

The Absorption of the Structural Funds in Romania in the context of the international financial crisis

Berica Corina

„Alexandru Ioan Cuza“ University
Doctoral School of Economics
Boulevard Carol I, no. 11
Iasi, 700506
Romania
corina.berica@yahoo.com

Abstract

With the present paper I intend to offer answers to some of the frequent questions that Romanian people ask: “Is the financial crisis responsible for the mediocre absorption rate of the Structural Funds in Romania?”; “Why does Romania choose the loan from the International Monetary Fund instead of the irredeemable financing?”. The results obtained in 31th of August 2011 by the Authority Coordinating the Structural Instruments show for Romania a performance of 13,47% in attracting European funds. The laggard position entails explanations, culpabilities, solutions. The year of 2007 has been an accommodation period to something new, unknown, 2008 was related to the launching of the project applications and 2009 was rich in financing contracts signed with the potential beneficiaries. Even if Romania has been scheduled for attracting Structural Funds during 2007 – 2013, we can declare that we have wasted the first two years in an unjustified manner. The recovery should have become visible starting 2009, but there is no sign of improvement. The European Commission is worried about the very low absorption rate of the funds which are meant to reduce the regional discrepancies that appear among the European Union states and tries to offer solutions for not losing such an opportunity. The purpose of the present work is to find out if the crisis had an essential contribution to the low absorption rate or if it is used only as a pretext. The opinions are different. The beneficiaries sustain that the crisis is a perturbing factor in achieving the objectives and in attaining the prescribed indicators, especially due to the impossibility of acquitting their own financial contribution. On the other hand, the authorities who supervise the implementation of these projects should develop the activities normally but, because of the low subsistence level and of the unsatisfactory salaries, the personnel hired in these structures gives up and this shortfall affects, first of all, the payment proceedings towards the beneficiaries.

Keywords: Structural Funds, absorption rate, international crisis, causes, solutions
JEL codes: F35, G01, O11, O52

1. Introduction

From the economical, financial and social point of view, Romania is one of the weakest among the European Union countries. For reducing these discrepancies Romania had been offered the opportunity to access during 2007 – 2013 European funds with a total value of 19.67 Euro for major interventions in domains such as: infrastructure development, economic competitiveness, human capital, administrative capacity, territorial dimension.

Before our country had the possibility to acknowledge the opportunity offered and before having the chance to obtaining benefits, the negative effects of the international crisis appear and eclipse the former “top priority” of the government.

The financial crisis started to show its effects in Romania starting the IVth trimester of 2008. The economic crisis determined a substantial reduction of the budgetary incomes along with the difficulty of financing the budgetary financing, with the decline of the stock exchange and a deficit regarding the value of the credits offered by the banks.

A first step that has been made was to simplify and to accelerate the implementation of the Structural Funds, the Romanian authorities being convinced of their beneficial effect in such situation. Measures have been taken for each Operational Programme, especially for supporting from the

financial point of view the allocation of 7% from the GNP for investments in 2009, for offering state support to the small enterprises, financial support for the companies that hire unemployed and for ensuring professional training.

We notice that even though there have been made efforts for fighting the crisis, we still cannot see any modifications regarding the absorption rate of the Structural Funds. The opinions are numerous and diverse when finding a reason for this matter. The projects beneficiaries find an excuse in the bureaucracy imposed by the implementing authorities and in the financial crisis which led to the modification of the financial indicators. The authorities responsible for the funds absorption complain about the lack of human resources who should evaluate and supervise the multitude of projects approved as well as the lack of funds from the state budget for the payments and last but not least the accusations towards the irresponsibility of the beneficiaries who send wrong documents and do not respect the stipulations in the financing contract.

2. Literature Review

“About the European funds we speak a lot, sometimes excessively, but not always in an informed way.” (Bârgăoanu, 2009) We sustain this affirmation with arguments. The Structural and Cohesion Funds became a new domain regarding which many feel the need to express an opinion, a conclusion, a blame.

It is regrettable that all assimilate these funds with the 19.6 billion Euros that Romania has to absorb. Nobody wonders what does cohesion mean, which is the purpose of receiving these funds, which are the causes of the short absorption?

The Structural and Cohesion Funds are instruments promoted by the Regional and Cohesion Regional Policy of the European Union. Why was such a policy needed and what does the European Union want to express by cohesion? For answering this question we will try to highlight the main steps in the history of this policy.

Everything started in 1957 when the Treaty for constituting the European Economic Community (The Roma Treaty) has been signed by the 6 members. The Preamble of the Treaty (CEE Treaty, 1957, Preamble 12) includes ideas such as reducing the existing gaps and helping the under-privilege regions. This treaty has as one of the purposes the foundation of the Investments European Bank and of the Social European Fund.

The Investments European Bank has been responsible of: supporting economic activities in the less privilege areas, promoting competitiveness and financing common interest projects (Bârgăoanu, 2009).

The Social European Fund had the role of promoting the occupation and geographic mobility facilities for the workers (CEE Treaty, 1947) starting in 1960 and being the first step in outlining a policy.

In 1962 the European Fund for Agrarian Orientation and Indemnification with the purpose of promoting the Common Agrarian Policy. The key point of outlining the cohesion policy is the adhesion of Great Britain. This country was not interested by the Fund which was financing the agriculture. Great Britain was interested in regions producing coal and steel, regions which were underdeveloped and could not sign agreements. Thus, the Regional Policy was created ensuring a part of the Community funds for the underdeveloped (Bârgăoanu, 2009).

With the support of the other state members, in 1975, the Regional Development European Fund - RDEF is instituted, separated from the other already existing funds.

In 1986 the Unique European Act is adopted. This document mentions for the first time the collocation of economic and social cohesion: “The Community aims at reducing the gaps among different regions and the trailing of the under-privileged areas.” (The Unique European Act, 1986)

In 1988 the first reform takes place by which the three existing funds (RDEF, SEF and EFAOI) form the Structural Funds coordinated by the Cohesion Policy. In this period very important regulations are made: multiannual programming, the establishment of five main objectives to be followed.

In the Maastricht Treaty of 1992, it is stipulated the creation of a Cohesion Fund for supporting the underdeveloped countries: “projects in the domains of the environment and of the trans European transportation networks” (Bârgăoanu, 2009).

The year 2003 is a triumph for the Regional and Cohesion Policy domain. The following funds have been finalized: The European Fund for Regional Development, the Social European Fund, the Cohesion Fund, FEOGA – the Orientation section and the Financial Instrument for Orientation in the Fishing Domain. Another reform from 2006 stipulates the separation of FEOGA and IFOP from the Structural Instruments domain and the subordination of the Common Agrarian Policy and of the Common Policy for the Fishing Domain.

An important moment in the evolution of the EU policy is the year 1997 when the Agenda 2000 has been elaborated with the role to offer pre-adhesion funds for the member states: PHARE (consolidation, development of the regions), ISPA (environment and transport infrastructure), SAPARD (modernization of the agriculture and rural development) (Bârgăoanu, 2009). These pre-adhesion funds have been created with the goal of preparing from an institutional point of view for the post-adhesion period. Many member states didn't consider these recommendations being unaware of the real destination of these funds and failing in their implementation.

The year 2006 has brought the simplification of the Structural Instruments as it follows: The European Fund of Regional Development and the Social European Fund form the Structural Funds and these ones together with the Cohesion Fund form the Structural Instruments. For the financial support of the agriculture and fishing two distinct funds can be used: the European Agrarian Fund for Rural Development and the European Fund for Fishing. These are not included into the Structural Instruments, being subordinated to a distinct policy: the Common Agrarian Policy (the EC Regulation no.1083/2006).

This same Regulation establishes a few principles which have to be respected by the Structural Funds (Pociovălișteanu and Thalassinou, 2009):

- Multiannual programmes allocation (7 years) - FSC does not finance individual projects but multiannual development programmes. The financial allocation is based on appointment which implies the diagnostic of an existing situation, the description of a strategy with purposes that have to be reached. This principle, introduced in 1988, emphasizes a significant difference compared to the previous periods. (Constantin et al., 2008):
- Decentralized (national) management of the funds – the European Union offers the opportunity of irredeemable financing but does not impose the rules of the game, each state being responsible of the management applied in this domain.
- Additionality – which has been confirmed in 1988 as being the main feature of the Structural Funds, constraining the member states to ensure co-financing and a level of the public expenses at least at the level of the previous programming (Oprea and Meșniță, 2007).
- Reimbursementability – compared to PHARE and ISPA, the Structural and Cohesion Funds operate based on the reimbursementability principle, in the same manner as SAPARD (Pociovălișteanu and Thalassinou, 2009). This implies that the project beneficiaries should make expenses from their own funds and to recover the amounts spent by reimbursement.
- The n+3/ n+2 rule – n represents the initial year of the project and n+3 the year until which the engaged funds must be spent, otherwise they will be lost (Băleanu, 2007).
- The partnership – implies a solid collaboration among the European, national and regional authorities in writing, evaluating and implementing the projects.

All these specificities are based on the principles that rule the implementation of the Structural Funds: programming, additionality and also focus and subsidiarity (Constantin et al., 2008).

Also for the period 2007-2013 there have been established the following objectives (Băleanu, 2007):

1. Convergence – meant to accelerate the economic growth for the underdeveloped regions, by investments in human capital and in the basic infrastructure – owns the highest value (81,5% from the total value of the financing) and is allocated to the regions which have a GNP/citizen lower than 75% of the medium GNP of EU25 (according to the data of the period 2000-2002).
2. Regional competitiveness – meant to consolidate the competitiveness and the amenity of the regions and also the occupation capacity for the labour force by a double approach (employers and employees), with a rate of 16% from the total value of the financing and can be reached by the states which exceed the level of 75% from the medium value of the European GNP.

3. European territorial cooperation – aims at consolidating the cooperation at cross-border, transnational and interregional level, with a percent of 2,5% from the total value of the financing meant for absorption.

3. The Structural and Cohesion Funds and the international financial crisis

The most frequent terms, used lately by Romanians are: rate of absorption, capacity of absorption... but just a few know the significance of these expressions. At a general level, the capacity of absorption is defined as “the capacity of the underdeveloped states to absorb in a productive manner a big volume of international support” (Bourguignon and Sundberg, 2006).

Another author considers that „each member state could spend it in the most efficient manner allocating financial resources from the Structural Funds” (Boot et al., 2001).

Wostner (2008) emphasizes three forms of the absorption:

- Macroeconomic absorption capacity – defined and measured in GNP;
- Managerial administrative absorption capacity – refers to the abilities of the central, regional and local authorities to handle the programming and the projects, preparing the official documents required by the Commission etc.
- Financial absorption capacity – the ability of supporting national co-financing.

„The absorption capacity is not a parameter but a variable. This is considerably different in different member states and, for this, individual solutions are required” (Theurer, 2011).

Analysing the level of payments made at the beneficiaries level at the end of August 2011, many questions are raised and we need to find an answer to each of them. Do we have a rehabilitated, modern infrastructure, so that we shouldn't access money from the POS fund for transportation anymore? Who is to be blamed? Do we have arguments to motivate the weak accessing of the European funds? Is the financial crisis a reason?

Spulbăr et al (2009) has argued that the international financial crisis has succeeded in determining negative effects upon the capacity of absorbing Structural Funds, due to the following factors:

- ✓ high level of the inter-banking rate generates the raise of the costs for the credits contracted by beneficiaries for reimbursing the expenses of the specialized authorities, for sustaining their own financial contribution and the non eligible expenses that appear in the implementation of the projects;
- ✓ low prices of the goods (actives) contribute to diminishing the value of the assured goods, for obtaining a credit. For getting an irredeemable financing, the beneficiary is conditioned by obtaining a warranty letter from a commercial bank. The beneficiary gets this letter thanks to the actives that he owns at the bank without obliging this one to block the sums in the account;
- ✓ more restrictive conditions for credits affect a sure possibility for the beneficiary to have financial resources for implementing the project and for the activities to develop in an optimum manner;
- ✓ bad results in the financial sector influence directly the absorption capacity, by reducing the financial mediation for offering solutions in implementing the projects;
- ✓ lack of trust has direct consequences for the managerial capacity of writing and implementing projects, especially when all sorts of obstacles interfere in the reimbursement of the expenses made. Another example could be the loss caused by the depreciation of the national currency compared to Euro, because all financing contracts are signed in lei; the massive depreciation of the national currency compared to Euro (over 20%) has generated an appreciation of the goods and of the services (for contracts in which the equivalent of the value in Euro is specified).
- ✓ economic blockage can influence the absorption of the Structural Funds. The big infrastructure projects, which involve many workers, cannot be implemented on time if a considerable number of construction companies collapse.

Among the factors presented above we can underline that three of them have had an impact which has been felt deeply by the beneficiaries of European funds: the depreciation of the national currency (with impact upon the value of the financing contracts), the growth of the inflation rate

(higher prices of the actives which are vouched) and the evolution of the monetary policy interest rate (raided for contracting a credit).

The low rate of absorption of the Structural Funds can be justified by these unpredictable factors generated by the crisis but also by internal factors related to the beneficiary (incorrect documents presented for reimbursing the expenses, disregard for the financing contracts signed by the beneficiaries with the Management Authority etc.) and external factors at the level of the Supervising and Implementation Authorities (the difference between signing the contracts and the effective beginning of the projects, a reduced number of persons specialized in verifying the technical and financial aspects of the approved projects, few monitoring visits to the beneficiary's headquarters etc.)

If the factors which influence the low absorption rate have been identified, we wonder how do the financial-banking institutions, the Romanian government and the project beneficiaries contribute to counter them.

3.1. Solutions offered by the Romanian government

The Romanian government together with the Authority Coordinating the Structural Instruments have elaborated the Priority Measures Plan for consolidating the capacity of absorbing the Structural and Cohesion Funds (PMP), including measures for accelerating the absorption and reducing the impact of the economic crisis upon this process. The Romanian government wants to implement these steps suggested by PMP and to report the results to the European.

PMP includes 7 directions, such as:

- management of the project cycle made by the structures responsible with implementing the operational programmes;
- financial regulations regarding the handling of the Operational Programmes (OP) and of the projects;
- purchase procedures and purchase contracts;
- control and audit approach;
- influence of the external institutions and procedures of the system handling the structural instruments towards the evaluation, contracting and implementing process;
- ensuring an administrative capacity adequate to the structures responsible with the OP implementation;
- beneficiaries' capacity and responsibility.

Next to these actions initiated in a general way, the Romanian authorities tried to support the beneficiaries by implementing the following measures:

- the rise of the pre-financing rate to be applied to the total eligible value of the projects from 15% to 30% (applied since July 2011 until December 2011);
- introducing the pre-financing for the beneficiaries whose projects are under the incidence of the state/de minimis support, in a quantum of maximum 35% of the total value of the eligible expenses;
- the possibility offered to the beneficiaries to hypothecate actives financed by the project, with the purpose of obtaining easily credits for implementing the projects, the capitalization of the National Fund for Guaranteeing the Credits for Small and Medium Enterprises increasing with 46 billion Euro (FNGCIMM, July 2010);
- regarding the ensuring of the public co-financing, the Romanian government has contracted with the European Investment Bank a co-financing facility, with a value of 1 billion Euro; this facility is meant for ensuring for public co-financing from the state budget for the projects of investments in infrastructure (transportation, environment and energy).

3.2. Solutions offered by the financial-banking institutions

The banks could play an important role in absorbing the EU funds, even if these institutions will not be capable of supplying the consolidation efforts of the administrative capacity.

For a better implication of the commercial banks in the absorption of the Structural Funds and in the application of the innovative instruments meant to support the beneficiaries, the following aspects must be considered:

- the consolidation of the administrative capacity of the Management Authorities, especially for the most required Operational Programmes, for dealing better with the evaluation and payment administrative tasks;
- the improvement of the system for stimulating the public clerks who handle the EU funds by introducing performance bonuses;
- the inclusion of minimal requirements regarding the financial contribution of the beneficiaries, in the beneficiary guide, for ensuring a better evaluation of the projects;
- the launching of an auction for externalizing the activities of the Management Authorities with the banks, with the goal of involving these last ones in the implementation of non-major projects;
- the launching of an auction of externalizing or centralizing into one entity the calls for pilot projects from the Operational Programmes or other financing systems which are focused especially towards the small and medium enterprises;
- the involvement of the financing banks in supervising the projects during the implementation phase;
- the improvement of the public purchase procedures for accelerating the absorption;
- the organization of current training sessions with the bank and Management Authorities representatives for creating a common understanding of the tasks, activities, foals, reference and juridical values and of other operational requests as well.

4. Data

For confirming if the international financial crisis is responsible for the low rate of absorbing the Structural Funds we have chosen a econometric regression model for emphasizing the impact of the three important factors (the depreciation of the currency, the raise of the prices and of the interests) upon the real payments (pre-financing and reimbursements) of the beneficiaries.

The data have been collected monthly starting January 2007 until August 2011, as following:

- the values of the RON/EUR exchange rate and of the monetary policy interest rate have been taken from the statistics generated by the Romanian National Bank website;
- the values of the inflation rate during the analysed period have been extracted from the statistics offered by the EUROSTAT website.
- the payments of the beneficiaries are shown in the Appendix 1 offered by the Authority for Supervising and Implementing the Structural Funds (ACIS) offering a monthly report of the absorption situation.

Regarding the methodology used we have chosen to test an econometric model concerning the impact of the three macro-economic indicators upon the payments of the beneficiaries. The econometric analysis is based on the E-Views soft for estimating a multiple regression describing the way in which the variation of the three variables mentioned above determinates the variation of the payments of the beneficiaries.

A statistic modes of multiple regression is defined by the relation (1):

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_p X_p + \varepsilon, (1)$$

where:

Y- dependent variable;

X_1, X_2, \dots, X_p - independent variables;

ε - residual variable (error)

α, β - regression coefficients

In the case of the analysis that we want to highlight, the variables are the following:

Y- monthly payments of the beneficiaries (pre-financing and reimbursements)

X_1 - RON/EUR exchange rate

X_2 - inflation rate

X_3 - monetary policy interests rate

We will test the null hypothesis $H_0 : a_0 = 0$, the independent variables do not influence the dependent variable.

In case the hypothesis is rejected $H_0 : a_0 \neq 0$, the 3 variables generate the variation of the payments of the beneficiaries (dependent variable).

5. Empirical Results

The application of the regression described above with the analysis variables that we want to emphasize, we have obtained the following results:

Table 1: Multiple regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CURRENCY RATE	2.00E+08	29594019	6.750892	0.0000
INTERESTS	-1.10E+08	13446220	-8.171128	0.0000
INFLATION	47840556	14480937	3.303692	0.0017
R-squared	0.598907	Mean dependent var		2.09E+08
Adjusted R-squared	0.583771	S.D. dependent var		2.65E+08
S.E. of regression	1.71E+08	Akaike info criterion		40.80506
Sum squared resid	1.55E+18	Schwarz criterion		40.91356
Log likelihood	-1139.542	Durbin-Watson stat		1.623837

The probability being lower than 0,05 (respectively 0,0000), the null hypothesis has been rejected, which leads to the existence of a influence (variation) of the independent variables (currency rate, interests, inflation) upon the variance of the dependent variable (payments).

R-squared of 0,598907 percentage points show the measure of the impact of the independent variables upon the dependent variable. Our hypothesis is sustained in a percent of approximately 60%.

The value of 1,623837 percentage points of the **Durbin-Watson** test sustains the fact that the variables are auto-correlated.

We have chosen to test this econometric model for answering to the question: “Is the international financial crisis responsible for the very low Structural Funds absorption rate?” Initially, the affirmation that the low absorption rate can be motivated also by some indicators which affect directly or indirectly the development of this process, has been processed more as an excuse, a pretext and not as a truth, as a reality.

By collecting statistical information and by the results of this testing we can argue with certitude that the RON/EUR exchange rate, the monetary policy interests rate and the inflation rate have had their contribution in making the development of the activities financed by the Structural Funds more difficult:

- ✓ the variation of the RON/EUR exchange rate, managed, in a direct manner, to cause difficulties for the beneficiaries by modifying the value of the financing contract. For each Operational Programme the financial allocations are made in Euro but the budget of the

project and the eligible value of the financing contract is approved in the national currency, LEI. The depreciation of the national had led to a reduction of the initial value established at the time of the approval and the signing of the financing contract, the beneficiary having trouble in ensuring the cash-flow necessary for developing the activities.

- ✓ The high inflation rate, expressed by the reduction of the prices of the goods and of the actives, affects in an indirect manner the beneficiaries who, due to the lack of financial resources are forced to contract a bank credit. The prices of the goods being low will generate a reduction of the total value which can be used as guarantee by a beneficiary willing to continue the implementation of the financed project.
- ✓ The rise of the monetary policy interests rate influences in a negative way the payments level. This aspect is sustained by fact that along with a high rate of the interests in obtaining a credit it makes the beneficiaries to think twice before making such an investment considering that the interests constitute non-eligible expenses (impossible to be reimbursed). The impossibility of making expenses in advance from own resources which should be reimbursed afterwards, the Management Authority not having reimbursement requests to be analysed, we come to the conclusion that the payments towards the beneficiaries are low compared to the financial allocations.

Table 2: Test for Equality of Variances Between Series

Method	df	Value	Probability
Bartlett	3	6055.178	0.0000
Levene	(3, 220)	101.9561	0.0000
Brown-Forsythe	(3, 220)	55.56042	0.0000

Category Statistics

Variable	Count	Std. Dev.	Mean Abs. Mean Diff.	Mean Abs. Median Diff.
PAYMENTS	56	2.65E+08	2.12E+08	1.97E+08
CURRENCY	56	0.378661	0.343587	0.315275
INTERESTS	56	1.513407	1.327487	1.299107
INFLATION	56	1.661130	1.476040	1.453750
All	224	1.60E+08	52946690	49223731

Bartlett weighted standard deviation: 1.33e+08

We have continued with the equality test:

The probability of 0,0000 shown by the **Bartlett test** smaller than 0,05, indicates the fact that the variance of the payments for the analysed period January 2007- August 2011, depends significantly on the dependent variables.

In the case of the **Levene test** also, the null hypothesis (the variations of the variables are equal) is rejected (Prob.= 0,0000), meaning that there are differences of the variations of the variables – currency rate, inflation, interests have no impact upon the variable payments.

Brown-Forsythe test presents the same results as the Lavene test, with the comment that this last one used the mean compared to the median.

6. Conclusions

The Structural and Cohesion Funds constitute a great opportunity for Romania. A great success would be for us to acknowledge this fact and to take measures for improving the current situation.

It would be absurd if we would not realize that the domain of the Structural Funds has been a new one, unknown for the majority of the Romanian, an adaptation period being necessary. This is why we cannot display results in attracting money in 2007 and when things started to become clear the international financial crisis interfered making the process even more difficult.

The economic-financial crisis has created multiple discussion topics. In a first phase the accusations appeared. The banks were found guilty for spreading credits with no cover in reality. Others say that the lack of regulations from the side of the government has generated this irresponsibility. But only a few admit that we talk about a human error because when we do well we do not think about a possible negative turn of the situation. The inevitable has come, the accusations time had passed, we wait for possible solutions to exit the crisis.

The Romanian government has declared that the Structural Funds are a priority for 2009 and represent the solution for handling the economic-financial crisis. But this will only remain a memorable phrase with no real effects.

To the negative effects generated by the international crisis we can add the lack of knowledge, the lack of interest among the potential beneficiaries, the bureaucracy, the inefficient communication at the level of the authorities who handle the European funds management.

Considering all the factors presented in this paper it is obvious that Romania has a lot to learn for succeeding to be at the medium level of irredeemable funds absorption of the European Union. If we will not find a way to reduce this handicap sooner we risk to lose important money which could contribute to the reduction of all economic, social and financial gaps.

This analysis and its results make us wonder if Romania deserves this development opportunity or if this is only a waste of human and financial resources. Besides, if we have identified the factors that block the good development of the absorption, if we took measures for fighting them, why are we still on the last place on this category?

If the institutions subordinated to the Romanian government, the ministries responsible for each Operational Programme are still not aware of the gravity of this issue and did not apply visible solutions, what should we expect from a simple beneficiary who except of respecting the national legislations concerning the Structural Instruments has no power.

We keep on sustaining the idea according to which the absorption of the Structural Funds constitutes a real source of economic growth, a help for overcoming the negative effects of the international financial crisis, to become prosperous and, who knows, maybe one day we will succeed in surprising everybody by reaching a good position in the top of the best developed countries in the European Union.

Acknowledgements

This work was supported by the European Social Fund in Romania, under the responsibility of the Managing Authority for the Sectoral Operational Programme for Human Resources Development 2007-2013 [grant POSDRU/CPP 107/DMI 1.5/S/78342].

References

- Băleanu, A. (2007). *The Impact of Structural Funds, Quality Aspects*. Bucharest: I.E.R Studies Collection.
- Bărgăoanu, A. (2009). *European Funds. Strategies to Promote and Use*. Bucharest: Tritonic.
- Boot, L. de Vet J-M, Feekes F. (2001), *Absorption capacity for Structural Funds in the regions of Slovenia*, Final Report, Rotterdam, the Netherlands: NEI.
- Bourguignon, F., Sundberg, M. (2006), *Absorptive Capacity and Achieving the MDG's*, Research Paper No. 2006/47, Helsinki, Finland: World Institute for Development Economics Research of the United Nations University, pp.1-28.

Constantin, D.L., Goschin Z., Dragan G. (2008). Implications of the EU Structural Assistance to the New Member States on Regional Disparities. The Question of Absorption Capacity, *Lecture at the Scientific Seminar of the Institute for Economic Geography and GIScience*, Vienna: Wirtschaftsuniversität Wien.

Oprea D., Meșniță G. (2007). *European Funds for Romania in 2007-2013*. Iasi: Sedcom Libris.

Pociovălișteanu M.- Eleftherios T. (2009). *Structural Funds and Process of Economic and Social Cohesion*. Annals of the University "Constantin Brancusi" of Targu Jiu, Economics Series, no. 1, pp.1-28.

Spulbăr, C., Berceanu D., Gherghinescu O.R. (2009). Strengthening Romanian banks' role in the European funds absorption, *Finance - Challenges of the Future*, vol. 1, no. 9, pp. 174-178.

Theurer, M. (2011). *Structural and Cohesion Funds Absorption: Lessons Learned for Future EU Cohesion Policy*, Working Paper PE460.928v01-00. Bruxelles: European Parliament, pp.1-9.

Wostner, P., (2008). *The Microefficiency of EU Cohesion Policy*, European Policies Research Centre, University of Glasgow: Glasgow, Scotland, pp.1-91.

*** Official Journal of the European Union C 321 E/1, EEC Treaty (1957), www.eur-lex.europa.eu

*** Official Journal of the European Union L 210/25, 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

*** Single European Act (1986), Luxembourg, www.eur-lex.europa.eu