

## Absorption capacity and the impact of cohesion policy in Romania

Andreea – Mădălina CIMPOEȘU\*

### Abstract

*The European Union's (EU) Cohesion Policy, the oldest policy within the EU, has undergone numerous transformations over more than three decades, evolving in both objectives and implementation instruments. The recent expansion of the European Union has rekindled discussions on the efficacy of Structural Funds in achieving economic goals. (Drăgan, 2018). Analyzing the impact and effectiveness of cohesion policy in Romania, as well as understanding the challenges involved in fund absorption and distribution at all levels, is crucial for achieving sustainable regional development to benefit citizens. Starting from the research question: "To what extent has Romania capitalized on the funds allocated through the cohesion policy?", this study outlines the following main objectives: (O1) identifying and analysing the main challenges for the regional policy and for the strengthening of regional and urban development (O2) determining the thematic priority areas to which the majority of cohesion funds in Romania have been allocated, (O3) identifying the primary investment priorities for which European funds have been attracted in Romania. This study aims to address the stated objectives and, where necessary, to identify areas for improvement and suggest strategies to overcome these obstacles.*

*Keywords:* European Union, cohesion, funds, region, absorption

### Introduction

The European Union's cohesion policy is the oldest policy of the Community bloc that aims to reduce economic, social and territorial disparities between regions and promote their economic and social development. This is achieved by allocating EU funds to less developed regions and by supporting projects aimed at creating jobs, developing infrastructure and improving citizens' quality of life. This policy has become an essential tool for supporting growth and employment, especially among young people and those facing social and economic difficulties. At the same time, cohesion policy has helped reduce disparities between regions and improve the quality of life for millions of European citizens.

---

\* Andreea – Mădălina CIMPOEȘU is PhD student at the National School of Political and Administrative Studies, Bucharest, Romania, e-mail: andreamadalina.cimpoesu@gmail.com.



At the same time, for more than thirty years, it has undergone numerous transformations, both in terms of objectives and in the instruments by which they have been put into practice. The penultimate wave of the enlargement of the European Union has brought to the fore precisely issues relating to the usefulness and effectiveness of the structural funds in achieving economic objectives.

From a theoretical point of view, the use of the funds has at least two major interconnected implications, namely, on the one hand, it generates substantial economic growth by increasing the demand for certain goods and services related to the sectors benefiting from investments. Moreover, it leads to the reduction of disparities in terms of infrastructure and human resources development. (Drăgan, 2018).

Cohesion policy in Romania is thus a field of study for the academic environment, and holds the interest of various stakeholders, including public and private entrepreneurs, central and local authorities, regional organizations, and the European Union and its institutions.

Upon Romania's accession to the European Union on January 1, 2007, the nation entered a new phase with the opportunity to benefit from EU funds during the 2007-2013 programming period. This period marked a significant juncture, with Romania starting to integrate into the EU's Cohesion Policy framework, contributing to the growth and development of its regions. The macroeconomic outcomes and the experience gained during this period laid the foundation for understanding the challenges and opportunities that followed in the subsequent programming period, from 2014 to 2020.

In the 2014-2020 period, the European Union allocated €9.3 billion to Romania under its cohesion policy, so as to bridge the gap between Europe's different regions. Around a third of the union's total budget has been allocated to cohesion policy, so much so that in the 2014 - 2020 budget period, EUR 351.8 billion has been allocated to all 28 Member States. These resources have funded hundreds of thousands of projects across Europe, implemented through the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF) and the Youth Employment Initiative (YEI). The additional funds were earmarked for INTERREG programmes, which aim to encourage cooperation between regions belonging to different states. (Ornaldo Gjergji, 2022).

Therefore, there is a huge amount of money available, on the one hand, and on the other hand, a great responsibility for the Romanian authorities in terms of spending them with reference to the strict observance of the imposed rules, the achievement of the assumed objectives, and the stimulation of development.

## Argument development

*Research Question: To what extent has Romania capitalized on the funds allocated through the cohesion policy?*

Cohesion policy stands as a foundational element within the European Union (EU) and is strategically aimed at diminishing economic and social disparities among its member states. Among the Eastern European members of the EU, Romania has emerged as a notable beneficiary of cohesion funds. This literature review delves into the repercussions of cohesion policy on Romania, with a particular emphasis on the nation's capacity to absorb funds. It conducts a rigorous evaluation of extant research in this area, casting light on primary discoveries, obstacles, and prospective ramifications.

Cohesion policy is a key tool in the European Union's endeavours to foster economic, social, and territorial unity. Its significance lies in its role in reducing the development disparities among regions and states within the EU. This policy hinges on financial allotments, investments, and institutional mechanisms to stimulate economic progress, enhance infrastructure, and promote social inclusivity. In this context, cohesion policy has played an integral role in shaping Romania's economic environment.

The core research question of this study, "To what extent has Romania capitalized on the funds allocated through the cohesion policy?" invites a nuanced evaluation of the socio-economic impacts and developmental progress achieved by Romania through its engagement with the European Union's Cohesion Policy. While acknowledging the formidable challenges faced, this research contends that Romania has derived substantial socio-economic benefits from its participation in the Cohesion Policy. It is crucial to emphasize that the degree of fund absorption may not have reached the ideal 100%, but what has been accomplished should not be underestimated.

## Absorption, administration, institutions, technology and other challenges

As we delve into the facets of absorption, administration, institutions, technology, and other challenges, it becomes evident that Romania has faced significant hurdles.

- **The ability to absorb funds** refers to a country's ability to make efficient and effective use of the funds it receives from the EU. In Romania, the capacity to absorb funds was relatively limited by a number of factors, including administrative capacity, institutional capacity and technical

capacity. In particular, Romania has struggled with administrative capacity, which has hampered its ability to manage and deliver projects effectively.

- **Administrative capacity** refers to the ability of a country's public administration to effectively implement policies and programmes. In Romania, administrative capacity has been a significant challenge, especially in the management of EU funds. The country has struggled with corruption, a lack of transparency and weak institutional structures, which have made it difficult to manage EU funds effectively. As a result, many projects were postponed and the funds were underutilised.

Several studies such as those conducted by Iancu in 2017 (Iancu, 2017, pp. 127-134) and Georgescu in 2019 (Georgescu, 2019, pp. 126-136.) have observed that Romania has grappled with administrative and bureaucratic hurdles that impede the effective absorption of EU funds. Notable challenges include delays in project approvals, intricate application processes, and a deficiency in institutional capacity. These difficulties have ramifications for the prompt execution of projects and, consequently, the achievement of policy objectives.

- **The institutional capacity** was also a challenge for Romania. The country has a weak institutional framework, which has made it difficult to manage EU funds effectively. In particular, Romania has struggled with the coordination of the different levels of government, as well as with the involvement of civil society in the management of EU funds. This has led to a lack of accountability and transparency, which has prevented the efficient use of EU funds. Research by Borlea and Dobre in 2018 underscores the importance of strong institutional frameworks for successful fund absorption. The Romanian government has made efforts to address this concern, but the progress remains mixed, with persistent concerns about transparency and accountability in public administration. (Borlea and Dobre, 2018).

- **Technical capacity** is another challenge for Romania. The country has a shortage of qualified personnel in areas such as project management, procurement and financial management. This has made it difficult to manage EU funds efficiently and has led to delays and underutilization of the funds. Nonetheless, a 2020 report by the European Commission highlights the role of cohesion policy in fostering infrastructure development, enhancing education and healthcare services, and promoting regional growth. It also underscores that the policy contributes to job creation and economic diversification, thereby improving the overall living standards in Romania. (European Commission, 2020).

In light of these challenges, this study seeks to critically assess the tangible socio-economic outcomes achieved by Romania, particularly in terms of job creation, infrastructure development,

reduction of regional disparities, and improvements in citizens' quality of life. It aims to provide a comprehensive view of whether Romania has managed to reduce development gaps and enhance socio-economic aspects through its utilization of European funds.

The impact of cohesion policy on Romania is not uniform across the country. Research, such as Dumitrescu and Stancu, suggest that regional disparities persist, with some regions benefiting more than others. This highlights the need for a more targeted approach to ensure a balanced and equitable distribution of funds, which aligns with the fundamental objectives of cohesion policy (Dumitrescu and Stancu, 2016, pp. 313-324).

Romania's experience with cohesion policy is expected to evolve as the EU enters the post-2020 programming period. The ongoing discussions surrounding the EU's Multiannual Financial Framework will likely have implications for Romania's funding allocation. Research into the potential changes and their consequences is emerging, but the full effects will become clearer in the coming years.

The impact of cohesion policy on Romania is a complex and multifaceted topic. While there have been notable achievements in terms of socio-economic development, the challenges related to absorption capacity remain a significant concern. Administrative and bureaucratic obstacles, institutional capacity issues, and regional disparities have shaped the Romanian experience with cohesion policy.

### **Treating the subject**

In line with the European Union's regional policy, Romania's regional policy has as its general objective the reduction of the economic and social disparities between the eight development regions of the country, focusing on supporting the less developed regions, preventing the emergence of new imbalances, as well as supporting the sustainable development of all regions of the country. However, barriers such as corruption, bureaucratic inefficiencies, and a lack of transparency at the local level have often hindered the effective implementation of cohesion policy in Romania.

Regional policy in Romania has a bottom-up approach, based on development initiatives, plans and programmes initiated by local and central public administration authorities, in partnership with private or public actors. Thus, it starts from the premise that the real needs and development needs are best known by these communities.

One of the first challenges (O1) for Romania was to identify development needs and opportunities at the local and regional level and to include them in the regional development plan and, subsequently, in the national development plan, in order to align the national development policy

with the community's development priorities. For this purpose, a wide consultation of the public authorities, but also of the representative non-governmental partners, was carried out: regional bodies, trade unions, employers' associations, research and higher education institutions, and non-governmental organizations.

Overcoming this challenge has brought others, namely legislative harmonization, compliance with European regulations, establishment and adaptation of working procedures in our country to the requirements of structural funds imposed by the European Commission, elaboration of the legislative and regulatory framework of public procurement.

The co-financing of programmes and projects supported by the European Union, the planning and guarantee of these contributions in the multi-annual national budgets were another major concern for the Romanian authorities. Legislative measures were needed to attract and involve the banking system in ensuring the necessary sources of financing both for public beneficiaries, and especially for private ones to support their own contributions, by granting loans and guarantees.

Another impediment concerned the administrative capacity of the state for the effective implementation of regional policy. It is linked to human resources, namely to the existence of well-trained officials in the public administration, capable, with the necessary experience and knowledge and integrity, not involved politically, to staff fluctuations, but also to changes in the administrative structure caused by the economic and financial crisis. The measures adopted were aimed at economically appropriate reward, increasing skills by attending professional development courses, establishing the legal framework on conflict of interest and incompatibilities.

The above enumeration is not exhaustive through this paper I did not propose a complete radiography of the difficulties encountered by Romania in the experience of using the funds allocated through the European Union's regional policy, but the identification of some of the challenges it had to face.

Although the implementation of European Union policies in general is difficult because the requirements to be complied with are very strict, it takes time to adapt and find the most appropriate means of implementation, the existing bureaucracy at both the European and regional levels are often obstacles to the use of the allocated funds. However, there are many areas in which investments have been made with European funding, and the results are visible beyond the dry reality of the figures. **For Romania, the Structural and Cohesion Funds represented an opportunity for development, to recover the functional and infrastructure gaps, to counteract** the negative effects of the economic and financial crisis triggered in 2008, a chance to create new perspectives, to highlight creativity and inventiveness, and to improve the visibility of Romanian enterprises.

Regional policy interventions under the convergence objective were targeted in particular at less developed regions to prevent the development gaps between different areas of the country from widening. Through the investments made under the regional policy, the level of urban infrastructure has improved, thus contributing to increasing the quality of life of citizens, mobility and accessibility, and a sense of public safety.

The interventions carried out in the rehabilitation, modernization and equipping of the infrastructure of health services and social services have led to an increase in the number of users, their satisfaction with the accessibility and quality of the services offered, the development of the competences of the staff employed, an improvement in the quality of life, and new opportunities for social inclusion.

Another area that benefited from the funds allocated through the regional policy was the educational infrastructure, which carried out the rehabilitation, modernization, development and equipping of the educational institutions. The results obtained consisted in improving the quality of education infrastructure, facilitating access to education, facilitating the participation of students with different disabilities in education, and increasing the school performance of students.

The financing of small and medium-sized enterprises, the "engine" of the economy, has contributed to the creation of new jobs, the development of entrepreneurship in Romania, the modernization and restructuring of the productive capacity, the increase of the strategic orientation and the change of the field of activity, the improvement of the quality of production and of the services offered, the emergence of new opportunities for insertion on the labor market, the increase of the degree of competitiveness in our country, and the promotion of research, development of technology, and innovation applicable in the economic environment.

The restoration of cultural heritage, taking into account the three types of monuments: UNESCO heritage, national cultural heritage and local cultural heritage, has contributed to improving the country's tourism potential, the attractiveness of the territory, creating new jobs and, last but not least, generating economic growth at local and regional levels. The key benefit, however, was the restoration of the cultural heritage, represented by churches, monasteries, museums, historical centres of cities, etc.

Investments in human capital have contributed to ensuring a skilled and more adaptable workforce on the labour market, improving the education system, promoting lifelong education, and ensuring the necessary qualifications and knowledge for integration and mobility into the labour market.

Through the funding carried out under the "European Territorial Cooperation" objective, it has been achieved the improvement of cross-border mobility and communications, the development of transport infrastructure, environmental protection, the development of tourism, the valorisation and development of the economic, institutional (health, education) and cultural potential of the regions that have benefited from allocations, and cooperation in the field of labour market.

For Romania, the European Union's **regional policy** offered **the opportunity to benefit from a value system based on economic efficiency, environmental protection, qualified human resources, ensuring minimum living standards.**

For example, in the 2007 – 2013 period the assistance for Small and Medium-Sized Enterprises (SMEs) included financial support and expert guidance extended to emerging businesses, fostering entrepreneurship and establishing new ventures spanning diverse domains like technology, tourism, and manufacturing, formation of business incubators and accelerators that furnish SMEs with support services and mentorship, facilitating their development and the expansion of their business activities, as well as investment in training initiatives for entrepreneurs, augmenting their competencies and comprehension in business administration and innovative practices. (European Commission, 2007).

Moreover, in 2014-2020 period the Cohesion Policy extended financial aid and assets to bolster the expansion and progress of small and medium-sized enterprises (SMEs) within Romania. This encompassed grants, loans, and initiatives aimed at enhancing business development. By nurturing the entrepreneurial environment and facilitating access to funding and business advisory services, the policy played a pivotal role in generating fresh employment prospects and nurturing economic advancement on both local and regional scales (Adascalitei, 2020, pp 9-10).

For the 2007 – 2013 period the Cohesion Policy extended financial aid and assets to sustainable development and environmental preservation, in order to deploy waste management infrastructure, encompassing the establishment of recycling facilities and landfill sites, advocating responsible waste disposal techniques, and mitigating pollution, also, financial support for environmental education ventures, including awareness campaigns and educational programs in educational institutions, advocating eco-conscious behaviors and enhancing awareness about environmental concerns. (European Commission).

Furthermore, in 2014-2020 period European Union (EU) funds were put to use in the enhancement and modernization of healthcare establishments, with particular attention given to rural regions where the availability of quality healthcare was previously restricted. This financial commitment led to the refinement of healthcare infrastructure, expanded access to medical services,



and consequently elevated the general state of well-being for the citizens of Romania. (European Parliament, 2021, pp.5-6, p.9).

These illustrations showcase the concrete impacts of the Cohesion Policy in Romania during the 2007-2013, as well as 2014-2020 periods on the nation's infrastructure, economy, and environment. They played a pivotal role in advancing its comprehensive development and fostering integration into the European Union.

In Romania, the funds made available through the European Union's regional policy represent a significant source of funding. Their effective use is an opportunity to overcome the effects of the economic and financial crisis by boosting investment and creating new jobs that support economic growth. On the other hand, the low level of overall development means that allocations from the European Union cover to a small extent the real needs existing at regional and national levels.

From the analysis of the difficulties encountered, the way of approaching them and the learning from past experiences, I identify some recommendations for the programming period 2014 - 2020. In my opinion, they are aimed at creating a more effective institutional framework, improving the decision-making system, coherence and speed in implementation, decentralisation, coordination within and between different administrative levels, simplifying the way of working and regulations, taking concrete actions to combat corruption, strengthening management and control systems, and institutional transparency.

I also believe that it would be appropriate to involve potential beneficiaries in the process of planning and developing strategies, developing public-private partnerships, promoting the exchange of experiences, efficient management of human resources, and collaboration between institutions involved in all the stages that a programme goes through, starting from the identification, formulation and planning of financing needs, continuing with accessing the most appropriate method of financing and, last but not least, implementation and impact assessment.

The opportunities offered by the use of technical assistance funds should be capitalized, in order to support the beneficiaries of European funds in developing eligible projects, ensuring adequate management, the correct elaboration of the reimbursement requests and the requested reports.

Capitalizing on the lessons learned and the experience gained in the previous programming period is all the more necessary as in the 2014-2020 programming period, Romania has allocated significant sums within the framework of the regional policy. The total amount allocated is approximately EUR 23 billion, detailed as follows: EUR 15.06 billion for the less developed regions (all except Bucharest). EUR 441.3 million for the more developed regions (Bucharest). €6.93 billion from the Cohesion Fund. EUR 453 million for European territorial cooperation. €106 million for the

"Youth Employment Initiative". Of these, the European Social Fund will represent EUR 4.8 billion. (European Commission, 2014).

The challenges for Romania, in the programming period 2014-2020, were all the greater as there were important changes in the way regional policy is conceived and implemented at European level. They aim to: focus on Europe 2020 targets, reward performance, support integrated programming (combining investments), strengthen territorial cohesion, focus on results and monitor progress more closely.

Appropriate national and regional operational programmes shall define the priorities and activities with which to exploit the available resources. Their aim is to reach a modern and competitive economy and to strengthen regional and urban development, and for these, Romania has identified in the Partnership Agreement with the European Commission **five challenges to be addressed through the Cohesion Policy (O1)** (European Commission, 2014):

1. The first challenge concerns **people and society** and the objective was to achieve this through improved employment, social inclusion and education policies, contributing to the EU2020 national targets so that the increase in the employment rate is 70%, the aim was to reduce the number of people at risk of poverty by 580 000 by 2020, as well as reducing early school graduates to 11.3%, and increasing participation in tertiary education to a percentage of 26.7%. As such, in 2021, the EU Member States witnessed a reduction of 0.5 percentage points in the rate of severe material and social deprivation compared to 2020. Notably, one of the most substantial declines occurred in Romania, where it decreased by 2.2 percentage points. (Eurostat,2022). Thus, by 2020, the nation made commendable progress in raising the employment rate, significantly reducing the number of individuals at risk of poverty, and making strides in early school dropout reduction. However, there is room for further improvement in tertiary education participation.
2. A second challenge is **infrastructure**, especially in transport, aiming at improved accessibility of less developed regions in Romania and connectivity with the international market, the use of a more sustainable transport mix, improved traffic safety and travel time, and more sustainable urban transport. The country notably improved road and rail infrastructure, contributing to better accessibility and connectivity. A great example in this case would be the establishment of fresh railway routes, such as the renovation of the Bucharest-Constanta railway, which contributes to enhanced connectivity and streamlines the movement of both goods and passengers. (Radio Romania International, 2016).

3. **Economic competitiveness** is another challenge, and this is reiterated by a more compact and modern R&D environment, focused on the needs of enterprises and on Romania's competitive sectors, and the transformation of traditional sectors through innovation and market development, aiming at increasing the GDP that started in 2020 to be invested in research and development by 1.5%.
4. **Resources** are indispensable in such a process and by moving towards a low-carbon economy, including energy efficiency in the built environment, promoting adaptation to climate change, risk prevention and resource efficiency and protecting the environment and the desire to contribute to the EU 2020 national targets by reducing greenhouse emissions and energy intensity by 19% and increasing the share of renewable energy to 24% is a desideratum of The Union and our country in progress. Romania's progress aligns with a commitment to environmental protection and climate adaptation, which are vital for meeting EU targets.
5. **Administration and governance** are challenges in terms of bureaucracy and it is necessary to optimize the institutional environment and improve the quality of public services provided by the administration and justice. Nonetheless, the quality of public services has seen enhancements, making government services more efficient and accessible to citizens through means such as digitalisation.

Cohesion policy in Romania is thus a field of study for the academic environment, but also a subject of interest for the public opinion, private entrepreneurs, central and local public authorities, regional organizations and, last but not least, the European Union and its institutions.

**As regards the thematic priority (O2) to which the majority of cohesion funds in Romania have been allocated**, this concerns transport networks and energy networks, with almost a third of the total resources. Analyzing the distribution of these funds at the regional level (NUTS 2), we can gain a more detailed insight into their dispersion across the territory. Hunedoara County emerged as the largest beneficiary, receiving approximately 550 million euros during the 2014-2020 period, followed by the Bucharest region, which received around 420 million euros. It's important to note that absolute values can sometimes be misleading as the impact of the same investment can vary significantly depending on the size and economic development of each region.

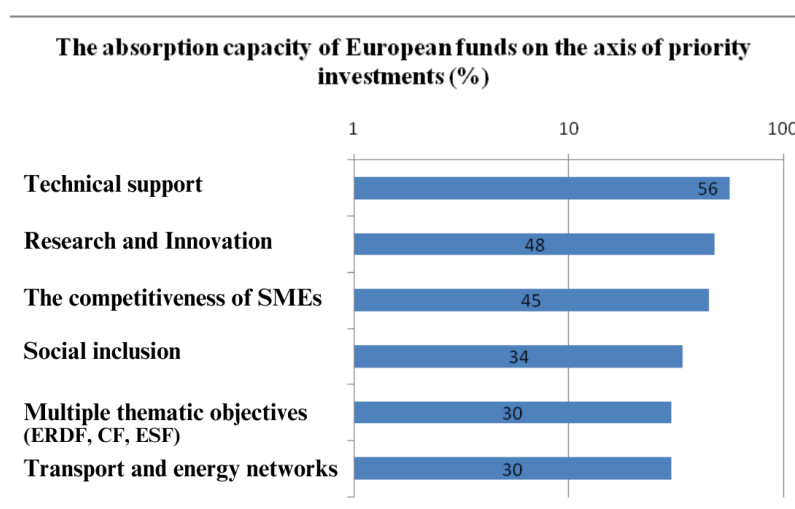
To gain a better understanding of the scale of European investments in Romania, it's helpful to compare cohesion funds with the GDP produced by each region in 2014. When we do so, we find that Hunedoara County, while remaining the top recipient of resources, received over 200,000 euros per million euros of GDP produced. However, it's worth noting that these figures may be indicative of the situation in 2014 and may not fully reflect the evolving economic dynamics and changes in

subsequent years. This underscores the need for ongoing analysis to comprehensively understand the impact of cohesion funds allocation. From this point of view, it is found that, although Hunedoara County remains the one that attracts the most resources, with over 200,000 euros per million euros of GDP produced, Bucharest, being the richest economic region, proportionally receives much smaller funds. (Ornaldo Gjergji, 2022).

This data relates to the cohesion funds that were actually disbursed in the 2014-2020 period. However, this is only part of what the European Union initially allocated to Romania, as in other cases, countries and regions are not always able to absorb all the available funds. There is often no adequate capacity to plan, spend or manage approved projects, but European funds are only disbursed on the basis of very detailed evidence. In Romania, there has been a great deal of heterogeneity in terms of the ability to spend the funds made available. Only some regions managed to get at least half of the funds, while others did not spend even 10% ((Ornaldo Gjergji, 2022). of the total. Beyond the performance of individual regions, the absorption capacity of European funds also depends on the thematic area because some priority investment axes manage to be more exploited than others. For example, excluding technical assistance expenditure related to preparatory, management, evaluation, monitoring and control activities, the R&D budget was spent most efficiently, with 48% of the total, while only 13% of the funds were allocated to projects related to adaptation to climate change and prevention of this risk (Ornaldo Gjergji, 2022).

Next, I will expose **the main priority investments for which European funds were attracted in our country (O3).**

**Table1. The absorption capacity of European funds on the axis of priority investments (%)**



Source: Eurostat, 2022

We therefore note that areas such as technical assistance, research and innovation and the competitiveness of SMEs are the main areas that have absorbed European funds within a percentage range of 45-56%. Romania's successful absorption rate of European funds is 59%. **The European Union average in terms of absorption rate of these funds was 67%, as of 31 December 2021. (Eurostat 2022).**

Unfortunately, also in terms of absorption of funds, Romania is at the bottom of the ranking being the fifth ranked among the countries with **the lowest absorption rate, in the EU28 ranking**, it also includes the United Kingdom of Great Britain, which has since left the Union. After us, Denmark has a score of 58%, but this is a developed country, net contributor to the Union budget. Another country with weaker absorption than Romania's is Malta, with a score of 57%. Over Romania's absorption rate are 22 EU member countries, including Bulgaria with a score of 60% as well Hungary with a rate of 73%. (Eurostat, 2022).

## Conclusions

Despite the difficulties encountered, the funds allocated to Romania through the European Union's regional policy were a factor of change and reform for the state institutions, an important engine for the country's economy, a means by which the effects of the economic and financial crisis triggered in 2008, a catalyst for public and private financing, were countered, if not totally, at least partially. This role was largely strengthened and amplified in the 2014-2020 programming period.

In view of the achievements listed, I believe that Romania has used the opportunity offered by the funds made available through the European Union's regional policy, in the **programming periods 2007-2013 and 2014-2020**.

The use of the experience gained and a better capitalization of the financing opportunities made available through the regional policy of the European Union, during the programming period 2021 - 2027, the elaboration of projects that better meet the real development needs of the regions is a current challenge for Romania. The way in which the financing possibilities offered by regional policy will be exploited will be ascertained only at the end of this period and could be the subject of new studies to assess the economic and social impact of the regional policy implemented at the national level.

At the same time, although the Member States are responsible for drawing up and implementing the funded programmes, they must be in line with the EU's objectives and approved by the European Commission. The programmes are focused on the regions' priorities and include projects that are funded by the FSIE and currently also by the NRPS.

Moreover, in the context of the COVID-19 pandemic and the conflict in Ukraine, cohesion policy has become more important than ever to ensure solidarity between Member States and to support economic and social recovery.

Cohesion policy is an essential tool to ensure solidarity and cohesion between EU Member States and to promote balanced economic and social development. In the context of the COVID-19 pandemic, the conflict in Ukraine and climate change, cohesion policy and investment in key areas are essential to ensuring a resilient Europe and preparing for the future.

Its impact on Romania's development and on its ability to absorb EU funds has been and is significant. As a beneficiary of the cohesion policy, our country has received significant support in various areas, such as economic and social development, environmental protection, infrastructure and institutional capacity building. Cohesion funds have contributed to improving living conditions in Romania's disadvantaged regions and have supported the strengthening of economic and social cohesion within the country.

In short, with all the programmes available, the effectiveness of cohesion policy depends on each country's ability to absorb European Union funds effectively, and in these difficult times, it is important that the European Union continues to invest in cohesion policy in order to create a stronger and more united Europe.

In conclusion, cohesion policy has had and is having a significant impact on Romania, especially in terms of its ability to absorb funds. Although the country faced challenges in the efficient management of EU funds, it has made progress in reducing regional disparities and improving its economic development, and the funds provided by the EU have supported the development of infrastructure, including roads, railways and airports, as well as the development of social and educational programmes.

In order to improve its capacity to absorb funds, Romania needs to address the administrative, institutional and technical challenges it faces. This will require significant reforms in areas such as public administration, governance and education. With the right reforms, Romania can continue to benefit from the Cohesion Policy and achieve its economic and social development objectives.

## References

Adascalitei D. (2020), *Cohesion policy and EU identity in Romania*, CEU Center For Policy Studies, retrieved from <https://cps.ceu.edu/sites/cps.ceu.edu/files/attachment/project/2796/cohesify-case-study-romania.pdf>

- Borlea, S., and Dobre, A. (2018), Romanian Institutional Capacity for Implementing European Cohesion Policy, in: Barbieru, M. and Bejan A. E. (eds.), *European Integration - Realities and Perspectives*, EIRP Proceedings, Online ISSN: 2069 – 9344.
- Drăgan G. (2018), *Trends and developments in EU cohesion policy*, EIR, retrieved from [http://ier.gov.ro/wp-content/uploads/publicatii/Politica\\_coeziune.pdf](http://ier.gov.ro/wp-content/uploads/publicatii/Politica_coeziune.pdf).
- Dumitrescu, L., and Stancu, S. (2016). Cohesion policy and regional disparities in Romania: Evidence from regional composite indicators, *European Journal of Operational Research*, 251(1).
- Ornaldo, G. (2022), *Cohesion funds in Romania in 2014-2020*, retrieved from <https://www.balcanicaucaso.org/eng/Projects2/Work4future/schede-paese-Work4future/Cohesion-funds-in-Romania-in-2014-2020-215343>.
- European Commission, (2014), *Factsheets: Cohesion Policy and Romania*, retrieved from [https://ec.europa.eu/regional\\_policy/en/information/publications/factsheets/2014/cohesion-policy-and-romania](https://ec.europa.eu/regional_policy/en/information/publications/factsheets/2014/cohesion-policy-and-romania).
- European Commission (2020), *Factsheets Cohesion Policy in Romania*, retrieved from [https://ec.europa.eu/regional\\_policy/en/atlas/programmes/2014-2020/romania/2020cc](https://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/romania/2020cc);
- European Commission (2007), Press corner: Romania, retrieved from [https://ec.europa.eu/commission/presscorner/detail/en/memo\\_07\\_306](https://ec.europa.eu/commission/presscorner/detail/en/memo_07_306).
- European Commission, *Operational Programme 'Environment'*, retrieved from [https://ec.europa.eu/regional\\_policy/in-your-country/programmes/2007-2013/ro/operational-programme-environment-3\\_en](https://ec.europa.eu/regional_policy/in-your-country/programmes/2007-2013/ro/operational-programme-environment-3_en).
- European Parliament (2021), *Cohesion Policy and support to health*, retrieved from [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690903/IPOL\\_BRI\(2021\)690903\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690903/IPOL_BRI(2021)690903_EN.pdf).
- Eurostat (2022), available at: <https://ec.europa.eu/eurostat/web/cohesion-policy-indicators/>
- Eurostat (2022), Living conditions in Europe - material deprivation and economic strain, retrieved from [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Living\\_conditions\\_in\\_Europe\\_-\\_material\\_deprivation\\_and\\_economic\\_strain](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Living_conditions_in_Europe_-_material_deprivation_and_economic_strain)
- Georgescu, D. (2019), *The Administrative Capacity in Romania - Main Bottleneck for Effective Absorption of EU Structural and Cohesion Funds*, *European Research Studies Journal*, 22(2).
- Iancu, A. E. (2017), Bureaucracy, Institutional Weakness and the Poor Absorption of EU Funds in Romania: Revisiting the Recent Literature, *Procedia - Social and Behavioral Sciences*, 237.
- Radio Romania International (2016), *European funds for transport infrastructure*, retrieved from Radio Romania International - Print (rri.ro).