

7 YEARS OF EUROPEAN FUNDING IN ROMANIA - BETWEEN SUCCESS AND FAILURE

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Abstract: *This paper aims to achieve an overall picture of the absorption rate of European funds in Romania for the 2007-2013 programming period and to propose a series of recommendations on the steps our country needs to follow in order to improve the process of accessing and implementation of structural instruments at national level. These recommendations focus on preventing obtaining a low rate of absorption of EU funds allocated to Romania in the multiannual financial framework 2014-2020, thus preventing wastage prospects of economic and social modernization, that these funds offer.*

Keywords: absorption capacity; contraction rate; European funds; cohesion policy; multiannual financial framework

Introduction

The process of regional integration, which is reflected in the EU as the highest level of aggregation between 27 strong economies, is proving especially in the current international political and economic circumstances, extremely complex, as it has to cope with growing challenges being on a redefinitions background and launching messages to all sections of society that they must decrypt them quickly and correctly (Ungureanu, 2012, p.10). For this goal to be realized it is necessary that each Member State of the European Union to harmonize the organizational policies and the legal and institutional framework with the european ones as soon and as efficiently, in order to allow consolidation in terms of competitiveness and regional development.

Becoming a member of the European Union is a cause for praise for all European countries, but it also represents a challenge given by the ability of each state to harmonize national policies and legal and institutional framework with the EU. The ease with which a state succeeds to connect and cooperate with the

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European institutions is the key to integration. Cohesion policy is one of the solutions proposed by the European Commission for the recovery of development gaps between countries because efficient use of its financial instruments determines strengthen the competitiveness of the European economy, accelerate economic growth and increasing employment.

The procedure for allocating funds to the European Member States is based on the Multiannual Financial Framework, a tool through which allocations are set for each country-specific development guidelines based on established community funds. The absorption of these funds is directly determined by the administrative, institutional and financial capacity of each Member State entitled to benefit from EU funding. The performance of each state in attracting and using these funding structural instruments can be measured by the absorption rate which indicates the actual flows of money entering in the national economy through projects implemented and financed by the European Union.

In terms of poor absorption, Romania has no precedent from the establishment the European Community. The roots of this costly failure must be sought in the period 2005 - 2007, when the Romanian government simply failed in preparing the country in terms of institutional and administrative support to absorb the funds that were about to be available. The concern arises due to the fact that in the period 2007-2012, Romania has absorbed about 10 % of the Structural and Cohesion Funds, by far the country which, in comparative terms, has the worst performance between the 27 Member States (Bostinaru 2013, p.7).

1. The general context which led to a low absorption rate of EU funds in Romania

In the context of financial crisis that has hit the economies of the EU Member States, the economic recovery and growth policies that have been targeted by the governments of these countries, did not in all cases, consider the cohesion policy proposed by the EC, which may have played a role in reducing deficits through the economic and human resources allocated. This is the case of Romania, who has not given adequate importance of this policy, whereby in Romania could get about 19 billion, which would be reflected in infrastructure investments generating jobs and in amounts money entering in the state budget through collection levers, such as taxes and contributions, all contributing to reducing unemployment, to economic growth and reducing the budget deficit. Thus, regional development policy represents for EU Member States, either old or new, one of the most important development tools. A special role in achieving this objective is Romania's capacity to develop and implement sustainable development projects by attracting funds from the European financial instruments. Clearly, the absorption efficiency is conditioned by the administrative capacity of the receiving State, in this case, Romania (Constantine, 2009).

The lack of vision of governments and the budgetary constraints imposed by agreements with international financial institutions, have negatively affected Romania's absorption capacity because there were two events that have put pressure

to the process: the VAT increase, which increased the price of European money and money for co-financing projectes and reducing the salaries of officials, including those of experts in European funds. A recent study (Bostinaru, 2009) entitled "White Paper of administrative capacity - absorption of European funds by small and medium-sized communities," revealed a number of weaknesses in Romania regarding the organizational framework in accessing European funds, such as: the lack of training of staff involved in the process and the weak budgetary capacity of local governments, bureaucratic obstacles, implementing rules being too bulky and hard to understand their content, lack of transparency on co-financing regulations, lack of partnership and cooperation between the institutions involved. Regarding the process of accessing and implementing projects financed from structural funds in Romania, numerous reports prepared by the European Commission or its subsidiary bodies revealed two major vulnerabilities: corruption and inadequate public procurement practices. Thus, in a monitoring report of the European Commission the following aspects are mentioned:

Romania should strengthen its anti-corruption policy, in particular through high-level coordination and based on an independent assessment of the impact of the results of the last two anti-corruption strategies implemented in 2005. In addition, regarding public procurement, Romania should assess the effectiveness of the legal framework and the attribution of responsibilities of competent authorities in protecting against conflict of interest and modify them if necessary. In addition, the authorities should consider the prohibition for senior civil servants and elected representatives to benefit directly or indirectly from commercial contracts concluded in the name of their institution and to establish full transparency in this area (Katsarova, 2010).

The problems of corruption and lack of transparency in accessing and implementing European funds in Romania has been much discussed, but despite numerous warnings and sanctions that our country has received from the European Commission for the non-compliances reported (suspension of payments) there have been made no significant reforms and measures to prevent and stop these irregularities. The European Commission report on progress in Romania under the Cooperation and Verification Mechanism on 30 January 2013, states the following:

"Seem very limited progress in the prevention and punishment of corruption related to public procurement. Steps forward made in the fight against high-level corruption have not been accompanied by improvements in public procurement. Investigation files seem to last long, partly because of the need for specific financial expertise, which leads to the particular problem of contracts concluded before a judicial pronouncement on offense. Penalties for officials involved in cases of fraud in public procurement are still very small, and the law does not provide for an annulment on the grounds of conflict of interest of the projects that have already been executed. There are also serious doubts about the effectiveness of the prosecution that manage these cases. Recent proposals are seen to issue independent and stable institutional basis, which is essential for making real progress."



All these irregularities reported on Romania will make hover always a question mark on the accuracy and reliability that our country addresses the issue of structural and cohesion funds, raising numerous suspicions on the integrity of Romanian audit and control mechanisms, on the one hand, and on the management of ministries and institutions involved in the absorption process, on the other hand. Due to numerous irregularities, the European Commission has sanctioned Romania by suspension of payments in 2011, 2012 and 2013. In all the reports of the European Commission conducted in the period of 2007-2013 have reported the same vulnerabilities of the implementation system of structural funds in Romania, but they all seem to remain unanswered among governors who proved poor management of these issues and failed to take concrete decisions to resolve these issues, transforming Romania in a net contributor, not being responsible and conscious of the importance that the cohesion policy has among the European community. These reports are questioning how governments intend to address the cohesion policy, the main causes of lower absorption rates of European funds being the weak administration, the inefficient procedures and the political interference as the judicial system can not protect enough against conflict of interest, corruption and fraud.

2. Analysis of the absorption rate of EU funds in Romania

2.1. Identification of the main causes leading to record a low absorption rate of EU funds in Romania

Component of cohesion policy promoted by the European Commission, European funding contributes to mobilize the necessary resources to accelerate the measures necessary to achieve the objectives of the Community. The allocation of funds from the EU budget has to be capitalized as it represents an inexpensive and important resource for the social and economic recovery of Romania, offering the prospect for the budgetary sustainability, encouraging public and private investments and thereby reducing the development gaps both at national and international level. The opportunities of economic growth that European funding brings to the Member States are particularly important, but under the current worldwide economic decline, these financial instruments are indispensable mechanisms to counter the effects of the economic crisis and reduce national budget deficits.

In other words, the only way to counter the effects of the economic crisis is to improve absorption capacity of EU Funds, which in the case of Romania was very low so far, and this is mainly due to the following causes:

- inefficiency of the specialized institutions coupled with low awareness and experience of the beneficiaries in the development and implementation of projects, but also because of the difficult process of training personnel specialized responsible for European funds;
- low awareness of the potential beneficiaries on the conditions of implementation and operation of European funds and the lack of predictability

of the legal and institutional framework (repeated changes have discouraged potential beneficiaries) and lack of transparency practices for accessing and implementing these funds.

However, the low percentage of applicants who have used the services of specialized consultancy companies in EU funds, resulted in a lack of quality projects and therefore lack of financing.

Also, the abolition of the National Institute of Administration in 2009, reduced the number of qualified personnel in the central and local government. Finally, the increase in the VAT rate in Romania and the influence of exchange rate lei/euro in the recent years have led to the situation that the potential beneficiaries canceled to the implementation of the planned projects since the business plan could not be realized due to changes financial market.

According to the magazine "European Counsellor", at the local/regional authorities, including the Management Authority and Intermediate Bodies, the following weaknesses were identified:

- „low coping capacity related to the size of the absorption process, due to the shortage of staff assigned to these procedures, which led to delay in project assessment and, consequently, the financing of a small number of projects;
- constantly amending and updating the eligibility conditions related to the beneficiary or projects; these changes being operated even during the session of projects deposit, which resulted in most cases in project changes or led to the lack of compliance of the submitted project, in the cases where they were already submitted" (Constantine, 2009).

According to another study called "Factors influencing the low rate of absorption of structural funds in Romania" (Beric, 2010), they can be divided into two categories:

- internal factors - which refers to the beneficiary;
- external factors – related to institutions that monitor the implementation of projects.

Internal factors that contribute to a low rate of Structural Funds are identified in the two phases of the project management cycle: in writing grant applications and in the implementation of projects. External factors influencing the rate of absorption occur at all stages of project implementation, especially during phases of selection and implementation.

According to the ones mentioned above, we can say that the problems that Romania has encountered in the absorption of European Funds are determined mostly by delayed and inconsistent implementation of European legislation in the field, the way the public authorities chosed to apply those rules and the lack of financial resources for co-financing the projects by beneficiaries.



2.1.1. Legislative barriers with impact on the rate of absorption of European Funds

Legal barriers have occurred at all stages of absorption of European Funds. Most of the weaknesses of the implementation system of structural funds were due to the lack of an appropriate legal framework, which was set too late and subject to many changes. So the lack of continuity in the application of rules governing the Structural Funds and the lack of transparency regarding the implementation process led to the recording very low rates of EU funds absorption. Also, the most important legislative shortcomings derive from legislation on the national budget, which contains a number of provisions affecting the efficient and rapid implementation of projects. According to a report issued by the Romanian Government (2010), some deficiencies have been resolved with the approval of the Emergency Ordinance no. 64/2009 on the financial management of structural instruments and their use for the convergence objective. By this regulation, it was sought the fluidized-budgetary financial flows within the operational programs financed from structural instruments and thus increasing absorption. However, there are still some management regulations on the public funds that hinder implementation, such as the public finances law and local public finance law.

Delays and hesitations in changing public procurement legislation related to political involvement and awarding contracts based on patronage has considerably increased distrust for the European Commission in Romania's commitment on reducing fraud in the use of structural funds. As a result, the European Commission ordered the suspension of payments for the Operational Sectorial Program - Infrastructure and generated the decision to lock payments in 2012 for the Operational Sectorial Program – Human Resources Development. These measures had a negative impact on the absorption capacity of EU Funds.

2.1.2 Institutional barriers with impact on the rate of absorption of European funds

Despite shortcomings in the Romanian institutional system from the time of accession to the European Union, many assessments carried out by the Audit Authority and the European Commission on the missions conducted in 2008-2012 were completed through accreditation of management and control for all seven Operational Programs. However, institutional difficulties, especially those related to the complexity and bureaucracy procedures and personnel concerned, continues to exist.

One of the main problems that the actual implementation of programs face is represented by insufficient human resources and financially poorly motivated personnel of the competent authorities. Workload and the high degree of responsibility of the activities carried out by internal staff led in most cases to the instability of staff trained in managing these structural instruments.

The main consequences arising from weak institutional framework are:

- delays in the development of guidelines for applicants and in the contracting of technical assistance;
- delays in completing major project preparation and approval by the European Commission;
- delays in project implementation, with direct impact on the absorption and possibly default on commitments under the Accession Treaty of Romania to the European Union.

It should also be noted that institutional difficulties worsened with blocking vacancies in the public sector as a result of austerity measures imposed by the financial and economic crisis that hit all EU countries, including Romania.

Another major problem is represented by bureaucracy at the time of application and processing documentation. Although local authorities tried to eliminate this problem, they failed to eliminate and/or remove bureaucracy problem when processing the request and documentation. In addition, they are still required to submit projects, administrative and financial documents in addition to those provided in the Guide for Applicants, which are unnecessary and only complicate the process.

2.2. Presentation of results achieved by Romania in accessing European funds for the period programming of 2007-2013

According to the convergence program set out in the National Strategic Reference Framework for 2007-2013, in Romania were approved seven Operational Programs. In order to implement these programs were allocated 19.213 billion euros from the Structural Funds (SF) and Cohesion Fund (CF), on which our country had to participate with co-financing estimated at 5.6 billion Euro.

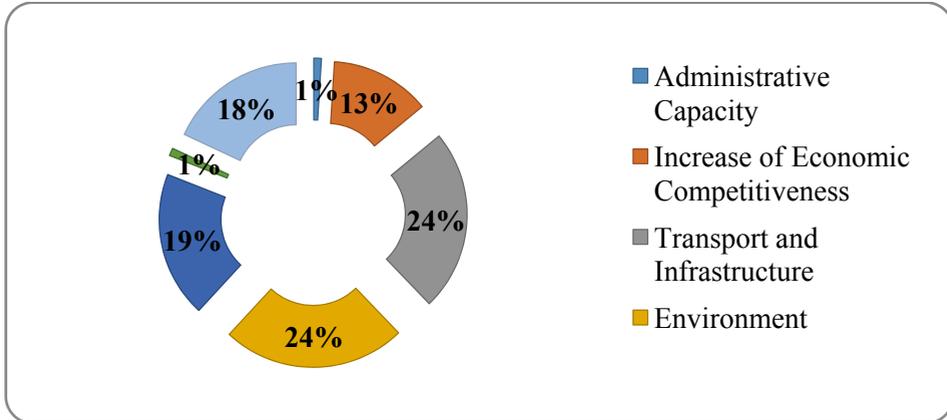
The seven Operational Programs subject to the National Strategic Reference Framework are:

- Regional Operational Program (ROP);
- Increase of Economic Competitiveness Operational Program (IECOP);
- Environment Sectorial Operational Program (ESOP);
- Transport Sectorial Operational Program (POST);
- Human Resources Development Operational Program (HRDOP);
- Administrative Capacity Development Operational Program (ACDOP);
- Technical Assistance Operational Program (TAOP);

The distribution of European Funds on the seven Operational Programs according to the National Strategic Reference Framework for the period 2007-2013 is as follows:



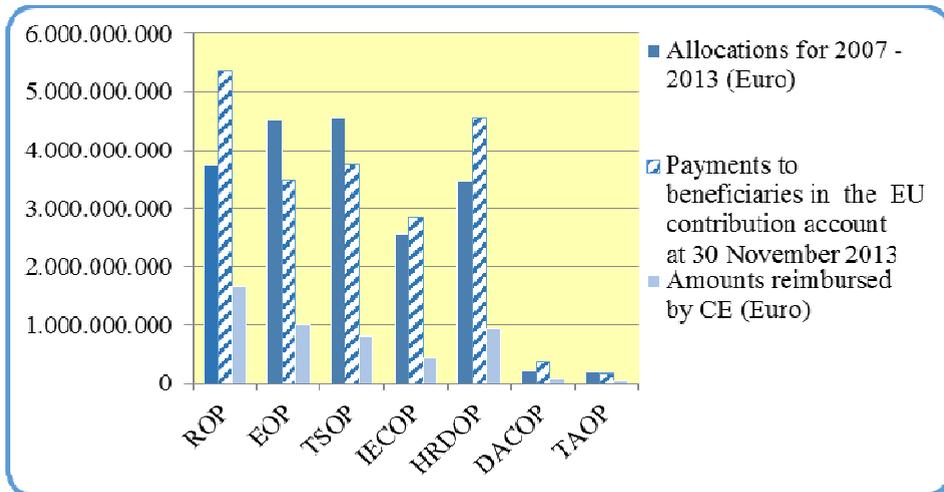
Figure 1. Allocation for Operational Programs according to the National Strategic Reference Framework



Source: Data taken from the Informative Bulletin - Structural Instruments, No. 14, January – 2013

The situation of the absorption of structural and cohesion funds at 30.11.2013 for each Operational Program is as follows:

Figure 2. The situation of the absorption of structural and cohesion funds at 30.11.2013 for each operational program



Source: Data taken from Informative Bulletin - Structural Instruments, No.8, December – 2013

As it can be seen from Figure 2, Romania focused mainly on the absorption of EU funds in regional development, environment and human resource development. These three Operational Programs had the highest rates of absorption, investments being materialized in modernizing regional and local transport infrastructure, improving social infrastructure, sustainable business support structures of regional and

local importance, rehabilitation of polluted industrial sites, upgrading the treatment plant and waste collection systems, as well as qualifications and training for human capital. Funds raised through the Transport Operational Program have not resulted in a high effective absorption rate, as the modernization and development efforts of the national transport infrastructure in order to develop a sustainable national transport system, have been hampered by political involvement in the organization of public tenders for contracting works (European Commission has reported numerous irregularities in its reports on corruption and stopped payments for the projects where were found deviations from the law) and the cumbersome process and lacks of transparency in public procurement.

In terms of increasing economic capacity (IECOP) the funds have largely supported the development of private economy in Romania, but leaving behind the country's public economic competitiveness that has a lot of catching in terms of performance and productivity.

One of the reasons for the low rate of absorption of EU funds in Romania, is given by the poor attention that our country has given to the two major Operational Programs in terms of technical assistance and administrative capacity that would have played a great role in supporting the process of absorption of European Funds. Fundraising for the two programs would have provided a framework for effective monitoring and implementation of projects by establishing attractive incentives for staff involved in the management of Structural Funds, including improved wages and providing ongoing training and exchange of experience with Structural Funds authorities in neighboring Member States.

The table below shows the contribution of the Structural and Cohesion Funds in achieving the objectives of the cohesion policy through implementation of the 2007-2013 Operational Programs at national level:

Table 1 - The contribution of the Structural and Cohesion Funds in achieving the objectives of the cohesion policy

Operational Program (OP)	% from the amounts allocated	Financing Funds	Management Authority of the OP
R OP	23 %	ERDF + CF	Ministry of Regional Development
E OP	23 %	ERDF + CF	Ministry of Environment
T SOP	19 %	ERDF	Ministry of Transport
IEC OP	18 %	ESF	Ministry of Economy
HRD OP	13 %	ERDF	Ministry of Labour, Family and Social Protection
DAC OP	1 %	ESF	Ministry of Public Administration
TA OP	1 %	ERDF	Ministry of Finance

Source: Boldea Bogdan Ion – “Analysis of the absorption capacity of structural funds in Romania” Annals. Economics Science Series. Timisoara, volum: XVIII/2 / 2012, p: 580.

In order to establish the implementation stage of the Operational Programs it is important to determine the absorption capacity of structural funds for each of



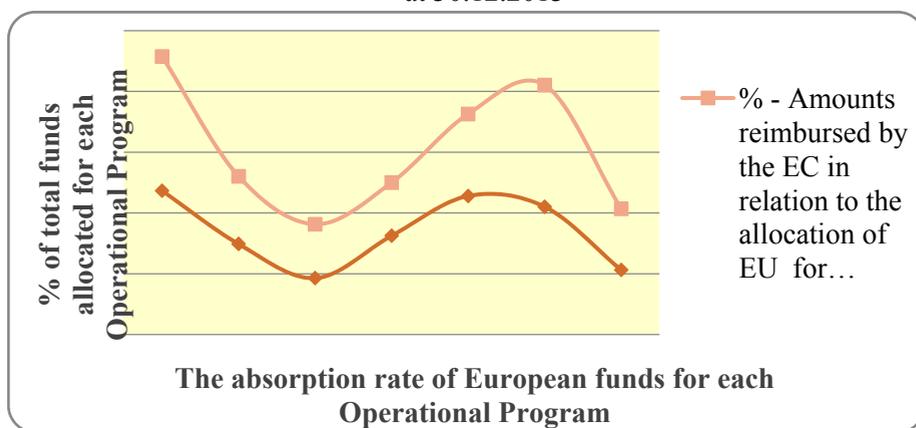
them. The absorption rate can be calculated according to several indicators, the most relevant being (Informative Bulletin (2010):

- 1) EU contribution payments in relation to the EU allocation for 2007-2013 (payments made on projects of money allocated by the European Commission, excluding national contribution, money to be settled later by the European Commission);
- 2) Amounts reimbursed by the European Commission in relation to the EU allocation 2007-2013 (amounts reimbursed by the Romanian state through the Ministry of Finance on each program).

After processing the data presented in the table above we can see that the total absorption rate of EU funds for the 2007-2013 programming period, expressed as a percentage, for the first indicator is 33.79%, while for the second it is 25.84%.

In 2013, Romania registered a rate of absorption of EU funds of 34%, the actual funds reimbursement registered in the same year was 2.88 billion euros from the European Commission. The result is good if we compare it with the period 2007-2012, when the total amount of payments related to contracted programs conducted by the European Commission totaled 2.2 billion euros. However, despite the fact that Romania has seen a significant increase in the rate of absorption of EU funds, we are still situated at the end of the ranking in this area. Another way of determining the absorption rate of EU funds is given by the difference between the contracted rate of European Funds and the payment rate of the European Commission, which is an important indicator that measures the actual level of efficiency and effectiveness of the management of EU funds by the beneficiary state. The lower is the difference between the contracted grants and grants paid, the more effective is the management of these funds in terms of the actual distribution.

Figure 3. The rate of absorption of European funds for each Operational Program at 30.12.2013



Source: Author's processing according to data provided by the Ministry of European Funds

Table 2. EU funds absorption rate for each Operational Program at 30.11.2013

Operational Program	Allocations for 2007 -2013 (Euro)	Payments to beneficiaries in the EU contribution account at 30 November 2013	Amounts reimbursed by EC (Euro)	% - EU payments contribution in relation to EU allocation for 2007 - 2013	% - Amounts reimbursed by the EC in relation to EU allocation for 2007 - 2013
POR	3.726.021.762	5.358.734.160	1.646.565.915	47,32	44,19
POM	4.512.470.138	3.487.678.064	1.004.817.198	29,79	22,27
POST	4.565.937.295	3.750.418.520	809.840.107	18,55	17,74
POSCCE	2.554.222.109	2.843.582.851	447.006.603	32,49	17,5
POSDRU	3.476.144.996	4.556.904.629	938.333.518	45,58	26,99
PODCA	208.002.622	362.225.904	83.322.994	42,02	40,06
POAT	170.237.790	154.673.550	34.274.011	21,22	20,13
TOTAL	19.213.036.712	20.514.217.741	4.964.160.346	33,79	25,84

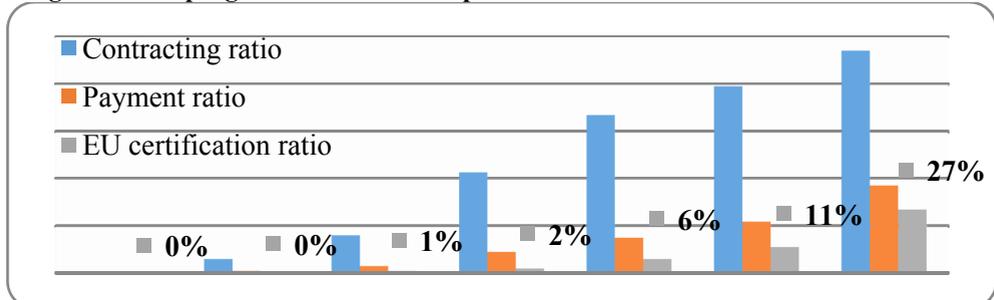
Source: Data taken from Informative Bulletin - Structural Instruments, No.8, December – 2013

Table 3. The progress of EU funds implementation in Romania between 2007-2013

Year	2007	2008	2009	2010	2011	2012	2013
Contracting ratio	0	6%	16%	43%	67%	79%	94%
Payment ratio	0	1%	3%	9%	15%	22%	37%
EU certification ratio	0	0	1%	2%	6%	11%	27%

Source: Author's processing according to data taken from KPMG's 2007-2013 Report

As it can be seen, the difference between the two rates recorded significant values, which means that in Romania there is no performant management of the structural instruments allocated by the European Union. The low absorption rate recorded in Romania, makes us rather a net contributor to the EU budget.

Figure 4. The progress of EU funds implementation in Romania between 2007-2013

Source: Author's processing according to data taken from KPMG's 2007-2013 Report



According to a study by KPMG (2013), the main challenges that Romania has encountered in the absorption of European funds for the programming period of 2007-2013 were:

- Lack of skills to coordinate a project from the beneficiaries of EU funds contributed to numerous financial corrections in the implementation phase of projects;
- Numerous delays in assessing applications for funding and / or reimbursement, which were due to lack of funding among managing authorities and intermediate bodies;
- Challenges in terms of efficiency and sustainability of a project due to lack of training of beneficiaries in project development / business plans;
- Complicated and lengthy procedures of public procurement, which were valid for the private sector, have brought significant delays in project implementation cycle.

It can be seen that the experience of implementing the 2007-2013 programs has highlighted the need for measures and actions dedicated to the development and strengthening of administrative capacity and institutional management structures involved and preparing a portfolio of mature projects so as to ensure the smooth start of the next programming period. The quality of the projects remains a problem which delays both in terms of disapproval strategic projects and in the implementation of infrastructure projects approved (delays often generated by insufficient training in the application of financing and feasibility study, technical project, the cost-benefit analysis or environmental impact). Use of technical assistance by the authorities for preparation of project portfolio management resulted in a disclaimer from the beneficiaries of the project. Also, in some cases, managing authorities have failed to conclude timely technical assistance contracts which led to delays in the preparation of quality projects.

Thus it is imperative to identify and implement decisive action to trigger a true "absorption jump" to strengthen the capacity of absorption of Structural and Cohesion Funds. Problems should be addressed immediately and weaknesses in barge greater the implementation of structural and cohesion in order to eliminate or significantly reduce the barriers that stand in the way of absorption process (Ungureanu, 2012, p.267).

Conclusions

Romania's experience in accessing European funds related to the 2007-2013 programming period was not marked by success, as some revealed a number of weaknesses and vulnerabilities of institutional and legislative framework employed in the implementation of structural instruments, materializing into a low rate of absorption of EU Funds. Given this experience, Romania should focus on the following aspects:

- *learn from the mistakes of the 2007-2013 programming period* - this experience provided valuable lessons and best practices for the next generation of EU-funded projects;

- *strengthening the capacities of beneficiaries* - in most cases, the beneficiaries of EU-funded projects did not have the technical and managerial expertise. This is particularly evident in the implementation process, leading to delays and irregularities. Therefore, the government should provide concrete measures to assist beneficiaries in the implementation of projects financed by the EU through dedicated assistance offices, subsidized textbooks and courses;
- *strengthening the administrative capacity* - the lack of administrative capacity was the main reason for the slow implementation of EU funds so far. Romania has accumulated significant experience in the last 7 years. However, the government must ensure that the skills and expertise are constantly updated according to new EU regulations for EU funds Procurement Directive and other relevant EU legislation. This can be achieved by developing an effective strategy of human resources staffing quality, improve staff skills and appropriate remuneration. If the local administration lacks expertise then technical expertise should be contracted;
- *taking the model of other EU Member States which have proved to be efficient in the absorption of EU funds* - Romanian authorities should learn from the experience of EU countries with more experience in managing EU funds. Examples tested and best practices from countries such as Poland, Germany or Ireland can and should be applied in Romania;
- *simplification of the EU funds absorption process* – there is no need to overload the managing authorities and beneficiaries with excessive documentation and bureaucratic procedures;
- *increased attention to information campaigns*. Potential beneficiaries of EU funds, whether public authorities, SMEs and NGOs should participate in information campaigns. This would ensure good and innovative ideas to materialize in projects financed. Moreover, if citizens are informed about funding opportunities for the local community, they will require support from mayors and county councilors;
- *periodic monitoring* – the implementation of EU funds should be constantly monitored by national authorities and the European Commission. If the implementation is slow, solutions need to be identified and quickly applied;
- *focus on results* - Priority should be given to investments and projects that bring significant improvements and lead to results. The authorities should focus not on how quickly they spend money, but rather the way in which EU-funded projects can help reduce inequalities, raising living standards and poverty reduction;
- *investments in transport and social infrastructure* - Government should allocate sufficient funds for roads and quality rail links and social infrastructure such as hospitals and schools. Only by investing in high quality infrastructure, Romania can attract foreign investors and reduce the



access barriers to a proper health and education system. Economic and social benefits of infrastructure investments are endless and priceless;

- *focus on the development of national and regional strategic projects* – that would represent an integrated strategy and would be implemented among public authorities at local and central levels.
- *use appropriate technical assistance* - recommending authorities to outsource complicated assistance;

For the 2014-2020 programming period, Romania has an interest in being a net beneficiary, which means that, as long as it is member state of the European Union, Romania is obliged to contribute to the EU budget and that would be to its advantage to attract the European funds to which it is entitled, in order to ensure a balance between the beneficial Romania's contribution to the EU budget and the Structural Funds absorbed. The Structural Funds is thus a key resource for the development on short, medium and long term of the Romanian economy. An increased rate of absorption of these funds is a central element of fiscal sustainability in terms of investment strategy and reduce the budget deficit through capital injection in areas of major importance.

As a conclusion of the ones mentioned above, it can be said that despite the reactivity, although slow, of the authorities involved in the granting European funding, the problem of taking measures in order to facilitate the access of potential beneficiaries to financing lines and improve the low degree of absorption of European funds in Romania, remains open and topical. In this respect, it is worth noting that the low rate of absorption is due to all actors involved in the process, so that not only the intrinsic problems of public administration system generates an effect, but also legislation and lack of training of potential beneficiaries in developing and implementing the projects that are financed by the European Union.

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