in the development of the electronic platform of the EU financed projects – the SMIS – the Single Management Information System, which has been backed up by other similar systems developed under the coordination of other managing authorities (for example, the Action Web, under the coordination of the Ministry of Social Affairs or the database of projects of the Ministry of Interior). These aspects might denote several conclusions: the national coordinator of communication and information does not have enough authority to impose its rules, by either institutional power relations or legislative means; the SMIS is so badly administered and functioning that there had to be found alternative ways to it; there are still bad administrative traditions of intentionally duplicating the work and creating confusion among users.

It is obvious that the political choices in such strategic aspects as the configuration of the institutional framework and procedural aspects related to the implementation of

Structural Funds have a long-term impact on country's performance and regional development. Lithuania has chosen a centralized system that proved the most efficient in absorbing the EU funds after testing it in 2004-2006, which is also consistent with its territory size and administrative traditions. On the other hand, in the implementation scheme of Structural Funds, Romania has combined a centralized system with regionalization based on the artificial creation of development regions which on one side proved to be inefficient, as the general absorption rate is the lowest among Member States, but in the same time offered the possibilities for regions to remark themselves in the process and opening the road for enhanced regionalization. Considering the territorial size of Romania, it can be appreciated that its development regions should have a stronger say in the application of the EU regional policy in all stages, from programming to project implementation in the next programming periods and should be allowed to get even more actively involved.

Both Romania and Lithuania can offer examples of good practices in the application of the regional policy and access to EU Structural Funds, but it can be still appreciated that they are both in the stage of learning and transferability. Nevertheless Romania might still record oscillating trends in implementing the EU regional policy while Lithuania has already settled itself on an ascendant trend that would allow soon to be an important provider of expertise in the field.

CONCLUSIONS

In this chapter, following the above study, few concluding remarks based on the research questions are presented below:

1. **How could be defined 'good practices' in the administration of Structural Funds in a process of in-country self-evaluation and within a cross-country analysis?**

A comprehensive and overall accepted definition of 'good practices' is difficult to retain for extensive use, due to inherent complexity of the public administrative systems and traditions in EU countries. Nevertheless, in the context of this doctoral thesis, a definition of 'good practices' has been proposed in the detriment of a definition of 'best practices'. It was considered that the 'best practices' terminology in the context of this doctoral thesis cannot be sustainable due to the fact that the jurisdictions compared are rather different. A 'good practice' in Structural Funds implementation has been defined as a ***'process, procedure or experience at institutional level, at programmes' and/or projects' implementation level that is producing the expected results or an outstanding performance'.***

It can be considered that defining and recognising 'good practices' can have a positive influence over time on the increase of performance of implementation practices within the territorial limits of a Member State, as long as the process is continuous, stable and rewarding, that means that the promoters of good practices are recognised publicly and officially and encouraged to share freely their experiences. A clear and open methodology is put in place by the Management Authorities and additionally, public vote is allowed for the selection of good practices. The externalisation of good practices is part of the process of cross-country recognition of a good practice that has been identified and appreciated in an internal evaluation process, therefore, the presentation of examples in good practices in European and other international conferences might bring additional added-value to the implementation practice.

An aspect that has not been covered by this doctoral thesis was the transferability of a 'good practice' from one public administrative system to another. It is therefore a possibility for further research in this field. Transferability issues are considered the hardest part of good practices implementation, as it is usually limited due to systems' administrative design, legal framework and experience in using Structural Funds. The purpose of this doctoral thesis was to analyse the potential existence of 'good practices' by gathering information about how other systems put into practice the same regulations, highlight the *DON'Ts* and the innovative examples and inform the reader about the possibility of a *soft* transferability of an identified good practice which could be potentially transferred without any limitations.

The characteristics of a good practice retained in the context of this doctoral thesis were: positive and significant improvement in performance; sustainable improvement effect; potential to be replicated and used in other organizations; in line with good governance principles; appreciated and recognised officially.

2. **Which country's administration system of Structural Funds is better performing and how it can be measured?**

Basically, looking to the absorption rates of each country, one could easily notice that Lithuania was better performing than Romania in the process of accessing the Structural

Funds. Therefore, the first question that comes into mind it why is this happening, since both countries are new Member States and had similar roadmaps for accessing to the EU. The first logical explanations that occur are related to the countries' size and Lithuania's earlier access to the EU. But analysing deeper the subject, it could be noticed that the process following accession and the institutional configuration and consistency made the most important differences between the two countries.

Lithuania has been recognised as a highly centralized system, while Romania has combined a centralised system with regional delegation of implementing powers. No model necessarily guarantees a higher and faster absorption rate, as it is influenced by other external factors that cannot be controlled by the state central or local administrations. The absorption rates are influenced by a series of cumulated factors, such as, but not limited to, the institutional framework, the political will, the regulatory stability, the organizational strategic planning, as well as the preparedness of the applicants, their financial capabilities and expertise.

In the case of Romania, the combination of the centralized system with the limited delegation of powers to regional intermediate bodies did not produce the best results, but the tendency shows that there is a need for even more decentralization and regional level empowerment through democratic choices. There are suggestions for improving the delivery system of Structural Funds in Romania by creating regional Managing Authorities or investing the roles of the Managing Authorities to the already existing Agencies for Regional Development, considering their expertise and experience in running the Regional Operation Programme, which accounts on of the highest absorption rates for 2007–2013.

A centralized system might insure good absorption results, as in the case of Lithuania, if the administrative apparatus is rather small/medium and strongly coordinated by a central ministry with authoritative and financial power, such as the Ministry of Finances. But the centralized system tends to minimise or eliminate even the regional tiers of governance, as it happened in 2010 through the administrative reform, when the *apskritis* (which had previously a role in the implementation of the regional policy) were terminated. The creation of the Regional Councils is a correction to the involvement of the regional actors in the programming/implementation process in the application of the partnership principle, but they are not representative through directly democratic elections.

It has been proved by statistical data that over time, as experience is accumulated by a Member State analysed, the absorption rate is constantly increasing. This aspect is rather obvious for Lithuania, as the country has already experienced a period of using the Structural Funds in 2004–2006 which was beneficial for producing better results in the next coming multiannual period.

For Romania, one can appreciate that the experience started to accumulate only after 2012, so also after a so-called *trial and error* period, and following corrective measures from the European Union after suspension of several Operational Programmes and under the pressure of time rule n+2. It can be appreciated here that the changes for better performance have been rather encouraged by the intervention of the European Commission than driven from inside the administrative system.

The analysis proposed a series of key questions for discussion at the three recognised levels of implementation: institutional level, programmes' and projects' level. The analysis of each level is important, but there has to be a congruence and synergy among them as

well, as the levels are interdependent and they influence each other continuously. In the context of this doctoral thesis, it has been proposed that the implementation of 'good practices' be measures by the level of stability of the institutional system and of the regulatory framework, the level of adoption and application of strategic management principles, the level of experience and professionalism of the human resources, the level of corruption, the application of the partnership principle etc.

In the cohesion countries, the financial support obtained through Structural Funds is an important source of financing of the entire economy and for undergoing structural reforms. The success of the full use of Structural Funds financing is crucial for the whole society and might influence the macro-economic indicators. A model of implementation based on 'good practices' could also be measured by other economic or social indicators underlining the effectiveness and the efficiency of the system, such as: absorption rates; achievement of programmes' and projects' indicators; number of programmes suspended; number of projects rejected; amount of money refunded to the EU Commission; amount of defrauded EU funds; number of final legal convictions for defrauding EU funds etc. The effectiveness of the implementation of UE programmes and projects can also be measured by macro-economic indicators calculated at the beginning and at the end of the programming periods, considering the rule n+2/3, such as GDP/inhabitant, unemployment rates, economic growth, foreign investment percentages, new jobs created, emigration index etc.

3. What factors can influence the application of a model of 'good practices' implementation in the field of Structural Funds?

The factors that influence mostly implementation schemes of Structural Funds are related to the institutional set-up and stability, regulatory quality and stability, general corruption index, permissiveness of the system, the strategic approach and long-term planning of funds, as well as the experience of the project promoters and implementers. It cannot be considered only one single influencing factor; they are all influencing the process continuously and constantly and at different levels. Therefore, there is a need to have an overall view on these factors and to approach them in a professional risk assessment framework in order to identify the milestones and to cross them successfully.

The unpredictable events influence negatively the main indicator used for Structural Funds performance – the absorption rate, such as the economic crisis that affected Europe since 2009. A survival economic strategy to address the effects of the economic crisis is not necessarily the best one, as it affects directly the Governmental funds and as one could see in the case of Romania, even more problems appeared when the state was not able to ensure in time the national co-financing of the country and the reimbursement of funds to projects' promoters. It is more important to use the crisis as a reason to deregulate and lift administrative barriers in the access to the Structural Funds which are after all funds for investments, so necessary for country's economic recovery.

Sometimes, organizational changes are driven by the acute need to find a solution to a financing problem and a political consensus is needed. The consistency of the political decisions independent of the results of the elections in a multiannual financial framework for the implementation of Structural Funds become a sign of enhanced democracy and political normality, fact that one could notice in Lithuania, in contrast with Romania.

Additionally, stunned systems can be shook by innovative procedures, such as the implementation of the e-cohesion recommendations. Even if the single integrated systems

used in each country are not covering the whole implementation process yet, and the performance of them is sometimes doubtful, it is obvious that these systems are part of the future of the implementation process because they contribute after all to improvement of the service for beneficiaries, by saving their time and money, to more accurate records, control and monitoring of projects and results and not the last, to addressing the corruption related activities.

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ANNEXES

Annex no. 1: Questionnaire addressed to employees working within departments of the institutions with attributions in the coordination, management and implementation of Structural Funds 2007–2013 in Lithuania and Romania (Management Authorities and Intermediate Bodies)

	Questions	Answers
Functioning of the institution/organization		
1.	Is there a clear definition of roles and procedures for your institution in the national legislation regarding the coordination/ management/implementation of Structural Funds?	○ YES ○ NO
2.	If the answer is NO, what do you think it should be improved in the legislation?	
3.	Is your institution fully staffed and operational according to the complexity of its tasks?	○ YES ○ NO
4.	Is your institution functioning in an appropriate location?	○ YES ○ NO
5.	Does your institution have regional or local branches who have been delegated tasks related to the coordination/management/ implementation of Structural Funds?	○ YES ○ NO
6.	Is your institution properly financed in order to perform effectively its tasks in the coordination/management/implementation of Structural Funds?	○ YES ○ NO
7.	If NO, please mention the reasons for underfunding.	
8.	Does your institution apply any system of management of quality in performing its activities? If YES, please mention the certificate number.	○ YES ○ NO
9.	Does your institution's organizational chart change very often? If YES, how often has it changed during 2007–2013 and for what reasons (e.g., improvement of activity, political, financing etc.)?	○ YES ○ NO
10.	Did in any way the European Union delivery system model of Structural Funds influence your institution in using a specific type of management? If yes, how?	
Strategic planning		
11.	Which department is responsible for strategic planning in your institution?	
12.	What is the time perspective of strategic planning in your institution?	○ Annual ○ Multiannual
13.	Does your institution have an action plan for increasing the absorption capacity of Structural Funds?	○ YES ○ NO

	Questions	Answers
14.	Does the strategic planning capacity have a positive impact on the absorption capacity of the Structural Funds?	○ YES ○ NO
15.	How intensive is the strategic planning capacity over the absorption capacity of Structural Funds?	○ Low ○ High
Decision making procedures (leadership)		
16.	How are the decisions taken in your institution?	○ centralized ○ decentralized ○ individually ○ by common agreement ○ with consultation ○ without consultation
17.	Is there any mechanism of consultation in the decision – making process? If yes, could you mention several details on how it is working?	
18.	Are the decisions communicated to the interested parties?	○ YES ○ NO
19.	Are the decisions communicated to the public? If YES, what are the communication tools?	○ YES ○ NO
20.	How would you appreciate the direction of impact of the decisions taken by your institution?	○ Positive ○ Negative
21.	How would you appreciate the intensity of impact of the decisions taken by your institution?	○ Low ○ High
Stakeholder consultation		
22.	How would you appreciate the relationship of your institution with the Government and other ministries or institutions involved in the management/implementation of Structural Funds? Scale: 1 (very bad) to 5 (very good)	○ 1 ○ 2 ○ 3 ○ 4 ○ 5
23.	What are the institutions/organizations that you consult regarding Structural Funds management?	
24.	Do you coordinate your activities with other institutions or organizations? If yes, please mention some of them.	○ YES ○ NO
Human Resources Management		
25.	How do you appreciate the professional quality of human resources working in your institution? Scale: 1 (very low) to 5 (very high)	○ 1 ○ 2 ○ 3 ○ 4 ○ 5

	Questions	Answers
26.	Is the personnel sufficient for the everyday management of Structural Funds?	○ YES ○ NO
27.	How would you appreciate the remuneration policy of human resources?	○ Competitive ○ Unattractive ○ Without perspective
28.	Are there any incentives for human resources working with Structural Funds? If YES, which are they?	○ YES ○ NO ○ Financial ○ Non-financial ○ Other nature: _____
29.	What is the procedure for staff selection?	○ Open competition ○ Interview ○ Recommendations ○ Other: _____
30.	Are there any constant training programmes for staff?	○ YES ○ NO
31.	If YES, how often in a calendar year?	
32.	How would you characterize the flow of personnel in your organization?	○ High ○ Low
33.	If the flow of personnel is high, in your opinion, what are the reasons for this?	
34.	Is there any code of conduct/code of ethics for employees involved in the management of Structural Funds?	○ YES ○ NO
35.	Is there any career development plan for employees in your organization? If YES, is it satisfactory?	○ YES ○ NO
Transparency		
36.	How is the transparency process ensured in your institution?	
37.	Mention few measures for transparency enhancement.	
38.	How would you characterize your institution's relationship with public and mass-media regarding communication on Structural Funds management/implementation? Scale: 1 to 5 (1 – very bad – 5 very good)	○ 1 ○ 2 ○ 3 ○ 4 ○ 5

	Questions	Answers
39.	Do you have any internal system and policies for communication with the staff?	○ YES ○ NO
40.	How would you appreciate the quantity and quality of information available on your institution's web site regarding the management of Structural Funds? Scale: 1 (very bad) to 5 (Very good)	○ 1 ○ 2 ○ 3 ○ 4 ○ 5
Anti-fraud/anti-corruption strategies		
41.	Does your institution have/intent to have an own anti-fraud/anti-corruption strategy?	○ YES ○ NO
42.	According to your opinion, is the anti-fraud/anti-corruption strategy of your organization effective?	○ YES ○ NO
43.	If NO, what do you think it should be improved?	
44.	Do/did you have cases of individuals suspected for corruption in your organization? If YES, what were the cases about?	○ YES ○ NO
Partnership		
45.	Is institutional partnership encouraged in policy making? If YES, how?	○ YES ○ NO
46.	Is partnership encouraged at project implementation level? If YES, how?	○ YES ○ NO
47.	Are there any structures created for ensuring the dialogue with the civil society, such as NGOs, employers' associations etc.? If YES, please mention them.	○ YES ○ NO
48.	What is the role of partners in decision-making regarding selection of applications?	
Adjustability		
49.	Do you have own system of evaluation of organizational performance in the management of Structural Funds?	
50.	Is your institution taking measures against red tape? Please mention some measures for simplification of procedures.	
51.	What would you improve in the management system of Structural Funds?	
52.	Did you benefit from technical assistance programmes? If YES, what skills did you improve?	
Transferability		
53.	Did your institution/organization have any responsibilities in the implementation of the pre-accession programmes (PHARE and ISPA)?	○ YES ○ NO

	Questions	Answers
54.	Did you benefit from twinning programmes or exchange of practices with similar institutions/organizations from other countries?	○ YES ○ NO
55.	How would you characterize your experience in such projects?	
56.	Did you provide technical support to other member states and/or to candidate countries?	○ YES ○ NO
57.	Did your institution apply any practices from other countries in the coordination/management/implementation schemes of Structural Funds? If YES, please mention from which countries.	○ YES ○ NO
58.	Could you provide examples of good administrative practices from other countries that have been implemented in your institution?	

Annex no. 2: QUESTIONNAIRE ADDRESSED TO BENEFICIARIES AND POTENTIAL BENEFICIARIES OF STRUCTURAL FUNDS

Part I: Respondent's profile

Nr. Crt.	Question	Answer
1.	Please mention the level of your studies.	○ University ○ Post-university ○ Doctoral ○ Post-doctoral
2.	What is your profession?	
3.	Please mention the field of your present activity.	○ Public ○ Private
4.	Which the level of responsibility for the present job?	○ Executive ○ Leadership
5.	What is your level of experience in the project management?	○ Under 5 years ○ In between 5 and 10 years ○ Over 10 years

Part II: Structural Funds project management

Nr Crt.	Question	Answer
A. General questions		
1.	In the pre-accession period, did you benefit from financing from the Phare, Ispa and Sapard?	○ Yes ○ No
2.	If yes, could you present shortly how the previous experience helped you in implementing project from the Structural Funds?	
3.	Did you submit for financing project through the Structural Funds? If yes, please mention the name of the project and of the Operational Programme. Please mention also the implementing period.	○ Yes ○ No
4.	Did you meet major difficulties in implementing the project? If yes, please mention them shortly.	○ Yes ○ No

Nr Crt.	Question	Answer
B. Questions regarding the preparation stage/project drafting stage		
5.	What type of difficulties die you meet in the project preparation/drafting stage?	○ The complexity of the Guides of Applicants ○ Lack of technical and financial expertise ○ Lack of experience in writing projects ○ The high number of documents requested ○ Short terms for submitting applications ○ Permanent changes of the application rules ○ Non-permissive legislative framework ○ Difficulties in finding partners ○ The lack of a development strategy ○ Other. Please mention: _____
6.	Did you request technical assistance during the preparation stage from the Intermediate Bodies (IB) or from the Management Authorities (MA)?	○ Yes ○ No
7.	If yes, how did you obtain technical assistance?	○ By phone ○ In writing (fax, email, mail) ○ Helpdesk ○ Direct contact ○ Other. Please mention: _____
8.	How would you appreciate the quality of services offered by the MA/IB? 1 – very bad 5 – excellent	1 2 3 4 5
9.	In preparing your project, did you request advice from consultancy companies?	○ Yes ○ No
10.	If yes, from what spheres of activity?	○ Project management ○ Technical study ○ Financial management ○ Monitoring and evaluation ○ Other. Please mention: _____

Nr Crt.	Question	Answer
C. Questions regarding the project's contracting stage		
11.	Did you meet difficulties in the contracting stage?	○ Yes ○ No
12.	If yes, what where these difficulties?	○ Administrative procedures ○ Long term for processing of approved projects ○ Complains and claims ○ Pre-authorizations ○ Other. Please mention: _____
D. Questions regarding the project's implementation stage		
13.	What difficulties din you meet in the beginning of the project's implementation?	○ Public procurement ○ Lack of co-financing ○ Shortage of personnel ○ The personnel was not motivated ○ Lack of experience of personnel ○ Other. Please mention: _____
14.	What measure did you take in order to eliminate or diminish the impact of these difficulties?	
15.	What is the level of support from the IB/MA for eliminating the obstacles in project's implementation? 1 – no support, 5 – extensive support	1 2 3 4 5
16.	What are the financial difficulties you met?	○ Difficulties regarding insurance of co-financing ○ Difficulties regarding VAT recovery ○ Difficulties regarding crediting ○ Difficulties to obtain guarantees for crediting ○ Other. Please mention: _____
17.	How many persons were involved in the project management?	
18.	Do you think the number of persons involved in the project was sufficient?	○ Yes ○ No
19.	If not, what do you think should be the optimal number of the personnel for a successful project implementation? Why?	

Nr Crt.	Question	Answer
20.	Do you think that the personnel of the beneficiary have to be directly involved in the project implementation or this activity should be externalized?	
21.	During project implementation, did the personnel who took part in the project team benefit from salary increase or other benefits?	○ Yes ○ No
22.	How do you think the project team can be motivated for a successful project implementation?	
23.	Did you meet difficulties in the relationship with your partners?	○ Yes ○ No
24.	If yes, please mention shortly what type of difficulties did you meet.	
25.	In the beginning of the project's implementation, did you benefit from pre-financing?	○ Yes ○ No
26.	If yes, the amount of pre-financing was it enough to start the project?	○ Yes ○ No
27.	What level of difficulties did you meet in the reimbursement of funds? 1 – none, 5 – high	1 2 3 4 5
28.	What are the reasons for delays in payments and reimbursements?	○ Contracting delays ○ Small amounts of reimbursement claims ○ Reimbursement claims non-compliant ○ The high period for verifying of the reimbursement claims ○ Other. Please mention: _____
29.	Did you meet high delays in reimbursement of funds?	○ Yes ○ No
30.	If yes, after what time the money was reimbursed?	
31.	Do you believe that this period of time could be diminished?	○ Yes ○ No
32.	Did the late reimbursement of funds create major difficulties in the activity of the organization?	○ Yes ○ No

Nr Crt.	Question	Answer
33.	How did the project implementation contribute to: 1 – no change 5 – big changes	○ Organization's management style 1 2 3 4 5 ○ Changes in the organization' priorities of development 1 2 3 4 5 ○ Employment of human resource 1 2 3 4 5 ○ Development of medium and long term strategies 1 2 3 4 5
D. Questions regarding the monitoring and evaluation stage		
34.	During project's implementation, did you receive monitoring visits from MA and IB?	○ Yes ○ No
35.	If yes, how many visits did you receive during project implementation?	
36.	Were the visit announced or ad-hoc?	○ Announced ○ Ad-hoc
37.	Following the monitoring visits, did you receive recommendations from the IB/MA?	○ Yes ○ No
38.	Which are, in your opinion, the most effective monitoring indicators?	
39.	Did you agree with the conclusions of the monitoring report? Which were your objections?	○ Yes ○ No
F. Final questions		
40.	How do you appreciate your overall experience in using the Structural Funds? 1 – extremly negative, 5 – extremely positive	1 2 3 4 5
41.	Do you indent to apply for more Structural Funds financing?	○ Yes ○ No
42.	Would you recommend to other potential beneficiaries to submit applications for Structural Funds?	○ Yes ○ No
43.	What recommendations would you address?	
44.	What do you think could be improved in the system and process of management of Structural Funds?	

Nr Crt.	Question	Answer
45.	What recommendations would you address to IB/MA?	
46.	Could you offer some examples of good practice in using Structural Funds?	
47.	What recommendation would you address to the researcher regarding this questionnaire or the study mentioned?	

Annex no. 3: STRUCTURED QUESTIONS FOR INTERVIEWS

1. Please explain the choice of your country (Romania or Lithuania) in having one or several operational programmes. What are the advantages and disadvantages thereof?
2. Please explain the choice of your country (Romania or Lithuania) in having a Single Monitoring Committee or several Monitoring Committees. What would be your proposals for improvement of its/their activity?
3. How is the membership of the Monitoring Committee(s)? Do you appreciate that the representativeness of the Monitoring Committee(s) is relevant?
4. How would you appreciate the activity of the Monitoring Committee(s)?
5. What is the role of Regional Councils (Lithuania)/Regional Development Agencies (Romania) in the programming stage? How do you appreciate their competence?
6. In your opinion, are there any other tools of implementation of the partnership principle at regional level? How?
7. Could you please mention several legislative acts adopted in the period 2007-2013 for diminishing the red-tape in using the Structural Funds in Lithuania/Romania?
8 In your opinion, what are the weak points of the administrative structure of administration and management of Structural Funds in Lithuania/Romania? What changes would you implement for improvement of the institutional performance?
9. What are the measures for implementation of the e-cohesion concept in the use of Structural Funds in Lithuania/Romania?
10. In your opinion, what are the criteria that could characterize a project as an example of good practice in implementation of Structural Funds in Lithuania/Romania?
11. Does your institution encourage the promotion of good examples of projects? How?

Annex no. 4: RESEARCH PARTICIPANTS' INFORMATION DOCUMENT

Nr. Crt.	Topic	Details
1.	Name and surname of the researcher University Contact data	Oana-Raluca Glăvan Faculty of Political Sciences and Management Mykolas Romeris University, Vilnius, Lithuania web: www.mruni.eu Email: oaglavan@stud.mruni.eu Tel.: 860688228
2.	Title of the doctoral research	*Comparative Study of Structural Funds Administration in the Framework of EU's Regional Policy in Romania and Lithuania*
3.	Purpose of study	Identification of management and implementation mechanisms of Structural Funds in Lithuania and Romania (institutional set-up, programming, project implementation, monitoring and evaluation), their comparison and identification of good practices
4.	Description of the study	The study will identify the factors that influence the implementation system of Structural Funds and will analyse the relationship with the absorption rate and the reaching of objectives of the EU regional policy
5.	Period of studies	6 years
6.	What is your contribution and how long it will take?	You will be requested to fill in the answers of a questionnaire. The average time for response is about 15-20 minutes.
7.	Why have you been requested to participate in this study?	You have been requested to participate in this study due to your experience and attributions in the management/implementation of Structural Funds.
8.	What will happen with the information that you will provide?	The information that you will provide will be kept by means that will ensure the confidentiality of the data provided and of the personal details. Once the research will end, the data will be deleted.
9.	What will happen with the results of the questionnaire?	The results of the questionnaire will be analysed, codified and will be found in the separate section of the research. Processing of data will be done under the anonymity of the respondents.
10.	What are the possible disadvantages?	Participation in this research does not suppose any costs from the respondents. There are no negative consequences foreseen regarding your contribution to this project.

Nr. Crt.	Topic	Details
11.	How is this study going to be useful and to whom?	This study wants to contribute to the academic debate regarding the implementation of structural funds in the member states of the EU.
12.	Who reviewed this study in order to ensure that it respects all the ethical standards of the university?	This study has been reviewed by the supervisor of the doctoral student, prof. Hab. Dr. Vygandas Kazimieras Paulikas – vpaul@mruni.eu.
13.	Can permission be withdrawn having previously been granted?	Yes, all contributors shall retain the right to have their contributions to the research withdrawn at any time.
14.	Can you refuse to answer some questions?	Yes. The contributor has the right to refuse to answer any question of the questionnaire.

Annex no. 5: LETTER OF INFORMED CONSENT

Dear researcher,

I, _____, agree voluntary to take part in the research project being conducted by Oana-Raluca Glăvan as part of the requirements for her doctoral degree at Mykolas Romeris University. I have read the *Research Participants' Information Document* and I understand the contents thereof. Any questions which I have been asked have been answered to my satisfaction.

I understand that the information which I will supply is confidential and that it will be anonymised and will only be used in the findings of the research.

I understand that I do not have to answer all the questions which may be put to me. The information which I provide will be held securely until the research has been completed (published) after which it will be destroyed.

The information which I will provide will not be used for any other purpose.

I understand that I am entitled to ask for a de-briefing session or a copy of the research at the end of the project.

I have been informed that I may withdraw from this study at any time and that any information which I have supplied will not be used for this research and any records held relating to my contribution will be destroyed.

Signed_____
Date _____

MYKOLAS ROMERIS UNIVERSITY

Oana Raluca Glavan

COMPARATIVE STUDY OF STRUCTURAL FUNDS ADMINISTRATION IN THE FRAMEWORK OF EUROPEAN UNION'S REGIONAL POLICY IN ROMANIA AND LITHUANIA

Summary of Doctoral Dissertation
Social Sciences, Management (03 S)

Vilnius, 2015

The Doctoral Dissertation was prepared during the period 2009-2015 at Mykolas Romeris University.

Scientific Supervisor:

Prof. Habil. Dr. Vygandas Kazimieras Paulikas (Mykolas Romeris University, Social Sciences, Management, 03 S).

The doctoral dissertation will be defended at the Management Research Council of Mykolas Romeris University:

Chairman of the Council:

Prof. Dr. Vainius Smalskys (Mykolas Romeris University, Social Sciences, Management, 03 S).

Members:

Prof. Dr. Alvydas Baležentis (Mykolas Romeris University, Social Sciences, Management, 03 S);
Prof. Dr. Liudas Mažylis (Vytautas Magnus University, Social Sciences, Political Sciences, 02 S);
Prof. Habil. Dr. Borisas Melnikas (Vilnius Gediminas Technical University, Social Sciences, Management, 03 S);
Prof. Dr. Alvydas Raipa (Mykolas Romeris University, Social Sciences, Management, 03 S).

Opponents:

Prof. Dr. Vilma Atkočiūnienė (Aleksandras Stulginskis University, Social Sciences, Management, 03 S);
Prof. Dr. Tadas Sudnickas (Mykolas Romeris University, Social Sciences, Management, 03 S).

The public defense of the dissertation will take place at the Management Research Council at Mykolas Romeris University on the 16th of December, 2015 at 02.00 PM in the auditorium I-414 of Mykolas Romeris University.

Address: Ateities str. 20, LT-08303, Vilnius, Lithuania.

The summary of the Doctoral Dissertation was sent out on 16th of November, 2015.

The Doctoral Dissertation may be reviewed at the Martynas Mažvydas National Library of Lithuania (Gedimino av. 51, Vilnius, Lithuania) and at the Mykolas Romeris University Library (Ateities str. 20, Vilnius, Lithuania).

Oana Raluca Glavan

COMPARATIVE STUDY OF STRUCTURAL FUNDS ADMINISTRATION IN THE FRAMEWORK OF EUROPEAN UNION'S REGIONAL POLICY IN ROMANIA AND LITHUANIA

Summary

Introduction

The official creation of the European cohesion policy is considered to be the signing of the European Single Act (ESA) in 1986. The importance of the European cohesion policy was reaffirmed through the Treaties of Maastricht, Amsterdam and Nice, and its application sphere has been even extended through the Lisbon treaty. The cohesion policy enjoyed one of the highest financial allocations from the EU budget, for example, the 2009 budget allocating 45% for sustainable development, out of which the cohesion policy is also financed.

After 50 years of cohesion policy, there are still disparities among regions of Europe. According to the European Commission[260], not all Europeans have the same advantages and chances for success when faced with the challenges of globalisation. Much depends of whether they live in a prosperous region or in a poorer one, in a city or in the country side, on the Union's periphery or in one of its economic heartlands. From the early six, in which disparities were fairly contained, to an EU 27 in which disparities are vastly increased, the need to stick to what the Treaty of the European Union outlined has become even more important.

The restructuring of the European cohesion policy took place with each new enlargement of the European Communities, fact which brought with itself an increase of disparities among regions. The 2004 enlargement and 2007 consequently challenged the cohesion policy, historically the structural funds being used to facilitate integration of new member states. Although old member states agreed that Structural Funds should continue to be used for the new member states, disagreements appeared among them about whether the regions of EU15 should continue to benefit from EU funding or they should be supported by national regional policies. In the same time, discussions appeared between 'net contributors' and 'net beneficiaries' in terms of 'who is paying' and 'who is receiving', EU15 struggling to receive at least half from the total cohesion expenditure. As Tassos Bougas, a former official in the DG Regio of the EU Commission, expressed himself *"It should be 'a policy for all', not just for the poor.[261]"* In 2009, 65% of the EU budget is formed from contributions of the Member States, accounting for a uniform percentage rate of 0.73 of their GDP.[262]

260 *ibidem*

261 European Commission, (2008), Inforegio Parorama, Eu Cohesion Policy 1998-2008, Investing in Europe's future, [Online], available at: http://ec.europa.eu/regional_policy/sources/docgener/panorama/pdf/mag26/mag26_en.pdf, accessed on [25.01.2015]

262 European Commission, (2010), EU budget 2009 Financial Report, [Online] available at: http://ec.europa.eu/budget/library/biblio/publications/2009/fin_report/fin_report_09_en.pdf, accessed on [25.01.2015]

2009 it is also the year when the Committee on Regional Development of the European Parliament draws up a ***Report on best practices in the field of regional policy and obstacles to the use of the structural funds***[263]**.** The report mentions that the best practices are a way of overcoming the obstacles and shortcomings in the use of EU cohesion funds and a tool to enable regional actors to draw on the experience of others.

In the literature of speciality there has been noticed a clear interest for investigating the impact of the Structural Funds in the Member States, in different periods of implementation of the regional and cohesion policy. The researchers have focused on the internal performance of the implementation systems but were also analysing different systems in comparison with the administrative and institutional structures of other countries.

The aim of the research

The aim of this doctoral thesis is to propose a definition of 'good practices' in the field of Structural Funds implementation mechanisms (institutional framework, programming and project level implementation) and to make a comparative analysis at the three implementation levels between Romania and Lithuania in order to identify what practices could represent good examples in terms of tools to absorb more efficiently the EU money. A set of factors will be proposed in order to analyse how they impact on the implementation systems in the above-mentioned member states and what is the relationship with the absorption rate and achievement of the objectives of the cohesion policy.

The results of this research will form a comparative study of two systems of implementation of Structural Funds approaching both theoretical and practical aspects. The results of the research will consist in:

- A definition of the concept of 'good practices in Structural Funds implementation and formulation of a model of evaluation and comparative analysis based on indicators of 'good practices';
- An evaluation of each implementation system of Structural Funds from Romania and Lithuania based on the model of analysis of 'good practices' indicators;
- A comparative analysis of the systems of implementation of Structural Funds from Romania and Lithuania;
- Identification of factors that are influencing negatively the implementation mechanism of Structural Funds in Romania and Lithuania;
- Analysis of findings and formulation of conclusions and recommendations.

Research questions

By conducting this research, the researcher intended to combine the realist point of view and the empirical approach over the topic but also to contribute to the research not only as an observer but also as an actor involved at a certain point in her career as a practitioner in the implementation system of Structural Funds in both countries, object of the study, respectively in Romania and Lithuania.

263 European Parliament, (2009), REPORT on best practices in the field of regional policy and obstacles to the use of the structural funds (2008/2061(INI)), [Online], available at: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A6-2009-0095+0+DOC+XML+V0//EN, accessed on [25.01.2015]

The information collected will be analysed in an interpretative method of evidence collection and the intention of the researcher is to provide valuable information equally for academicians and in particular for practitioners from both countries.

The implementation of Structural Funds depends very much on the administrative capacity of a Member State's institutions to manage the use of funds, to implement sustainable policies and to create the proper legal and administrative framework for project implementers. The research questions are:

- How could be defined 'good practices' in the administration of Structural Funds in a process of in-country self-evaluation and within a cross-country analysis?
- Which country's administration system of Structural Funds is better performing and how it can be measured?
- What factors can influence the application of a model of 'good practices' implementation in the field of Structural Funds?

Methodological framework

The methods that will be used in order to conduct the process of research include:

- ***Description and overview of scientific literature;***

The descriptive analysis of thematic literature is used in *Chapter II: The Literature review.* The purpose to present the academic research in the field of Structural Funds implementation mechanism is based on the need to identify important trends in studying the topic under research, to compare the existing research results and to identify the niches of activity that need further development. The analysis is useful for identifying and presenting similar research efforts and to make a clear delimitation between them and the study included in this doctoral thesis.

- ***A logical-historical method analysing the evolution and development over time of the regional policy;***

The historical method analysis is used in *Chapter III: The History and Evolution of the European Union Regional Policy.* The analysis allows the reader to obtain an insight and overview on the evolution in time of the cohesion policy and of the implementation mechanisms of Structural Funds in various Member States, as well as over their development in the integration process of the EU. The analysis captures important moments in the development of the cohesion policy and stresses the key principles and debates relevant for the main stakeholders on this policy process, the EU institutions and the member states. This analysis underlines the emergence of debates regarding the building of common implementation models based on 'good practices' as a possible solution to implementation problems identified in EU member states over the time.

- ***A qualitative method*** based on analysis of questionnaires addressed to employees from the Management Authorities and Intermediate Bodies; questionnaires addressed to beneficiaries of Structural Funds; semi-structured interviews with stakeholders.

The qualitative research method is used in the entire *Chapter IV: Structural Funds Administration in Romania and Lithuania. Good Practices and Comparative Analysis.* The qualitative research method is used in the evaluation or policy studies in order to describe, analyse, and inform decision makers about social programmes. The specific types of the qualitative research used in this doctoral thesis are the case study and the cross-case study.

As part of the qualitative research method, **the semi-structured interviews** are an important part of the research because they allowed the researcher to obtain information and understanding of issues relevant to the general aims and specific research questions. Additionally, it allowed the researcher to get a deeper view of the implementation systems of Structural Funds and to clarify some important aspects of each implementing system. The semi-structured interviews provided the researcher with an in-depth, reliable and comparable qualitative data that, together with the information obtained previously through observation, informal and unstructured interviews made up the whole image of the implementation puzzle.

Another important tool of qualitative research that has been used is the **questionnaires for academic research**. According to Dan Remenyi[264], the questionnaire is 'a data or evidence collection device that consists in a list or series of specific questions which when answered by an appropriate informant or group of informants, will help lead a researcher to a greater understanding of the research questions and provide insight into possible answers'. Most of the questions are open and require qualitative answers from the informant in the form of explanations or own opinions which require a non-statistical approach to analysis. Two types of questionnaires have been prepared: one dedicated to the employees from the Management Authorities and Intermediate Bodies (Annex 1) and one dedicated to the beneficiaries of Structural Funds (Annex 2). The questionnaires have been made available either in the language of the respondents or in English. A number of 250 questionnaires have been sent with a total response rate of 50 questionnaires.

– ***Analysis of the primary sources (legal and policy documents);***

An important part of the study will be dedicated to the **investigative description of the chosen model of implementation of the Structural Funds** in each of the countries object of this research. A detailed description is necessary in order to deepen the knowledge about each country, considering the fact that there is not so much information available in any of the countries analysed about the other's country implementation model, mostly due to low mutual academic interest in this field, countries' geographical remoteness from each other, distinct size and population, different historical backgrounds and administrative traditions, as well as separate EU accession roadmaps and relatively distinct political priorities.

The analysis of the Structural Funds implementation scheme of each country will be focused first of all on the national legislative acts (acts of Parliaments and Governments) as well as the legislative and administrative decisions of national and regional institutions (Ministries, Managing Authorities and Implementing Bodies). The analysis of legislative acts will be made also on a historical basis, aiming to identify the trends of legislative changes over the 2007-2013 period and their impact over the overall functioning of the implementation scheme. The analysis of national legislative acts will try to identify the level of conformity with the EU legislation, legislative innovations for cutting red-tape and increasing the efficiency of the use of funds, transparency and anti-corruption measures, but also to verify if the national legislative acts are not overwhelming or imposing unnecessary barriers to projects' promoters and implementers.

264 Remenyi, D., (2012), 'Field Methods for Academic Research: Interviews, Focus Groups & Questionnaires', ed. Academic Publishing International Limited, Reading, United Kingdom

– ***Analysis of the secondary quantitative data (statistical data regarding absorption rates);***

The statistical data regarding the stage of the absorption rate will be analysed in a time frame, in order to catch the evolution of the absorption rate in the beginning of the programming period, at inter-mediate period and at the end of the programming period. The evolution of the absorption rate might help to draw up some conclusions regarding the driving forces supporting or pushing a faster absorption rate and to find out if these driving forces are implemented just in times of crisis or they can became part of a continuous strategy of improving the absorption pace in a particular Member States or in both.

Scientific novelty

According to author's knowledge, no similar analysis has been done yet neither in Romania nor in Lithuania, and more than that, there are no research activities comparing the implementation mechanisms of Structural Funds between Romania and Lithuania. Additionally, there is no research which analyses what are 'good practices' in the implementation of Structural Funds in either Romania or Lithuania.

The topic is relevant especially for the practitioners who work in the Managing Authorities or Intermediate Bodies because it makes them acknowledge the overall situation and the *status quo* of the institutional and procedural framework for Structural Funds implementation as seen from an outside critical point of view and in comparison with another system. The employees working in the Managing Authorities and Implementing Bodies tend to appreciate that the system they are working with is stunned and unchangeable and cannot undergo improvements and in the end they tend to believe that the system is even 'perfect'. Therefore, sometimes bureaucratic barriers have a tendency to enlarge and increase instead of being softened or eliminated because of the individuals' reluctance and adversity to organizational or process changes.

The topic might be relevant as well for the projects' applicants and implementers who can act in their role as policy challengers and good practices' promoters. In this way, the projects' applicants and implementers can find out what the institutions and procedures in other countries are and how the whole implementation system is working, make it known to the national or regional authorities and advocate eventually the transferability of good practices.

This thesis is different from the evaluation studies that are obligatory for the Member States. Most of the evaluation studies regarding the Structural Funds implementation are referring to the Operational Programmes and not to the institutional framework or the projects' on the ground implementation. Some evaluations address specific ad-hoc topics but none of them is including an analysis of the good practices or discussing ways to implement them into the procedures. The evaluations are national ones; no evaluation refers to a cross-country analysis of the institutional framework or of the Operational Programmes. Therefore, this thesis is proposing a different approach than the intermediate and the final evaluations and the goal is to encourage the promotion of good practices not only in-country but also cross-county.

Structural Funds' Administration in Romania and Lithuania. Good practices and comparative analysis

A 'good practice' in Structural Funds implementation is a ***'process, procedure or experience at institutional level, at programmes' and/or projects' implementation level that is producing the expected results or an outstanding performance'***. The transferability of a 'good practice' from one public administrative system to another is limited due to systems' administrative design, legal framework and experience in using Structural Funds. The purpose of identifying 'good practices' is rather to gather information about how other systems put into practice the same regulations, to exchange the information and to highlight the practices that are likely to be transferred without any limitations.

The characteristics of a good practice as understood in the context of this doctoral thesis are: *it produces a positive and significant improvement in performance; it has a sustainable rather than a transitory or one-off improvement effect; it has the potential to be replicated and used in other organizations; it is in line with good governance principles; it is appreciated and recognised officially.*

By ***processes, procedures or experiences*** in Structural Funds' implementation one understands the application into practice of all the legal documents and their implementing rules, as well as the experiments targeting the testing of a new order though pilot-projects or innovative approaches.

At ***institutional level***, the targeted organizations of this analysis are the *management authorities and implementing bodies of Structural Funds*, be they public or private institutions, according to each Member States' national regulations regarding the institutional framework set-up. By ***programs*** one understands the *Operational Programmes* – the documents enacted by the Government which are setting down the rules for using the financial support from the EU through the Structural Funds. By ***projects***, one understands the concrete activities of final beneficiaries for achieving the specific objectives of the operational programmes by using financial support of the EU.

The institutional set-up is very important in determining the performance of a Member State in absorbing the Structural Funds. The European Commission has continuously stressed the importance of the administrative capacities of the Member States as a key point in implementing effectively and efficiently the EU's strategies for development. Weaknesses of the state institutions leave place for inefficient use of EU money, fraud and corruption, therefore, strengthening of administrative capacities, especially of those ministries, agencies and other organizations managing and implementing EU funds has to be a strategic direction for each Member State, and in particular for the Member States that accessed the EU in 2004, 2007 and 2013.

Both Lithuania and Romania used intensively EU pre-accession funds, while Lithuania had an advance with a so-called 'trial period of 2 years in using EU Structural Funds. Lithuania has stabilized its institutional framework around 2007, making a smooth transition from the pre-accession to the post-accession model of administration of EU funds, while Romania has constantly changed the institutional set-up, especially the national coordinator of Structural funds and stabilized its institutional framework in 2012 only, after a temporary suspension of several Operational Programmes.

Lithuania has chosen a centralized model of administering the funds, while Romania tried to combine the centralized and the decentralized model, delegating some attributions

to other ministries but also at regional level, to the regional development agencies. It is interesting to notice that sometimes the regional implementing bodies proved better performances than central implementing bodies, due to their experience in administering EU pre-accession funds but also, it can be appreciated, due to their specialization in regional and local development and administration of EU funds. For the moment, the centralized model of administering the Structural Funds in Romania seems to lead to better results that a decentralized one, due to the traditional system of public administration which has been created on a centralized model. It is estimated that in Romania, a decentralized system of administering Structural Funds, such as, for example, investing the Regional Development Agencies with the attributions of Managing Authorities could be successful only with the implementation of the public administration reform which should first of all clarify the status of the development regions and of their political and financial power.

The low performance of some institutions in the management of structural funds and the suspicions of fraud attracted a special attention from the EU Commission which undertook several audits and controls which ended with the suspension of some Operational Programmes in Romania. The quality of the management system has been qualified as rather low, while a lot of projects have been selected on less transparent procedures, existing suspicions that funds have been allocated on preferential criteria, such as on political ones. According to the information available, no institutions involved in the administration of Structural Funds in Romania has implemented a system of quality, that means a professional and standardized management of documents and procedures for decision-making, for example in the selection of projects, in their monitoring or in the management of irregularities.

On another side, Lithuania did not experience the suspension of any Operational Programme. Following the research, it has been identified that most of institutions have implemented a system for improving the institutional management, either an own system of monitoring and control of the quality of the public decision or a certified system of quality of management, identified especially in those intermediate bodies that are selecting and monitoring the projects, consequently they deal with a large amount of documents, such as the Central Projects Management Agency.

The economic crisis created for Romania additional problems as well. The most relevant in this respect is the financing of the Operational Programmes. Even if all politicians recognised the importance of the European funds for the financing of public projects important for the development of the Romanian economy and for creating jobs, some Governments have faced the problem of unavailability of public funds for ensuring the national co-financing of OPs. In the search of solutions, the fiscal overload increased, new taxes were introduced and old taxes increased, such as the VAT (from 19% to 24%). Additionally, it has been introduced the non-eligibility of pre-financing or its diminishing for certain OPs and reimbursements of funds to projects' implementers were delayed to unacceptable terms. Only starting with 2012 the Government has identified solutions and in agreement with the European Commission, have decided to allocate temporarily some part of the financial sources from the privatizations' fund to financing the national contribution until reimbursements from the EC were received. As the financial aspect has been a stringent factor for both the public institutions and the projects promoters, other solutions have been identified, such as the creation of a Devel-

opment Bank on a model used in other countries, like France and Poland, but there is a need firstly for a political decision to implement this system which will be likely used only in the 2014–2020 period.

There is a significant difference between Romania and Lithuania also regarding the programming of the Structural Funds. In the period 2004–2006, Lithuania has opted for a single programming document and after the experience in 2007–2013 with 4 operational programmes, for the 2014–2020 Lithuania has returned to the previous model of having a single integrated programming document for all the development priorities. On the contrary, for the period 2007–2013 Romania has used the programming system with several operational programmes, system which is continued for the period 2014–2020. The advantage of a multi-fund operational programme is that it is easier to negotiate and it is faster adopted by the EU Commission but also easier to coordinate its implementation at national level. For example, Lithuania has already have approved by the EU Commission its Operational Programme for EU Structural Funds Investments 2014–2020, while Romania has approved only 2 operational programmes out of seven Operational Programmes proposed. As a consequence, Lithuania will start to spend EU money faster than Romania since they are already calls for submittal of projects. In the case of Romania, the scenario of late adoption of Operational Programmes is repeating, that time the Operational Programmes being adopted 1 year later than the beginning of the programming period. The first projects were financed in late 2008, beginning of 2009. It is appreciated that the begging of the programming period is very important as it may show the trend of spending the EU funds for the new period: a delayed start predicts a slow absorption rate and possible decommittments in the middle of the programming period.

The quality of the programming documents is another aspect that is important for a better absorption rate. The quality of the programming documents is reflected by the experience and professionalism of the institutions and their employees involved in the drafting of the strategic documents, but also by the level of implementation of the partnership principle at the programming stage. In both countries the application of the partnership principle can be much stronger enhanced so that the real needs of development would be included and reflected in the programming documents. Romania has learned from its previous experience and for the elaboration of the National Partnership Agreement, extended consultations with the civil society took place in 2012–2013.

Another important aspect is the activity of the Monitoring Committees of Operational Programmes, their openness and transparency. If Romania has chosen to have a Monitoring Committee for each Operational Programme, Lithuania has worked with a Single Monitoring Committee even in the period 2007–2013 when it had four operational programmes. Additionally, in Lithuania the structure of the Single Monitoring Committee is established by law and has a fixed membership, including nominated organizations from the civil society, while in Romania, the organizations of the civil society interested to take part form the Monitoring Committee have to submit a request to the National Coordination of Structural Funds (Ministry of European Funds) which makes the final selection among candidates based on their national representation, expertise and experience.

The regional perspective of the national development policy through the use of Struc-

tural Funds is different in the two countries object of this research. In Romania, the regional investments are supported with the help of a dedicated operational programme – the Regional Operational Programme. The support measures are administered at regional level through the 8 regional development agencies, which are organized as non-governmental organizations but are financed by the county councils which belong to the region. There have been opinions that each region should adopt its own Regional Operational Programme tailored on its specific development needs, but it has been suggested that regions and their structures in Romania did not reach yet the full stage of expertise and experience to manage independently the Operational Programmes. It can be appreciated that the regional structures administering structural funds in Romania are an example of good practice in approaching the regional policy to its beneficiaries but their functioning has to be reviewed and improved. The regional development agencies are having an important role in the elaboration of the regional development plans which are the starting point for the drafting of the Regional Development Programme.

Lithuania does not have any regional development agencies that should be involved in the administration and management of the structural funds. Lithuania did not embrace this model first of all due to its size and additionally, in 2010 Lithuania even abolished its regional administrative tiers of government (*apskritys*) which were previously involved in EU funds administration. Lithuania headed to even more centralized management system of Structural Funds and in order to correct the regional intervention in the management of structural funds, it has created the Regional Councils and adopted the regional project planning.

The projects' implementation stage in Romania and Lithuania has some similarities but also several important differences. First of all, in Romania the state and regional project planning procedure are not met as *per se* legal procedures but one can see their practical application in several Operational Programmes, such as, for example the Operational Programme Transport and Environment – for state planning projects (highways and big environmental infrastructure projects) but also for regional planning projects (poles of development). It is appreciated that for Romania it would be useful to learn from Lithuanian experience in applying these project planning procedures.

In Romania most of projects are selected on competitive calls for proposals. A competitive environment in project selection should theoretically guarantee a *free market* of projects' selection and implementation. On the contrary, in Romania, the free competition for EU projects does not necessarily guarantee the transparency of the funds' allocation, as due to difficulties in meeting the selection criteria, in most of the cases, the selection processes are influenced by the interference of the political interests, especially in projects of local, regional and national public infrastructure and related works.

Both Romania and Lithuania direct most of the EU public funding towards state institutions, be they national or regional, but Lithuania shows a more experienced implementing attitude which is reflected in the results of the country's outstanding absorption rate. Lithuania's better performance in managing EU funds is also due to the high state control and strongly centralized implementation system which has tested its performance in the 2004–2006 period. The advantage of this so-called *testing period* is rather obvious as Lithuania debuted with a positive start in implementing the 2007–2013 allocated Structural Funds, while Romania improved its procedures only in late 2012.

Both countries register a still high level of bureaucracy when it comes to projects' application and implementation requirements, although Lithuania scores better in terms of the general bureaucracy index. For addressing the issue of bureaucracy, it can be noted that both countries focus their efforts on the development of electronic means of project administration: submitting, implementation, evaluation but there are still a lot of steps ahead to be taken. The on-line project application procedure (e-SMIS under development in Romania) and the electronic project administration facilities (DMS in Lithuania) are important innovative projects' implementation technologies that still need a lot of technical and operational improvements to be fully beneficial for project promoters. Additionally, in Romania there is a need to correlate all the existing applications and create a single operational platform for all projects, while Lithuania, in implementing the e-cohesion concept, should develop a similar application for project submittal on-line.

It can be stated that Lithuanian project promoters have met similar challenges as the Romanian ones, both external and internal, but at a smaller scale and in an inconsequent matter. For Romanian project promoters, the external factors with the strongest impact over the 2007-2013 period were the general financial instability and the performance of the entire administrative and management system of Structural Funds. The economic crisis affected entirely the financial administration of the Structural Funds in Romania which had a strong impact on the reimbursement of funds, but also on the allocation of funds for certain Operational Programmes. Even if Lithuania went through the same economic crisis, it managed to keep at the engaged level the financing addressed to investments from Structural Funds and there haven't been registered delays in reimbursements of funds or in the proper allocation of resources for the Operational Programmes. It can be openly stated that Government's priority for proper financing of the Operational Funds in Romania was rather 'declarative' while in Lithuania was mostly 'operative'.

It can also be noticed that the permanent political support from different Governments and the strong support from public authorities, executive and legislative are specific for Lithuania, while in Romania it could be noticed an opposite tendency. Every new Romanian government was rather criticizing the work of the previous one and implementing own way of Structural Funds management, often changing the institutional framework and the implementing rules. The political decision-making discontinuity affected the entire performance of the administration and management system and reflected downwards at the level of implemented projects.

The dissemination of good practices of projects implemented from Structural Funds is equally important and promoted in both countries, although one could notice that there is no clear methodology for the definition of a *good practice* project. In Romania, the good practices examples are mainly selected by the public authorities, the general public doesn't have an option in selecting them. In Lithuania, the selection of good practices occurs in two stages: a pre-selection made by the public authorities and a final selection based on the vote of citizens, which can be appreciated as more democratic and relevant for the final beneficiaries. In general terms, one could identify the same criteria for project characterisation as a good practice: internal and external. The internal characteristics refer basically to the internal capacity of management, either of finance or of human resources, while the external ones focus on the favourable political or legislative framework, reliable partnerships and stakeholders' involvement.

Conclusions

With respect to the configuration of the institutional framework, following this research, one could notice that in the both countries analysed (Romania and Lithuania), the institutional configuration choice came from the existing administrative traditions that means that the new institutional framework for the management of Structural Funds in Romania and Lithuania was conceived basically as an overlap to the existing institutions, which received the new specific obligations and only additionally, several new institutions were created just for the specific purpose of administering the Structural Funds.

The participation of both countries in the management and administration schemes of Structural Funds have been treated with priority in both countries, the Structural Funds being considered an importance source of financial assistance for regional and national economic development. On the other hand, one could obviously notice in the countries analysed the evolution of a so-called *institutional adaptation*, which tended to be shorter or longer, based on the moment of accession to the EU and country's size and administrative traditions. For example, for Lithuania it has been very useful the participation in the 2004-2006 Structural Funds management, even if it was a short period of time to adjust to the EU rules and requirements and the absorption rate was modest. But the country used this experience in order to improve the management and delivery system of Structural Funds and was able to produce much better results in the next programming period.

A comprehensive and overall accepted definition of 'good practices' is difficult to retain for extensive use, due to inherent complexity of the public administrative systems and traditions in EU countries. Nevertheless, extended communication among institutions responsible for Structural Funds management and contribution of the European Commission to the process of exchanges of good practices among different Member States provide opportunities for a more extensive recognition of implementation schemes based on good practices recognised at national or regional level in EU Member States.

It can be considered that defining and recognising 'good practices' can have a positive influence over time on the increase of performance of implementation practices within the territorial limits of a Member State, as long as the process is continuous, stable and rewarding, that means that the promoters of good practices are recognised publicly and officially and encouraged to share freely their experiences. A clear and open methodology is put in place by the Management Authorities and additionally, public vote is allowed for the selection of good practices. The externalisation of good practices is part of the process of cross-country recognition of a good practice that has been identified and appreciated in an internal evaluation process, therefore, the presentation of examples in good practices in European and other international conferences might bring additional added-value to the implementation practice.

Lithuania has been recognised as a highly centralized system, while Romania has combined a centralised system with regional delegation of implementing powers. No model necessarily guarantees a higher and faster absorption rate, as it is influenced by other external factors that cannot be controlled by the state central or local administrations. The absorption rates are influenced by a series of cumulated factors, such as, but not limited to, the institutional framework, the political will, the regulatory stability, the organizational strategic planning, as well as the preparedness of the applicants, their financial capabilities and expertise.

In the case of Romania, the combination of the centralized system with the limited delegation of powers to regional intermediate bodies did not produce the best results, but the tendency shows that there is a need for even more decentralization and regional level empowerment through democratic choices.

It has been proved by statistical data that over time, as experience is accumulated by a Member State analysed, the absorption rate is constantly increasing. This aspect is rather obvious for Lithuania, as the country has already experienced a period of using the Structural Funds in 2004–2006 which was beneficial for producing better results in the next coming multiannual period.

For Romania, one can appreciate that the experience started to accumulate only after 2012, so also after a so-called *trial and error* period, and following corrective measures from the European Union after suspension of several Operational Programmes and under the pressure of time rule n+2.

The success of the full use of Structural Funds financing is crucial for the whole society and might influence the macro-economic indicators. A model of implementation based on 'good practices' could be measured by several indicators underlining the effectiveness and the efficiency of the system, such as: absorption rates; achievement of programmes' and projects' indicators; number of programmes suspended; number of projects rejected; amount of money refunded to the EU Commission; amount of defrauded EU funds; number of final legal convictions for defrauding EU funds etc. The effectiveness of the implementation of UE programmes and projects can also be measured by macro-economic indicators calculated at the beginning and at the end of the programming periods, considering the rule n+2/3, such as GDP/inhabitant, unemployment rates, economic growth, foreign investment percentages, new jobs created, emigration index etc.

The factors that influence mostly implementation schemes of Structural Funds are related to the institutional set-up and stability, regulatory quality and stability, general corruption index, permissiveness of the system, the strategic approach and long-term planning of funds, as well as the experience of the project promoters and implementers. It cannot be considered only one single influencing factor; they are all influencing the process continuously and constantly and at different levels. Therefore, there is a need to have an overall view on these factors and to approach them in a professional risk assessment framework in order to identify the milestones and to cross them successfully.

LIST OF RESEARCH PUBLICATIONS

1. *The EU's Regional and Cohesion Policy – evolution and perspectives*, Revue Europeenne de droit social, Romania, vol. XI, no. 2/2011, p. 101, ed. Biblioteca Targoviste, 2011
2. *The New Reform Proposals of the Common Agricultural Policy and of the European Regional Policy and Their Impact on the Rural Communities,* Valahia University, Law Study, Vol. XVIII, Issue 2, Editura Biblioteca, Targoviste, 2011
3. *The e-Cohesion Concept – the Introduction of an On-Line System for the Submission and Evaluation of Applications for the Access to EU Structural Funds, the* ECEG 2012 Proceedings of the 12th European Conference on eGovernment, Barcelona, Spain PRINT version 2 Volume set, ISBN: 978-1-908272-41-6 ISSN: 2049-1026, 2012
4. *Aspects regarding the implementation of EU law in Lithuania*, Valahia University, Law Study, Vol. XXI, Issue 1, Editura Biblioteca, Targoviste, 2013
5. *Romanian Experiences Regarding the Promotion of Women Entrepreneurship in Rural Areas*, in Rural Social Infrastructure Development Magazine (Kaimo Socialinės Infrastruktūros Vystymasis*),* ISBN 978-609-449-073-6*,* edited by Aleksandras Stulginskas University, 2014
6. *Problems of Structural Funds Projects' Implementation in Romania and Analysis of Several Good Practices Indicators*, in Project Management Development – Practice and Perspectives – Conference Proceedings, ISSN 2256-0513, edited by University of Latvia, 2015

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Education

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Type of studies	Part – time (6 years) doctoral studies
Principal research subjects	European Union regional policy, Structural Funds and Project Cycle Management
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Title of qualification awarded	Postgraduate Certificate in Contemporary European Studies
Principal research subjects	European studies: The Politics and Institutions of the European Union, Negotiating skills with the European Union, Media Training, English Language for Foreign Students
Name organisation providing education	European Research Institute, University of Birmingham, United Kingdom

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Title of qualification awarded	Master Degree
Principal subjects	Romania and its integration into the European and Transatlantic Organisations, international law, European Communitarian Law, international organisations (NATO, OSCE, UN), EU institutional framework, policies of the European Union
Name organisation providing education	"Valahia" University, Law Faculty, Targoviste, Romania

Dates (from – to)	October, 1997 – June, 2001
Title of qualification awarded	Bachelor of Law
Principal subjects	Civil and criminal law, international and European law, administrative law
Name organisation providing education	University of Bucharest, Law Faculty, Bucharest, Romania

Other Research Activities

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Research activity	Research project 'The Impact of EU Regulations on the Local Public Authorities'
University	Valahia University Targoviste, Romania
Responsibilities	Research in the field of the impact of EU regulations on regional authorities from Lithuania and other Baltic States, specifically in the field of Structural Funds.

Participation in Conferences

Conference name	OPEN DAYS – European Week of Regions and Cities, Brussels, Belgium
Dates (from – to)	2011
Research activity	Documentation, interviews
Organiser	European Commission

Conference name	12th European conference on E-government, Barcelona, Spain
Dates (from – to)	2012
Research activity	Presentation and publication of article 'The e-Cohesion Concept – the Introduction of an On-Line System for the Submission and Evaluation of Applications for the Access to EU Structural Funds'
Organiser	Institute of Public Governance and Management, Barcelona, Spain

Conference name	European Conference 'Networked regions and cities in times of fragmentation: Developing smart, sustainable and inclusive places' to be held at the University of Technology, Delft, The Netherlands
Dates (from – to)	2012
Research activity	Public presentation of research: Evaluation of the Effectiveness of the Cohesion Policy on the Local Communities from Romania and Lithuania – a Comparative Approach
Organiser	Regional Studies Association

Conference name	4th Conference of Project Management Development – Practice and Perspectives
Dates (from – to)	2015
Research activity	Presentation and publication of article 'Problems of Structural Funds Projects' Implementation in Romania and Analysis of Several Good Practices Indicators'
Organiser	University of Latvia

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Santrauka

Įvadas

Oficiali Europos sanglaudos politikos sukūrimo data laikoma nuo 1986 m. pasirašyto Vieningo Europos Akto (VEA). Europos sanglaudos politikos svarba buvo įtvirtinama per Mastrichto sutartis Amsterdame ir Nicoje bei jos pritaikymo sfera buvo netgi išplėsta per Lisabonos sutartį. Sanglaudos politika galėjo mėgautis vienu didžiausių ES biudžeto asignavimų, pavyzdžiui, 2009 m. biudžete 45 proc. skirta tvariai plėtrai, iš kurių finansuota sanglaudos politika.

Nepaisant 50 m. sanglaudos politikos taikymo vis dar egzistuoja skirtumai tarp skirtingų Europos regionų. Pasak Europos Komisijos[265], ne visi europiečiai turi vienodus privalumus ir galimybes sėkmei susidurdami su globalizacijos iššūkiais. Daug priklauso, ar jie gyvena klestinčiuose, ar skurdesniuose regionuose, mieste ar kaime, sąjungos periferijoje ar ekonominiuose centruose. Nuo pradžioje šešių, kuriuose netolygumai sunkiai tilpo, ES 27-iom, kur netolygumai yra švaistūniškai išaugę, poreikis laikytis Europos Sąjungos sutartyje nusibrėžtųjų tapo dar svarbesnis.

Europos sanglaudos politikos restruktūrizavimas vyko su kiekviena Europos Bendrijos plėtra. Tai faktas, kuris atsinešė ir netolygumų padidėjimą tarp regionų. Dėl tos priežasties 2004 ir 2007 m. ES plėtra sąlygojo sanglaudos politiką bei istoriškai struktūriniai fondai buvo naudojami naujų valstybių narių integracijai. Nors senosios šalys narės sutiko, kad struktūriniai fondai turėtų būti pratęsti naujų valstybių narių naudojimuisi, atsirado nesutarimai tarp senų valstybių narių ar ES15 regionai turėtų toliau naudotis ES fondais, ar jie būtų remiami nacionalinių regioninių politikų. Tuo pačiu metu iškilo diskusijos tarp įmokų mokėtojų ir naudos gavėjų „kas moka?“ ir „kas gauna?“ – ES15 kovoja gauti mažiausiai pusę nuo visų sanglaudos įmokų. Kaip Tassos Bougas, buvęs ES Komisijos Regioninio direktorato pareigūnas išsireiškė: "tai turėtų būti politika visiems ir ne tik neturtingiems[266]". 2009 m. 65 % ES biudžeto buvo suformuota iš šalių narių įmokų, apskaičiuojant vieningą procentą – 0,73 nuo jų BVP.[267]

2009-ieji tai taip pat metai, kada Europos Parlamento Regioninės plėtros komitetas sudarė **„Regioninės politikos geriausių praktikų ir kliūčių naudojantis struktūriniais fondais ataskaitą“.** Ataskaita atspindi tai, kad geriausios praktikos yra būdas įveikti kliūtis

265 *ibidem*

266 European Commission, (2008), Inforegio Parorama, Eu Cohesion Policy 1998-2008, Investing in Europe's future, [Online], available at: http://ec.europa.eu/regional_policy/sources/docgener/panorama/pdf/mag26/mag26_en.pdf, accessed on [25.01.2015]

267 European Commission, (2010), EU budget 2009 Financial Report, [Online] available at: http://ec.europa.eu/budget/library/biblio/publications/2009/fin_report/fin_report_09_en.pdf, accessed on [25.01.2015]

ir trūkumus naudojantis ES sanglaudos fondais ir instrumentas įgalinti regioninius veikėjus pasinaudoti kitų patirtimi.

Specialiojoje literatūroje buvo pastebėtas aiškus interesas struktūrinių fondų šalyse narėse poveikio tyrimui skirtingais regioninės ir sanglaudos politikos įgyvendinimo laikotarpiais. Tyrėjai koncentravosi į įgyvendinimo sistemų vidinį atlikimą, tačiau taip pat analizavo skirtingas sistemas lygindami su kitų šalių administracinėmis ir institucinėmis struktūromis.

Tyrimo tikslas

Šios daktarinės disertacijos tikslas yra pasiūlyti apibrėžimą „gerųjų praktikų" struktūrinių fondų įgyvendinimo mechanizmų (institucinė sandara, programinio ir projektinio lygmens įgyvendinimas) srityje ir atlikti lyginamąją analizę trijuose įgyvendinimo lygmenyse tarp Rumunijos ir Lietuvos tam, kad nustatyti, kokios praktikos galėtų atspindėti gerus pavyzdžius ir nustatyti įrankius, kurie padeda efektyviau įsisavinti ES pinigus. Bus pasiūlytas faktorių rinkinys tam, kad išanalizuoti įgyvendinimo sistemų poveikį ankščiau minėtoms šalims narėms bei koks ryšys tarp įsisavinimo rodiklio ir struktūrinės politikos tikslų pasiekimo.

Tyrimo rezultatas suformuos dviejų struktūrinių fondų įgyvendinimo sistemų lyginamąją studiją, tiek teoriniu, tiek praktiniu aspektu. Tyrimo rezultatas susidės iš:

- Struktūrinių fondų įgyvendinimo gerosios praktikos koncepcijos apibrėžimo ir vertinimo bei lyginamosios analizės, pagrįstos gerosios praktikos rodikliais modelio formulavimu;
- Struktūrinių fondų Rumunijoje ir Lietuvoje kiekvienos įgyvendinimo sistemos vertinimas paremtas geros praktikos rodiklių modeliu;
- Struktūrinių fondų Rumunijoje ir Lietuvoje įgyvendinimo sistemų lyginamoji analizė;
- Faktorių indentifikavimas, kurie neigiamai veikia struktūrinių fondų Rumunijoje ir Lietuvoje įgyvendinimo mechanizmus;
- Gautų duomenų ir išvadų analizė ir formuluotė bei rekomendacijos.

Tyrimo klausimai

Vadovaujantis šiuo tyrimu, tyrėja ketino sujungti realistinį ir empirinį būdus, tačiau taip pat prisidėti prie tyrimo ne tik kaip stebėtoja, bet ir kaip aktyvi dalyvė tam tikra prasme savo darbinės karjeros metu būnant įgyvendinimo sistemų abiejose šalyse praktike.

Surinkta informacija bus analizuojama požymių surinkimo interpretavimo metodu ir tyrėjos ketinimai yra pateikti vertingą informaciją vienodai tiek akademinei auditorijai, tiek ir praktikams abejose valstybėse.

Struktūrinių fondų įgyvendinimas labai priklauso nuo šalies narės institucijų administracinių gebėjimų vadovauti fondams, įgyvendinti tvarią politiką ir sukurti tinkamą teisinę ir administracinę bazę projektų įgyvendintojams. Tyrimo klausimai sekantys:

- Kaip apibrėžiama gerosios praktikos įgyvendinant struktūrinius fondus procese kai pati šalis narė atlieka vertinimą ir kai vykdoma analizė tarp šalių?
- Kurios šalies struktūrinių fondų administravimo sistema veiksmingesnė ir kaip ji gali būti matuojama?

– Kokie faktoriai gali lemti gerosios praktikos struktūrinių fondų srityje pritaikomumo modelį?

Metodologija

Metodai, kurie bus naudojami tam, kad apjungti tyrimo procesą, apima:

– ***Mokslinės literatūros apžvalga;***

Tematinės literatūros aprašomoji analizė naudojama II dalyje: *Literatūros apžvalga.* Tikslas pristatyti akademinį tyrimą struktūrinių fondų įgyvendinimo mechanizmų srityje paremtas poreikiu identifikuoti svarbias kryptis studijuojant tyrimo temas, palyginti egzistuojančius tyrimo rezultatus ir identifikuoti veiklos nišas, kurios reikalauja tolesnio vystymo. Analizė naudinga identifikuoti ir pristatyti panašias tyrimo pastangas bei aiškiai atskirti ribą tarp jų ir šios daktarinės disertacijos studijos.

– ***Loginis-istorinis metodas*** analizuoja regioninės politikos evoliuciją ir vystymąsi per laikotarpi;

Loginio-istorinio metodo analizė naudojama III dalyje: *Europos Sąjungos regioninės politikos istorija ir evoliucija.* Analizė leidžia skaitytojui įsigilinti ir apžvelgti sanglaudos politikos bei struktūrinių fondų mechanizmų įvairiose šalyse narėse evoliuciją bei jų plėtojimąsi ES integracijos procese. Analizė užfiksuoja svarbius sanglaudos politikos vystymosi momentus ir akcentuoja svarbiausius principus bei debatus, svarbius pagrindiniams politikos proceso dalyviams, ES institucijoms bei šalims narėms. Ši analizė pabrėžia iškilimą debatų, susijusių su sukūrimu bendrų įgyvendinimo modelių, kurie būtų paremti gerosiomis praktikomis kaip galimas sprendimas per laiką identifikuotoms problemoms ES šalyse narėse.

– ***Kokybinis metodas*** paremtas klausimynų analize iš įgyvendinančiųjų institucijų bei tarpinių struktūrų darbuotojų; klausimynai, adresuoti struktūrinių fondų naudos gavėjams; pusiau struktūruotos interviu su dalininkais.

Kokybinis tyrimo metodas naudojamas visoje IV dalyje: *Struktūrinių fondų administravimas Rumunijoje ir Lietuvoje. Gerosios praktikos ir lyginamoji analizė.* Kokybinis tyrimo metodas naudojamas vertinime ar politikos studijose tam, kad aprašyti, analizuoti ir informuoti sprendimų priėmėjus apie socialines programas. Specifiniai kokybinio tyrimo tipai naudojami šioje daktarinėje disertacijoje yra socialiniai tyrimai ir tarpsocialiniai tyrimai.

Pusiau struktūruotas interviu, kaip dalis kokybinio tyrimo metodo, yra svarbi tyrimo dalis, kadangi tai leidžia tyrėjui įgyti informaciją ir suprasti aspektus, susijusius su bendraisiais tikslais bei specifiniais tyrimo klausimais. Papildomai tai leidžia tyrėjui gauti struktūrinių fondų įgyvendinimo sistemų gilesnį vaizdą ir išaiškinti kiekvienos įgyvendinančios sistemos svarbius aspektus. Pusiau struktūruotas interviu suteikė tyrėjui gilius, patikimus ir sąlyginai kokybiškus duomenis, kurie kartu su įgyta informacija per stebėjimą, neformalų ir nestruktūruotą interviu sudėjo visa įgyvendinimo dėlionės vaizdą.

Kitas svarbus kokybinio tyrimo įrankis, yra tas, kuris naudojamas akademinio tyrimo klausimynuose. Pagal Dan Remenyi[268], klausimynas yra duomenų ar įrodymų rinkimo įrankis, kuris apima specifinių klausimų sąrašą ar jų eilę, kurie atsakomi atitinkamų in-

268 Remenyi, D., (2012), 'Field Methods for Academic Research: Interviews, Focus Groups & Questionnaires', ed. Academic Publishing International Limited, Reading, United Kingdom.

formatorių padės tyrėjui geriau suprasti tyrimo klausimus bei pateiks galimus atsakymus. Daugelis klausimų yra atviri ir reikalauja kokybinių atsakymų iš informatorių paaiškinimų formoje arba savo nuomonės, kuri reikalauja ne statistinio tyrimo. Buvo parengti dviejų tipų klausimynai: pirmas (1 priedas) buvo skirtas daugiau valdymo institucijų ir tarpinių struktūrų darbuotojams, kitas (2 priedas) – struktūrinių fondų naudos gavėjams. Klausimynai buvo parengti atsakančiųjų kalbomis arba angliškai. 250 klausimynų buvo išsiuntinėta, o atsakyta – 50.

– ***Pirminių šaltinių analizė (teisiniai ir politikos dokumentai);***

Svarbi studijos dalis bus skirta struktūrinių fondų įgyvendinimo tyriminiam apibrėžimui kiekvienoje tyrimo objekto šalyje. Detalus apibrėžimas svarbu tam, kad pagilinti žinias apie kiekvieną šalį, turint galvoje faktą, kad nėra tiek daug prieinamos informacijos atskiroje analizuojamoje šalyje apie kitos šalies įgyvendinimo modelį, ir daugiausiai dėl mažo akademinio tarpusavio susidomėjimo šioje srityje, geografinį nuotolį viena nuo kitos, išsiskiriantį šalių dydį ir gyventojų skaičių, skirtingą istoriją bei administracines tradicijas, taip pat skirtingą stojimo į ES kelią ir sąlyginai išsiskiriančius politinius prioritetus.

Kiekvienos šalies struktūrinių fondų įgyvendinimo schemos analizėje pirmiausiai bus akcentuojami nacionaliniai teisiniai aktai (parlamentų ir vyriausybių teisiniai aktai), taip pat nacionalinių ir regioninių institucijų (ministerijų, valdymo ir įgyvendinančiųjų institucijų) teisiniai ir administraciniai sprendimai. Teisinių aktų analizė parengta taip pat istoriniu pagrindu, tikslu identifikuoti teisinių pokyčių kryptis per 2007-2013 m. laikotarpį bei jų poveikį įgyvendinančios schemos funkcionavimui. Nacionalinių teisinių aktų pasistengs identifikuoti ne tik atitikimo lygmenį ES teisynui, teisines inovacijas, naikinant barjerus ir didinant fondų naudojimo efektyvumą, skaidrumo ir antikorupcines priemones, bet ir nustatys, ar nacionaliniai teisiniai aktai nėra perkrauti nereikalingais barjerais projektų skatintojams ir įgyvendintojams..

– ***Antrinių skaitinių duomenų analizė (statistiniai duomenys apie įsisavinimo lygį);***

Statistiniai duomenys apie įsisavinimo lygį bus analizuojami laiko požiūriu tam, kad nustatyti įsisavinimo lygio evoliuciją nuo programinio laikotarpio pradžios, tarpiniu vidurio laikotarpiu ir programinio laikotarpio pabaigoje. Įsisavinimo lygio evoliucija gali pagelbėti nubrėžiant išvadas dėl varomųjų jėgų palaikymo ar stūmimo greičiau įsisavinti lėšas ir suprasti, ar šios varomosios jėgos yra įgyvendinamos tik dėl laiko spaudimo ar jos gali tapti dalimi besitęsiančios strategijos, gerinančios įsisavinimo tempą konkrečioje šalyje narėje ar abejose.

Mokslinis naujumas

Pagal autorės žinias panašios analizės nebuvo daroma nei Rumunijoje, nei Lietuvoje ir dar daugiau – nėra jokios tiriamosios veiklos lyginant struktūrinių fondų įgyvendinimo mechanizmus tarp Rumunijos ir Lietuvos. Papildomai, nėra tyrimo, kuris analizuotų, kas yra gerosios praktikos struktūrinių fondų įgyvendinime Rumunijoje ar Lietuvoje.

Tema yra aktuali ypač praktikams, kurie dirba vadovaujančiose institucijose ar tarpinėse struktūrose, nes suteikia jiems žinių apie visą situaciją, status quo ir struktūrinių fondų įgyvendinimą tiek instituciniu, tiek procedūriniu aspektu, juolab, kad kritiškai pažiūrėta iš šono bei palyginta su kita sistema. Darbuotojai, dirbantys vadovaujančiose ir įgyvendinančiose institucijose linkę pripažinti, kad Sistema, su kuria jie dirba yra stulbi-

nanti ir nepakeičiama, ir nereikia jokių pagerinimų bei išties jie linkę tikėti, kad sistema ideali. Todėl kartais biurokratiniai barjerai turi tendenciją plėstis vietoj jų sušvelninimo ar eliminavimo dėl individų nenoro ir nepalankaus nusiteikimo organizaciniams ar procesiniams pokyčiams.

Tema gali būti aktuali taip pat projektų pareiškėjams ir įgyvendintojams, kurie savo role gali atlikti kaip politikos iššūkių kėlėjai bei gerosios praktikos propaguotojai. Šiuo būdu, projektų pareiškėjai ir įgyvendintojai gali suprasti, kokios institucijos ir procedūros kitose šalyse yra bei visa įgyvendinimo sistema veikia, supažindinti nacionalines ir regionines institucijas bei pristatyti ir perkelti gerąsias praktikas.

Ši disertacija yra skirtinga nuo vertinimo studijų, kurios yra privalomos šalims narėms. Daugelis struktūrinių fondų vertinimo studijų remiasi veiklos programomis, bet ne institucine sandara ar projektų įgyvendinimu „ant žemės". Keletas vertinimų kreipia dėmesį į specifines ad-hoc temas, bet nei viena neįtraukia geruųjų praktikų analizės ar diskusijų kaip įgyvendinti tai procedūrose. Vertinimai yra nacionaliniai; nei vienas vertinimas nesiremia institucine ar veiklos programų analize tarp šalių. Tuo būdu ši disertacija pasiūlo skirtingą požiūrį nuo tarpinio ar galutinio vertinimo bei tikslas yra paskatinti gerąsias praktikas ne tik šalies viduje, bet ir tarp šalių.

Struktūrinių fondų administravimas Rumunijoje ir Lietuvoje. Gerosios praktikos ir lyginamoji analizė

Struktūrinių fondų įgyvendinimo geroji praktika yra ***„procesas, procedūra ar patirtis instituciniu lygmeniu, programiniu lygmeniu ir/ar projektiniu įgyvendinimo lygmeniu, kas atneša laukiamus rezultatus arba išsiskiriantį atlikimą"***. Gerosios praktikos perkėlimas iš vienos viešojo administravimo sistemos į kitą yra apribotas dėl administracinės struktūros, teisinės sandaros ir patirties naudojantis struktūriniais fondais. Geruųjų praktikų identifikavimo tikslas yra labiau surinkti informaciją apie tai, kaip kitos sistemos įgyvendina tokį patį reguliavimą, pasikeisti informacija ir paryškinti praktikas, kurios galėtų būti perkeltos be jokių apribojimų.

Gerosios praktikos bruožai šios daktarinės disertacijos kontekste suprantami kaip: *tai duoda pozityvų ir ryškų poslinkį atlikime; tai turi pastoviai vykstantį, nei pereinamą ar vienetinį poslinkio efektą; tai turi potencialo būti atkartota ir naudojama kitose organizacijose; tai yra vienoje eilėje su gerais valdymo principais; tai yra vertinama ir pripažįstama oficialiai.*

Procesais, procedūromis ar patirtimi struktūrinių fondų įgyvendinimą suprantame kaip visų teisinių dokumentų ir jų įgyvendinimo taisyklių įdiegimą praktikoje, lygiai taip, kaip eksperimentais nukreiptais patikrinti naują tvarką per pilotinius projektus ar inovacinį būdą.

Instituciniu lygmeniu šios analizės tikslinės organizacijos yra *struktūrinių fondų valdymo ir įgyvendinančios institucijos*, viešosios ar privačios institucijos, sutinkamai su kiekvienos šalies nares nacionaliniu reguliavimu, susijusiu su institucine sandara. ***Programomis*** suprantame *veiklos programas* – dokumentus priimamus vyriausybės, kuri nustato taisykles naudojantis finansine parama iš ES per struktūrinius fondus. ***Projektus*** suprantame kaip galutinių naudos gavėjų konkrečias veiklas, pasiekiant veiklos programų specifinius tikslus naudojantis ES finansine parama.

Institucinė sandara labai svarbi apibrėžiant šalies narės struktūrinių fondų įsisavinimą. Europos Komisija pastoviai pabrėžia šalių narių administracinių gebėjimų svarbą kaip esminį dalyką efektyviai įgyvendinant ES plėtros strategijas. Valstybės institucijų silpnumas palieka vietos ES pinigų neefektyviam įsisavinimui, nusikalstamai veiklai ir korupcijai, todėl administracinių gebėjimų stiprinimas, ypač tose ministerijose, agentūrose ar kitose organizacijose, kurios vadovauja ir įgyvendina per ES fondus strategines šalies narės kryptis ir ypač šalių narių, kurios įstojo į ES 2004, 2007 ir 2013 m.

Tiek Lietuvoje, tiek Rumunijoje buvo intensyviai naudojami ES priešįstojiminiai fondai, kai tuo tarpu Lietuva dar turėjo išankstinį taip vadinamą bandyminį ES struktūrinių fondų naudojimo 2 metų laikotarpį. Lietuva stabilizavo savo institucinę sandarą apie 2007 m., tolygiai pereinant nuo priešįstojiminio prie poįstojiminio ES fondų administravimo modelio, kai tuo tarpu Rumunija pastoviai keitė savo institucinę sandarą, ypač nacionalinį struktūrinių fondų koordinatorių bei stabilizavo savo institucinę sandarą tik 2012 m. po keleto veiklos programų laikino suspendavimo.

Lietuva administruojant fondus pasirinko centralizuotą modelį, kai tuo tarpu Rumunija stengėsi kombinuoti centralizuotą ir decentralizuotą modelius, deleguojant kažkiek valdžios ne tik kitom ministerijomis, bet taip pat ir regioniniam lygmeniui, regioninėmis plėtros agentūromis. Įdomu pastebėti, kad kartais regioninės įgyvendinančios struktūros parodė geresnį atlikimą, nei centrinės įgyvendinančios struktūros, dėka ne tik savo patirties administruojant ES priešįstojimius fondus, bet taip pat ir tai gali būti įvertinta dėl jų specializacijos regioninėje ir vietos plėtroje bei administruojant ES fondus. Dabartiniu metu administruojant struktūrinius fondus Rumunijoje centralizuotas modelis atrodo duoda geresnius rezultatus, negu decentralizuotas dėl viešojo administravimo tradicinės sistemos, kuri buvo sukurta centralizuoto modelio pagrindu. Įvertinta, kad Rumunijoje administruojant struktūrinius fondus decentralizuota sistema, kaip pavyzdžiui, investuojančios regioninės plėtros agentūros su valdymo institucijų valdžios galiomis galėtų būti sėkminga tik dėka įgyvendintos viešojo administravimo reformos, kuri pirmiausiai išaiškintų vystomų regionų statusą ir jų politines bei finansines galias.

Žemas kai kurių institucijų atlikimo lygmuo vadovaujant struktūriniams fondams bei įtarimas sukčiavimu patraukė ypatingą ES Komisijos dėmesį, ko pasėkoje įvyko keletas auditų bei kontrolių, kas baigėsi keleto veiklos programų sustabdymu Rumunijoje. Vadybos sistemos kokybė buvo kvalifikuojama kaip pakankamai žema, kai tuo tarpu daugelis projektų buvo atrinkta pagal mažiau skaidrias procedūras, egzistuojančias įtariant, kad fondai buvo skirti pagal preferencinius kriterijus, tokius kaip, pvz., politiniai. Pagal prieinamą informaciją, nei viena institucija, įtraukta į struktūrinių fondų administravimą Rumunijoje, neįgyvendino kokybės sistemos, kuri reikštų profesionalų ir standartizuotą dokumentų ir procedūrų valdymą sprendimų priėmėjams, kaip pavyzdžiui, projektų atranka, jų monitoringas ar pažeidimų valdymas.

Iš kitos pusės, Lietuva nepatyrė jokių veiklos programos sustabdymų. Sekant tyrimu, buvo identifikuotos daugelis institucijų, kurios įgyvendino sistemas, gerinančias institucinį valdymą arba savą viešųjų sprendimų kokybės kontrolę ir monitoringą arba sertifikuotos kokybės valdymo sistemą, identifikuotą ypač tose tarpinėse struktūrose, kurios atrenka projektus bei atlieka jų monitoringą, todėl jie dirba su dideliu kiekiu dokumentų, kaip pavyzdžiui Centrinė projektų valdymo agentūra.

Ekonominė krizė Rumunijoje atnešė taip pat ir papildomas problemas. Aktualiausia šioje situacijoje yra veiklos programų finansavimas. Net jei ir politikai pripažino Europinių fondų svarbą Rumunijos ekonominei plėtrai ir naujų darbo vietų kūrimui, finansuojant viešuosius projektus, keletas vyriausybių susidūrė su problema, kad nesugebėjo užtikrinti veiklos programų koofinansavimo. Sprendimų paieškoje išaugo finansinis perkrovimas, buvo pristatyti nauji mokesčiai, o seni pakelti, kaip pavyzdžiui PVM (nuo 19 proc. pakilo iki 24 proc.). Papildomai buvo pristatyta išankstinio finansavimo negalimumas arba jo sumažinimas tam tikroms veiklos programoms bei fondų kompensavimas projektų įgyvendintojams vėlavo nepriimtinais terminais. Tik 2012 m. pradžioje vyriausybė identifikavo sprendimus ir sutarus su Europos Komisija nusprendė laikinai skirti dalį finansinių lėšų iš privatizacijos fondo finansuoti nacionalinę dalį iki kol EB kompensavimas bus gautas. Finansinis aspektas buvo privalomas viešosioms institucijoms ir projektų propaguotojams, kiti sprendimai buvo identifikuoti, tokie kaip sukūrimas pagal kitose šalyse, tokiose kaip Prancūzija ir Lenkija, naudojamą plėtros banko modelį, tačiau pirmiausiai yra poreikis politinio sprendimo įgyvendinti sistemą, kuri bus naudojama 2014–2020 m. laikotarpyje.

Yra žymus skirtumas tarp Rumunijos ir Lietuvos taip pat dėl struktūrinių fondų programavimo. 2004–2006 m. laikotarpiu Lietuva pasirinko vieną programinį dokumentą ir po patirties 2007–2013 metais su 4 veiklos programomis, 2014–2020 m. Lietuva grįžo prie prie buvusio modelio turint vieną integruotą programinį dokumentą visiems plėtros prioritetams. Atvirkščiai, 2007–2013 m. Rumunija naudojo programavimo sistemą su keliomis veiklos programomis, sistemą, kuri tęsiama ir 2014–2020 m. Privalumas multifondinės veiklos programos yra tas, kad tai yra lengviau derėtis ir greičiau ES Komisijos patvirtinama, tačiau ir lengviau yra koordinuoti įgyvendinimą nacionaliniame lygmenyje. Pavyzdžiui, Lietuvai jau yra ES Komisijos patvirtinta veiklos programa ES struktūrinių fondų investicijoms 2014-2020 metams, kai tuo tarpu Rumunijai patvirtintos tik 2 veiklos programos iš 7 pasiūlytų veiklos programų. Rezultate Lietuva leisti ES pinigus greičiau negu Rumunija, net jei jie jau ir vykdo projektų pateikimo šaukimus. Rumunijos atveju, veiklos programų vėlyvo patvirtinimo scenarijus kartojasi, kai veiklos programos patvirtinamos metais vėliau, nei prasideda programinis laikotarpis. Pirmieji projektai buvo finansuojami 2008 m. pabaigoje, 2009 m. pradžioje. Yra vertinama, kad programinio laikotarpio pradžia labai svarbi, nes gali parodyti ES fondų naudojimo tendenciją naujam laikotarpiui: vėlyva pradžia numato lėtą įsisavinimą ir galimą įsipareigojimų nevykdymą programinio laikotarpio viduryje.

Programavimo dokumentų kokybė yra kitas aspektas, kuris yra svarbus geresniam įsisavinimo rodikliui. Programavimo dokumentų kokybė yra kitas aspektas, kuris yra svarbus geresniam įsisavinimo rodikliui. Programavimo dokumentų kokybė atspindi institucijų patirtį ir profesionalumą bei jų darbuotojų įtrauktį projektuojant strateginius dokumentus, taip pat partnerystės principo įgyvendinimo lygį programavimo stadijoje. Abejų valstybių partnerystės principo taikomumas galėtų būti stipriau išreikštas, kad tikrieji plėtros poreikiai būtų įtraukti ir atspindėti programavimo dokumentuose. Rumunija iš savo ankstesnės patirties išmoko ir dėl nacionalinio partnerystės susitarimo parengimo 2012–2013 m. pratęsė konsultacijas su visuomene.

Kitas svarbus aspektas yra veiklos programų monitoringo komitetų veikla, jų atvirumas bei skaidrumas. Jei Rumunija pasirinko monitoringo komitetą kiekvienai veiklos programai, Lietuva dirbo su vieninteliu monitoringo komitetu netgi 2007-2013 m. laiko-

tarpiu, kada turėjo keturias veiklos programas. Papildomai Lietuvoje vieno monitoringo komiteto struktūra įkurta įstatymu bei fiksuota naryste, įskaitant nominuotas organizacijas iš visuomenės, kai tuo tarpu Rumunijoje visuomeninės organizacijos, suinteresuotos dalyvauti monitoringo komiteto formate, turi pateikti prašymą struktūrinių fondų nacionaliniam koordinatoriui (Europos fondų ministerija), kuris daro galutinę atranką tarp kandidatų, priklausomai nuo jų atstovavimo nacionaliniu lygmeniu bei patirtimi.

Nacionalinės plėtros politikos regioninė perspektyva per struktūrinių fondų naudojimą yra skirtingas šio tyrimo objektas abejose šalyse. Rumunijoje regioninės investicijos remiamos tam skirtos veiklos programos pagalba – regionine veiklos programa. Paramos priemonės administruojamos regioniniu lygmeniu per 8 regioninės plėtros agentūras, kurios yra organizuotos kaip nevyriausybinės organizacijos, tačiau finansuojamos apskrities tarybos, kurios pavadžio regionui. Buvo nuomonių, kad kiekvienas regionas turėtų adaptuoti savo regioninę veiklos programą, parengtą pagal savo specifinius plėtros poreikius, tačiau buvo pasiūlyta, kad regionai Rumunijoje dar nepasiekia viso kompetencijos lygio tvarkytis atskirai su veiklos programa. Tai gali būti vertinama, kad regioninės struktūros, administruojančios struktūrinius fondus Rumunijoje, yra geros praktikos pavyzdys, priartinantis regioninę politiką prie naudos gavėjų, tačiau jos funkcionavimas reikalauja būti peržiūrėtas ir pagerintas. Regioninės plėtros agentūros turi svarbų vaidmenį detalizuojant regioninės plėtros planus, kurie yra pradinis taškas projektuojant regioninę plėtros programą.

Lietuva neturi jokios regioninės plėtros agentūros, kuri būtų įtraukta į struktūrinių fondų administravimą ir valdymą. Lietuva pirmiausiai nesinaudojo šiuo modeliu dėl savo dydžio bei papildomai, 2010 m. Lietuva netgi panaikino apskritis, kurios prieš tai buvo įtrauktos į ES fondų administravimą. Lietuva netgi pasuko daugiau centralizuotos struktūrinių fondų valdymo sistemos link ir tam, kad pakoreguoti regioninę intervenciją struktūriniuose fonduose, buvo sukurta regioninės tarybos bei pritaikytas regioninis projektų planavimas.

Projektų įgyvendinimo stadija tiek Rumunijoje, tiek Lietuvoje turi keletą panašumų, tačiau taip ir keletą svarbių skirtumų. Pirmiausiai Rumunijoje valstybės ir regioninė projektų planavimo procedūra nėra priimama pagal teisines procedūras, tačiau galima pastebėti jų praktinę pusę keliose veiklos programose, tokiose kaip Transportas ir Aplinka – valstybės planuojamiems projektams (greitkeliai ir dideli aplinkos infrastruktūriniai projektai), bet taip pat ir regioniniams planuojamiems projektams (verslo inkubatoriai). Yra vertinama, kad Rumunijai būtų naudinga pasisemti iš Lietuvos patirties įdiegiant šių projektų planavimo procedūras.

Rumunijoje daugelis projektų atrenkami konkurencinių pasiūlymų pagrindu šaukimų metu. Konkurencinė projektų atrankos aplinka turėtų teoriškai garantuoti laisvą projektų atrankos ir įgyvendinimo rinką. Atvirkščiai, Rumunijoje laisva konkurencija ES projektams nebūtinai garantuoja fondų paskirstymo skaidrumą dėl sunkumų tenkinant projektų atrankos kriterijus. Daugeliu atvejų atrankos procesai yra įtakojami politinių interesų, ypač vietos projektuose, regioniniuose ir nacionaliniuose viešosios infrastruktūros bei susijusiuose.

Tiek Rumunijoje, tiek Lietuvoje daugelis ES viešųjų fondų nukreipiami į valstybines institucijas, nacionalines ar regionines, tačiau Lietuva rodo didesnę patirtį įgyvendinimo požiūriu, kuri atsispindi šalies įsisavinimo rodiklių rezultatuose. Lietuvos geresnis atlikimas tvarkant ES fondus yra taip pat dėl aukštos valstybinės kontrolės stiprios centralizuo-

tos įgyvendinimo sistemos, kuri testavo atlikimą 2004–2006 m. laikotarpiu. Privalumas šio taip vadinamo testavimo laikotarpio daugiau nei akivaizdus, nes Lietuva debiutavo su pozityvia pradžia įgyvendinant 2007–2013 m. skirtus struktūrinius fondus, kai tuo tarpu Rumunija pagerino savo procedūras tik 2012m.

Abi šalys priklauso vis dar aukštos biurokratijos lygiui, kas susiję su projektų paraiškomis ir įgyvendinimo reikalavimais, nors Lietuvos biurokratijos indeksas yra geresnis. Kalbant apie biurokratiją, galima pažymėti, kad abi šalys kreipia dėmesį į elektroninių priemonių plėtrą administruojant projektus: pateikiant, įgyvendinant, vertinant, tačiau dar daug kas priekyje. Tiesioginė projektų paraiškos procedūra (e-SMIS vystoma Rumunijoje) ir elektroninė projektų administravimo įranga (DMS Lietuvoje) yra svarbūs inovacinių įgyvendinimo technologijų projektai, kuriems vis dar reikia daug techninių ir veiklos pagerinimų, kad pilnai būtų naudinga projektų propaguotojams. Papildomai, Rumunijoje yra poreikis susieti visas egzistuojančias paraiškas ir sukurta vieningą veiklos platformą visiems projektams, kai tuo tarpu Lietuvoje įgyvendinant e-sanglaudos koncepciją, turėtų būti išdirbta panaši paraiška pateikiant projektą tiesiogiai (elektroniškai).

Gali būti traktuojama, kad Lietuvos projektų propaguotojai susidūrė su panašiais iššūkiais, kaip ir Rumunijoje, tiek tiesioginiais, tiek ir vidiniais, tačiau mažesnėje apimtyje ir nereikšmingai. Rumunijos projektų propaguotojams išoriniai faktoriai su stipriausiu poveikiu per 2004-2013 m. laikotarpį buvo bendras finansinis nestabilumas ir visos struktūrinių fondų administracinės bei valdymo sistemos veikimas. Ekonominė krizė paveikė visą struktūrinių fondų finansinį administravimą Rumunijoje, kas turėjo stiprų poveikį fondų kompensavimui, taip pat ir fondų paskirstymui atitinkamoms veiklos programoms. Net jei Lietuva ir perėjo tokią pačią ekonominę krizę, ji sugebėjo išlaikyti finansinių įsipareigojimų lygį struktūrinių fondų investicijoms bei nebuvo užregistruotų vėlavimų fondų kompensavime arba tinkamų resursų paskirstyme veiklos programoms. Galima atvirai tvirtinti, kad vyriausybės prioritetas tinkamam veiklos fondų finansavimui Rumunijoje buvo daugiau deklaratyvus, o Lietuvoje tai dažniausiai veikė.

Taip pat galima pažymėti, kad pastovi politinė parama iš vyriausybės bei stipri viešųjų įstaigų parama, vykdymas ir įstatymdavystė yra būdinga Lietuvai, kai tuo tarpu Rumunijoje galima būtų pažymėti priešingą tendenciją. Kiekviena nauja vyriausybė Rumunijoje labiau kritikuodavo ankstesnės vyriausybės darbą ir įgyvendindavo savą struktūrinių fondų valdymo būdą, dažnai keisdami institucinę sandarą bei įgyvendinimo taisykles. Politinių sprendimų vykdymo tęstinumo neužtikrinimas paveikė visą administravimo ir valdymo sistemos atlikimą ir atsispindėjo žemu įgyvendinamų projektų lygiu.

Geros įgyvendintų projektų iš struktūrinių fondų praktikos skleidimas yra lygiai svarbus propaguojamas abejose šalyse, nors galima pastebėti, kad aiškios metodikos apibrėžiant geros praktikos projektus. Rumunijoje geros praktikos pavyzdžiai yra daugiausiai atrinkti viešųjų struktūrų, bendrai visuomenei neturint galimybės atrinkti juos. Lietuvoje geros praktikos atranka vyksta dviejose stadijose: pirminė atranka vykdoma viešųjų struktūrų, o galutinė atranka grindžiama piliečių balsavimu, ką galima vertinti kaip labiau demokratišką ir tinkamą galutiniams naudos gavėjams. Bendrai kaip gerą praktiką galima identifikuoti tuos pačius kriterijus projektų charakterizavimui: vidinius ir išorinius. Vidinis charakterizavimas daugiausiai remiasi vidiniais valdymo pajėgumais, arba finansavimu, ar žmogiškaisiais ištekliais, kai tuo tarpu išoriniai akcentuoja politinę ar teisinę struktūrą, patikimų partnerių ir suinteresuotų šalių įtrauktį.

Išvados

Su pagarba institucinės sandaros formai, pagal tyrimą galima pastebėti, kad abejose analizuojamose šalyse (Rumunijoje ir Lietuvoje) institucinės formos pasirinkimas atėjo iš egzistuojančių administravimo tradicijų, kurios reiškia, kad nauja institucinė sandara valdant struktūrinius fondus Rumunijoje ir Lietuvoje buvo sugalvota pagrinde perdengiant egzistuojančias institucijas, kurios gavo naujus įsipareigojimus ir tik papildomai kelios naujos institucijos buvo įkurtos specifiniams tikslams administruojant struktūrinius fondus.

Abejų šalių dalyvavimas vadovaujant ir administruojant struktūrinių fondų schemose buvo traktuojama kaip prioritetas abejose šalyse, struktūriniai fondai buvo laikomi svarbiu finansinės paramos šaltiniu regioninei ir nacionalinei ekonominei plėtrai. Iš kitos pusės, galima pastebėti analizuojamose šalyse taip vadinamą institucinio prisitaikymo evoliuciją, kuri linkusi būti ilgesnė ar trumpesnė, grindžiama įstojimo į ES momentu bei administravimo tradicijomis. Pavyzdžiui, Lietuvai buvo labai naudinga dalyvavimas 2004-2006 m. struktūrinių fondų valdyme, net jei tai buvo ir trumpas laikotarpis priderinant ES taisykles ir reikalavimus, o įsisavinimo rodiklis buvo kuklus. Tačiau šalis pasinaudojo šia patirtimi tam, kad pagerinti struktūrinių fondų paskirstymo sistemą ir sugebėjo parodyti daug geresnius rezultatus sekančiame programavimo laikotarpyje.

Išsamų ir kaip visa apimantį priimtą gerosios praktikos apibrėžimą yra sudėtinga laikyti dėl ekstensyvaus naudojimo, dėka viešosios administravimo sistemos būdingo kompleksiškumo ir tradicijų ES šalyse. Tačiau išsiplėtusi komunikacija tarp institucijų, atsakingų už struktūrinių fondų valdymą ir ES Komisijos indėlis gerosios praktikos keitimosi procesams tarp skirtingų šalių narių suteikia galimybes dar labiau išplėstam įgyvendinimo schemų pripažinimui, grindžiamam gerosiomis praktikomis pripažintoms ES šalyse narėse nacionaliniu ar regioniniu lygmeniu.

Tai gali būti traktuojama, kad apibrėžiant ir pripažįstant geras praktikas galima per laiką turėti pozityvią įtaką įgyvendinimo praktikų atlikimo pagerinime šalių narių teritorijų ribose, tol kol procesas besitęsiantis, stabilus ir teikiantis pasitenkinimą, tai reiškia, kad geruųjų praktikų propaguotojai yra pripažįstami viešai ir oficialiai bei skatinami laisvai dalintis savo patirtimi. Aiški ir atvira metodologija išreikšta valdymo institucijų ir papildomai, viešasis balsas leidžia geruųjų praktikų atranką. Geruųjų praktikų eksternalizavimas yra tarp šalių geruųjų praktikų pripažinimo proceso dalis, kuri buvo identifikuota ir vertinama vidiniame vertinimo procese, todėl geruųjų praktikų pavyzdžių pristatymai Europos ar kitose tarptautinėse konferencijose gali atnešti pridėtinę vertę į įgyvendinimo praktiką.

Lietuva buvo pripažinta kaip aukštos centralizacijos Sistema, kai tuo tarpu Rumunija kombinavo centralizuotą sistemą su regioniniu įgyvendinimo galių delegavimu. Nei vienas modelis nebūtinai garantuoja aukštesnį ir greitesnį įsisavinimo lygį, nes tai veikiama ir kitų išorinių faktorių, kurie negali būti kontroliuojami valstybės centrinės ar vietinės administracijos. Įsisavinimo lygis veikiamas eilės sukauptų faktorių, tokių kaip, bet neapsiribojant, institucinė sandara, politinė valia, reguliarus stabilumas, organizacinis strateginis planavimas, lygiai taip kaip ir pareiškėjų pasirengimas, jų finansinės galimybės ir kompetencija.

Rumunijos atveju, kombinavimas centralizuotos sistemos su ribotų galių delegavimu regioninėms tarpinėms institucijoms nedavė geriausių rezultatų, tačiau tendencija rodo, kad yra poreikis decentralizacijai ir regioninio lygmens įgalinimui per demokratinius pasirinkimus.

Tai buvo įrodyta statistiniais duomenimis, kurie per laiką kaip analizuota patirtis yra sukaupta valstybės narės, ir įgyvendinimo lygis pastoviai augantis. Šis aspektas akivaizdus Lietuvai, nes šalis jau turi patirties naudojantis struktūriniais fondais 2004–2006 m., kurie buvo naudingi gaunant rezultatus sekančioje daugiametėje perspektyvoje.

Rumunijai galima įvertinti, kad patirtis prasidėjo kauptis tik po 2012 m., taigi po taip vadinamo bandymo ir klaidų laikotarpio ir toliau einančių pataisymo priemonių iš Europos Sąjungos po keleto veiklos programų suspendavimo bei spaudžiant n+2 taisyklei.

Struktūrinių fondų finansavimo pilno panaudojimo sėkmė yra svarbi visai visuomenei ir gali įtakoti makroekonominius rodiklius. Įgyvendinimo modelis grindžiamas gerosiomis praktikomis gali būti apskaičiuojamas keletu rodiklių, pabrėžiančių sistemos efektyvumą ir našumą, tokių kaip: įsisavinimo lygis; programos ir projektų rodiklių pasiekimas; programų suspendavimo skaičius; atmestų projektų skaičius; grąžintų į ES Komisijai pinigų kiekis; iš ES fondų sukčiavimu išviliotų pinigų kiekiu; teisinių nuosprendžių už sukčiavimą kiekiu ir panašiai. ES programų ir projektų įgyvendinimo efektyvumas gali būti matuojamas makroekonominiais rodikliais, apskaičiuotais programinio laikotarpio pradžioje ir pabaigoje, taikant n+2/3 taisyklę, tokiais kaip BVP/gyventojui, nedarbo lygis, ekonomikos augimas, užsienio investicijų procentas, naujų darbo vietų sukūrimas, emigracijos indeksas ir panašiai.

Faktoriai, kurie daugiausiai veikia struktūrinių fondų įgyvendinimo schemas yra susiję su institucine sandara ir stabilumu, reguliavimo kokybe ir stabilumu, bendruoju korupcijos indeksu, sistemos atlaidumu, strateginiu požiūriu ir fondų ilgalaikiu planavimu, lygiai taip kaip ir projektų propaguotojų ir įgyvendintojų patirtimi. Tai negali būti vertinama tik kaip vienas įtakojantis faktorius; jie visi įtakoja procesą pastoviai ir skirtinguose lygmenyse. Todėl yra poreikis turėti bendrą šių faktorių vaizdą ir nagrinėti juos profesinės rizikos vertinimo struktūroje tam, kad identifikuoti gaires bei sėkmingai pereiti juos.

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Data	2010–2013
Mokslinių tyrimų veikla	Mokslinių tyrimų projektas „ES reglamentavimo poveikis vietos viešosioms įstaigoms“
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Dalyvavimas konferencijose

Konferencijos pavadinimas	ATVIROS DIENOS – Europos regionų ir miestų savaitė, Briuselis, Belgija
Data	2011
Mokslinė tiriamoji veikla	Dokumentai, interviu
Organizatorius	Europos Komisija
Konferencijos pavadinimas	12-oji Europos e-valdžia konferencija, Barselona, Ispanija
Data	2012
Mokslinė tiriamoji veikla	Straipsnio publikacija ir prezentacija „E-sanglaudos koncepcija – supažindinimas su sistema internete pateikiant vertinimo paraišką struktūriniams fondams“
Organizatorius	Viešojo valdymo ir vadybos institutas, Barselona, Ispanija

Konferencijos pavadinimas	Europos konferencija „Tinkliniai regionai ir miestai, fragmentacija laike: Vystant sumaniai, tvariai ir įtraukiant vietoves“ vyko Technologijų universitete Delfte, Olandijoje
Data	2012
Mokslinė tiriamoji veikla	Vieša tyrimo prezentacija: Sanglaudos politikos efektyvumo vertinimas vietos bendruomenėms Rumunijoje ir Lietuvoje – lyginamasis aspektas
Organizatorius	Regioninių studijų asociacija
Konferencijos pavadinimas	4-oji projektų valdymo plėtros konferencija – Praktika ir perspektyvos
Data	2015
Mokslinė tiriamoji veikla	Straipsnio prezentacija ir publikacija „Struktūrinių fondų projektų problemos“. Įgyvendinimas Rumunijoje ir kelių geros praktikos rodiklių analizė’
Organizatorius	Latvijos universitetas

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Anglų kalba	C1	C1	C1	C1	C1
Prancūzų kalba	C1	C1	C1	C1	C1
Lietuvių kalba	B1	B1	B1	B1	B1

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The aim of this doctoral thesis is to propose a definition of 'good practices' in the field of Structural Funds administration mechanisms (institutional framework, programming and project level administration and implementation) and to make a comparative analysis at the three implementation levels between Romania and Lithuania in order to identify what practices could represent good examples in terms of tools to absorb more efficiently the EU money.

Šios daktarinės disertacijos tikslas yra pasiūlyti geros praktikos apibrėžimą struktūrinių fondų administravimo mechanizmų srityje (institucinė sandara, programinio ir projektinio lygmens administravimas ir įgyvendinimas) bei atlikti lyginamąją analizę trijuose įgyvendinimo lygmenyse tarp Rumunijos ir Lietuvos tam, kad identifikuoti, kokios praktikos galėtų reprezentuoti gerus pavyzdžius naudojant atitinkamus įrankius, norint efektyviau įsisavinti ES lėšas.

Oana Raluca Glavan

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