

Improving EU Fund Absorption in Romania: A Case Study on Beneficiary Insights

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ABSTRACT:

Funding has always been and will remain one of the essential challenges that any entrepreneur must overcome and find sustainable and efficient solutions for in the medium and long term. The same principle applies to the public sector, which needs investments for the production of goods, the provision of services, and infrastructure.

European non-reimbursable funds represent important sources through which both the public and private sectors can develop more quickly and efficiently. However, the absorption of funds is a slow process, with Romania not fully implementing the total amounts made available by the European Union.

Based on these ideas, we initiated our research, the aim of which is to identify methods to improve the absorption of European non-reimbursable funds. For this purpose, the research includes a questionnaire that was distributed via crowdsourcing and completed by 575 respondents. Subsequently, the recorded responses were processed econometrically using IBM SPSS20, and the analysis techniques used included quantitative data analysis, descriptive statistics methods, multiple response analysis, cross-data analysis, and the χ^2 contingency coefficient.

Five research hypotheses were formulated, including three main and two secondary ones. Through these, we analyzed the perspective of potential beneficiaries regarding their relationship with the representatives of the relevant ministry, the absorption process, the difficulties encountered, and their perception of the way the Union distributes funds to member countries. In the end, all five research hypotheses were validated.

Keywords: European Funds, Investments, Project Management, IBM SPSS20, Organizational Communication

1. Introduction

Both in the development of a country and a company, financial resources play an essential role. In the form of investments/capital, the money needed for development and carrying out activities often presents real challenges for which entrepreneurs must find sustainable solutions.

In our opinion, one of the most efficient methods of development and financing is represented by non-reimbursable European funds. The European Union has no fewer than 52 funding programs aimed at developing a strong Europe that evolves in a balanced and harmonious manner for the benefit of its 447 million inhabitants. On January 1, 2007, Romania joined the European Union. Through the Multiannual Financial Framework,

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between 2007-2020, our country benefited from 75.48 billion euros, of which 36.68 billion euros were absorbed between 2007-2012.

European funds are of two types: direct (managed by European institutions through grants and contracts) and indirect (managed by national and regional authorities and include approximately 80% of the Union's budget). The latter, for the period 2021-2027, covers 9 categories of financial resources: the European Regional Development Fund, the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development, the European Maritime, Fisheries, and Aquaculture Fund, the Just Transition Fund (JTF), the Asylum, Migration and Integration Fund (AMIF), the Integrated Border Management and Visa Facility (IBMF), and the Internal Security Fund (ISF).

The implementation and distribution of non-reimbursable European funds are subject to a strict regulatory and supervisory framework to limit the occurrence of fraud and money laundering. Despite this, there have been numerous cases of fraud, the most common being: falsification of documents; non-compliance with contractual terms; fraud of eligibility criteria; and violation of public procurement rules.

2. Literature Review

In the course of our research and beyond, we have often observed that there is confusion in the use of the terminology related to cost, expense, and investment. According to specialists (Murray, 2020), cost represents an amount paid to obtain or acquire something, while expense is the amount paid regularly for a specific thing/service (source: <https://www.thebalancesmb.com/cost-vs-expense-what-is-the-difference-3974582>, accessed on 10.03.2024). Furthermore, various definitions for investments have been formulated over the years, but a general summary concludes that investments are sums of money allocated in advance with the aim (and hope, we add) of generating future profits. Investments decisively support and help the development of a company by financing assets and working capital, with diverse sources from the owner's personal investment to bonds, government grants, etc. (Glennie, 2021; Cerniglia and Saraceno, 2020). Non-reimbursable funds represent an extremely important investment source for entrepreneurs; their use at the level of European countries, especially the developed ones, can decisively influence their economies (Pietrobelli, 2000).

Investments can be of two types: private and public (the latter being a direct consequence of the need to provide goods, services, infrastructure of national interest (Warner, 2014); these represent an important element of the total national capital investments (Cordes *et al.*, 2015). Specialists also mention the importance of these investments in achieving political objectives, such as maintaining the rule of law, protecting property rights, etc. (Manescu, 2021). An important factor in this type of investment is the adherence to deadlines and the manner of spending money, as poor administration leads to minimal benefits for the population (Rajaram *et al.*, 2014). There have been cases where poor project selection led to overprogramming of economic results and a chaotic distribution of funds, to say the least (Boyer *et al.*, 2013). Not infrequently, public investment projects have failed due to political intervention in the execution of activities and the use of funds for personal gains (Belloumi and Alshery, 2021; Frimpong, Lazarova,

and Gyamerah, 2019). For investment projects to be successful, essential steps include conducting cost-benefit analyses (Jiang and Marggraf, 2021; Scandalizo, 2021). The evaluation of investment projects thus includes the following types: cost-benefit analysis; cost-effectiveness analysis, multicriteria analysis, and simplified methodologies (Taliercio and Estrada, 2020; Shvetsova, Rodionova, and Epstein, 2018; Patton, Sawicki, and Clark, 2016; Scholleová, Švecová, and Fotr, 2010).

3. Research Methodology

Conducting the research work involved several stages. We note that due to the constraint related to the length of this paper, we will only briefly present the analyzed and econometrically tested information here. The first stage was the analysis of the specialized literature and theoretical documents regarding investments, their typology, and their importance. Subsequently, data on the absorption of European funds at the national level were analyzed, and the questionnaire was formulated and later disseminated via crowdsourcing. This questionnaire was completed by 575 people, and the data were analyzed and processed econometrically using the IBM SPSS20 application. Among the calculation methods used, we mention: quantitative data analysis, descriptive statistics methods, multiple response analysis, cross-data analysis, and the χ^2 contingency coefficient.

3.1 Research Hypothesis

In our research, we started with three main hypotheses and two secondary hypotheses.

Hypothesis 1: Due to gaps in the external organizational communication of the relevant ministry, the image of the officials responsible for attracting non-reimbursable European funds is unfavorable.

Communication challenges related to EU fund absorption may vary significantly across different regions of Romania. Regions with more developed administrative infrastructure, such as Bucharest and other major cities, generally have better access to information and more efficient communication channels compared to rural or less developed areas. This disparity leads to unequal access to accurate information regarding funding opportunities, which exacerbates regional inequalities. Addressing these specific regional challenges is crucial for customized solutions that meet the unique needs of both urban and rural regions, thereby ensuring a more consistent fund absorption rate across the country.

Hypothesis 2: Due to the lack of interest from ministry representatives in providing complete and detailed information to interested parties, the latter have a low level of trust in the ministry.

- **Hypothesis 2.1:** Lack of trust in the quality of services provided by ministry officials leads beneficiaries to seek information from informal sources.

The reliance on informal information channels, such as advice from friends or personal internet research, suggests significant shortcomings in the formal communication efforts of the relevant ministries. This dependence raises concerns about the reliability of the information available to potential applicants. In many cases, misinformation or

incomplete information obtained from these sources could lead to poorly constructed applications, increasing rejection rates and reducing overall fund absorption efficiency. Thus, it is essential to improve the effectiveness of formal communication channels to minimize misinformation and enhance the quality of applications submitted by potential beneficiaries.

- **Hypothesis 2.2:** Lack of trust in the behavior of ministry officials causes potential applicants to be pessimistic and demotivated, convinced that they cannot make a positive change.

Hypothesis 3: Because ministry representatives are not interested in obtaining feedback from applicants, these individuals lose confidence in the success of their efforts.







Before the econometric analysis and testing of the research hypotheses, we mention some theoretical and demographic aspects of the study participants.

The sample consists predominantly of men, of average age, with a high level of professional training, and mostly working in the private sector. While this study involved 575 respondents, it is important to consider the representativeness of this sample. The respondents predominantly work in the private sector, which may not fully capture the diversity of stakeholders involved in the absorption of EU funds in Romania, particularly those in underrepresented sectors or rural regions. This limitation suggests that caution is needed when generalizing the findings to the entire population of stakeholders. Future studies should aim for a more diverse sample that includes participants from a variety of sectors and regions to ensure a more comprehensive understanding of the challenges faced in fund absorption.

A percentage of 66% of them have taken the initiative to access a European-funded project at least once, and 78% of them, whether they wanted to be part of a project team or access one, documented themselves beforehand. They used personal documentation sources as well as those offered by the relevant ministry, and overall, they obtained the information they needed to a significant extent.

In Table no.1, you can see what respondents believe are the reasons why the Union provides non-reimbursable funding to member countries.








Tab.no.1: What do you think could be the reasons why the EU provides non-reimbursable funding for investors/entrepreneurs/NGOs in member countries? (multiple answers possible)

<i>The desire to promote the uniform progress of economies and societies across the entire European area</i>	312		34.9%
<i>The desire to ensure that a significant portion of the funds "return" to the developed countries of the Union</i>	60		6.7%
<i>The belief that only TOGETHER can we create a better Europe</i>	507		56.6%
<i>I have never thought about this aspect</i>	7		0.8%
<i>I don't know</i>	2		0.2%
<i>Prefer not to answer</i>	7		0.8%
Total responses	895		

Source: processing of answers by the author

Directly related to the research undertaken is the answer to the question regarding the connection between organizational communication, the inefficiency of the activity of the representatives of the relevant ministry, the number of applicants for projects, and the image of the Union.








Tab.no.2 *Have you ever thought that the manner and efficiency of the organizational communication of the MIFE not only affect the number of applicants for accessing non-reimbursable European funds but also the very image of the EU? (multiple answers possible)*

<i>YES, because the quality of these services depends decisively on how these institutions communicate</i>	317		38.9%
<i>YES, especially because I have always been interested in expressing my opinion about the quality of their services</i>	144		17.7%
<i>YES, because the quality of the services I received from them has directly or indirectly affected the quality of my activities and results</i>	324		39.8%
<i>NO, because regardless of the quality of the services I received, I had to manage on my own</i>	2		0.2%
<i>NO, because I am not interested in the image of these institutions, only my own goals and/or objectives</i>	4		0.5%
<i>I have never thought about this aspect</i>	18		2.2%
<i>Prefer not to answer</i>	6		0.7%
Total responses	815		

Source: processing of answers by the author

To the question regarding the feedback questionnaires that they received after implementing a project, we can observe the responses in Table no. 3.

Tab.no.3: *Have you ever been surveyed through a questionnaire about your level of satisfaction with the quality of services you received from MIFE?*

<i>YES! And I even noticed that MIFE took my opinions into account</i>	1		0.2%
<i>YES, but I was not interested in the extent to which MIFE has taken and/or will take my point of view into account to improve the quality of the services provided by its employees</i>	31		5.4%
<i>NO</i>	525		91.3%
<i>NO, because I wouldn't know what to answer, and even if I did, my assessments would be very subjective</i>	4		0.7%
<i>NO, and anyway, if I had been surveyed, I would have refused to answer</i>	1		0.2%
<i>I have never thought about this aspect</i>	5		0.9%
<i>Prefer not to answer</i>	8		1.4%

Total responses	575
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Source: processing of answers by the author

3.2 Hypotheses Testing

Hypothesis 1: Due to gaps in the external organizational communication of the relevant ministry, the image of the officials responsible for attracting non-reimbursable European funds is unfavourable.

Tab.no.4: Summary

Dimension	Singular Value	Inertia	Chi Square	Sig.	Proportion of Inertia		Confidence Singular Value	
					Accounted for	Cumulative	Standard Deviation	Correlation
								2
1	,307	,094			,894	,894	,033	,186
2	,106	,011			,106	1,000	,020	
3	,004	,000			,000	1,000		
Total		,105	60,502	,000 ^a	1,000	1,000		

a. 18 degrees of freedom

Testing the first working hypothesis was conducted using responses to the following questions: the involvement of beneficiaries in documentation before applying for a project, the means of information used, the sources utilized, and the general image they have of the officials responsible for attracting European funds. Correspondence analysis was used for this analysis, starting with the null hypothesis (no relationship between the studied variables) and the alternative hypothesis (there is a relationship between the studied variables). In Table no. 4, we can observe that the Chi-Square test confirms the null hypothesis, indicating that the two variables (the respondents' desire to inform themselves and the initiative to apply for a project) are independent of each other.

Tab.no.4: Summary

Dimension	Singular Value	Inertia	Chi Square	Sig.	Proportion of Inertia		Confidence Singular Value	
					Accounted for	Cumulative	Standard Deviation	Correlation
								2
1	,307	,094			,894	,894	,033	,186
2	,106	,011			,106	1,000	,020	
3	,004	,000			,000	1,000		
Total		,105	60,502	,000 ^a	1,000	1,000		

a. 18 degrees of freedom

Source: Analysis of responses in the IBM SPSS 20 application, conducted by the authors

The process of testing the first hypothesis continued by verifying the relationships between variables using the χ^2 contingency coefficient. This method checks whether the occurrence frequencies of cases differ from the situation in which all variables would have a single frequency, corresponding to the scenario where at least two of the variables are independent.

Tab.no.5: Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum
(4) How many times have you initiated a project to access EU funds?	575	1,92	1,338	1	4
(5) Have you documented yourself on the requirements imposed by the funders/providers?	575	1,37	,995	1	7
(7) The usefulness of information sources	575	2,13	,743	1	7
(8) The reflection of reality through information sources	575	2,47	,695	1	6
(18) Have you ever thought... YES	575	1,09	,415	1	3

Source: Analysis of responses in the IBM SPSS 20 application, conducted by the authors

From the analysis of Table no. 5, we observe that the responses for the first and last answer options were overestimated, while those for the second and third options were underestimated. In other words, we expected the participants' responses to be more balanced. The study participants almost unanimously appreciate that there is a direct proportional relationship between the efficiency of the ministry's organizational communication and the number of applicants for these funds, as well as the image of the Union. In Table no. 6, the statistical test indicates the degrees of freedom for each variable, as well as the significance level threshold. The values for each variable are much smaller than the threshold for conducting the test, thus there is a significant association between the five variables.

Tab.no.6: Test Statistics

	(4) <i>How many times have you initiated a project to access EU funds?</i>	(5) <i>Have you documented yourself on the requirements imposed by the funders/providers?</i>	(7) <i>The usefulness of information sources</i>	(8) <i>Reflecting reality through information sources</i>	(18) <i>Have you ever thought... YES</i>
Chi-Square	607,337 ^a	1631,863 ^b	2965,162 ^c	796,957 ^d	981,746 ^e
df	3	5	6	4	2
Asymp. Sig.	,000	,000	,000	,000	,000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 143,8.

b. 0 cells (0%) have expected frequencies less than 5. The minimum expected cell frequency is 95,8.

c. 0 cells (0%) have expected frequencies less than 5. The minimum expected cell frequency is 82,1.

d. 0 cells (0%) have expected frequencies less than 5. The minimum expected cell frequency is 115,0.

e. 0 cells (0%) have expected frequencies less than 5. The minimum expected cell frequency is 191,3.

Source: Analysis of responses in the IBM SPSS 20 application, conducted by the authors

Therefore, we accepted the alternative hypothesis and rejected the null hypothesis, which leads to the acceptance of the first research hypothesis: **due to gaps in the external organizational communication of the relevant ministry, the image of the officials responsible for attracting non-reimbursable European funds is unfavorable.**

Hypothesis 2: Due to the lack of interest from ministry representatives in providing complete and detailed information to interested parties, the latter have a low level of trust in the ministry.

For the econometric testing of the second research hypothesis, we used the responses to questions regarding: the beneficiaries' level of trust in the professionalism of the ministry's employees and the feedback provided by respondents. The methods used were the comparison of means and the ANOVA test of variance in means.

Once again, the starting point is represented by the null hypothesis and the alternative hypothesis, aiming to analyze whether there is an association between the variables.

Tab.no.7: Case Processing Summary

	Cases					
	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
(19) To what extent do you trust the professionalism of the staff employed in MIFE structures to serve applicants for EU funding sources?	575	100,0%	0	0,0%	575	100,0%
(19) To a very great extent* (20) Have you ever been surveyed through a questionnaire?	207	36,0%	368	64,0%	575	100,0%
(19) I don't really trust * (20) Have you ever been surveyed through a questionnaire?	284	49,4%	291	50,6%	575	100,0%
(19) To a very small extent * (20) Have you ever been surveyed through a questionnaire?	60	10,4%	515	89,6%	575	100,0%
(19) Not at all * (20) Have you ever been surveyed through a questionnaire?	15	2,6%	560	97,4%	575	100,0%
(19) I've never thought about this aspect * (20) Have you ever been surveyed through a questionnaire?	12	2,1%	563	97,9%	575	100,0%
(19) I don't know * (20) Have you ever been surveyed through a questionnaire?	6	1,0%	569	99,0%	575	100,0%
(19) Prefer not to answer * (20) Have you ever been surveyed through a questionnaire?	6	1,0%	569	99,0%	575	100,0%

Source: Analysis of responses in the IBM SPSS 20 application, conducted by the authors

The mean scores are different for each category of variables. The confidence threshold calculated in the ANOVA table confirms that the means of the variables differ for each response category, adhering to the condition formulated by the alternative working hypothesis: the means of the variables are significantly different.

Tab.no.8: ANOVA Table^{a,b,c,d,e,f,g}

		Sum of Squares	df	Mean Square	F	Sig.	
<i>(19) To what extent do you trust the professionalism of the staff employed in MIFE structures to serve applicants for (non-reimbursable) EU funding sources?*</i> <i>(20) Have you ever been surveyed through a questionnaire?</i>	Between Groups	(Combined)	116,898	6	19,483	20,278 ,000	
		Linearity	62,469	1	62,469	65,018 ,000	
		Deviation from Linearity	54,428	5	10,886	11,330 ,000	
	Within Groups		545,739	568	,961		
	Total		662,637	574			

- a. No variance within groups - statistics for (19) To a very great extent* (20) Have you ever been surveyed through a questionnaire? cannot be computed
- b. No variance within groups - statistics for (19) I don't really trust * (20) Have you ever been surveyed through a questionnaire? cannot be computed
- c. No variance within groups - statistics for (19) To a very small extent * (20) Have you ever been surveyed through a questionnaire? cannot be computed.
- d. No variance within groups - statistics for (19) Not at all * (20) Have you ever been surveyed through a questionnaire? cannot be computed.
- e. No variance within groups - statistics for (19) I've never thought about this aspect * (20) Have you ever been surveyed through a questionnaire? cannot be computed.
- f. No variance within groups - statistics for (19) I don't know * (20) Have you ever been surveyed through a questionnaire? cannot be computed.
- g. No variance within groups - statistics for (19) Prefer not to answer * (20) Have you ever been surveyed through a questionnaire? cannot be computed.

Source: Analysis of responses in the IBM SPSS 20 application, conducted by the authors

As a result of validating the alternative working hypothesis, we validated the second research hypothesis, namely: **due to the lack of interest from ministry representatives in providing complete and detailed information to interested parties, the latter have a low level of trust in the ministry.**

Hypothesis 2.1: Lack of trust in the quality of services provided by ministry officials leads beneficiaries to seek information from informal sources.

To refine the information demonstrated in the previous hypothesis, we formulated two secondary research hypotheses. For testing the first of these, we used the method of frequency of response occurrences for the question regarding the information sources used and the analysis of mean comparisons for the questions related to the usefulness of information sources and how they reflect the reality encountered in interactions with ministry representatives.

Tab.no.9: Information Sources Frequencies

		Responses		Percent of Cases
		N	Percent	
Information Sources ^a	- <i>Personal research on websites (internet)</i>	480	37,4%	83,5%
	- <i>Informational brochures provided by the relevant ministry through the website and/or social media</i>	464	36,2%	80,7%
	- <i>Information provided by friends and/or acquaintances</i>	154	12,0%	26,8%
	- <i>Information provided by the organization I belong to</i>	163	12,7%	28,3%
	- <i>I waited for opportunities to appear/be offered to me</i>	11	0,9%	1,9%
	- <i>I did not research/I did not think about such an aspect</i>	4	0,3%	0,7%
	- <i>Prefer not to answer</i>	6	0,5%	1,0%
Total		1282	100,0%	223,0%

a. Group

Source: Analysis of responses in the IBM SPSS 20 application, conducted by the authors

For the first secondary hypothesis, we also used the two hypotheses: null and alternative, examining the relationship between the analyzed variables.

Tab.no.10: Report (7) Usefulness of information sources * (8) Reflection of reality through information sources

	Mean	N	Std. Deviation
<i>Completely</i>	1,29	7	,488
<i>Quite a lot</i>	1,98	325	,123
<i>So-so</i>	2,15	228	,653
<i>Quite a little</i>	3,33	6	2,066
<i>Prefer not to answer</i>	6,44	9	,726
Total	2,13	575	,743

Source: Analysis of responses in the IBM SPSS 20 application, conducted by the authors

The degree of association between the variables is high: the eta-squared score is 59.4%. The two variables are associated, suggesting that the information sources accessed by the respondents are credible. The calculated confidence threshold confirms that the means of the variables differ for each response category, thus meeting the criterion of the alternative hypothesis.

As a result of the econometric analysis performed, we also validate the first secondary hypothesis of the research, **namely that the lack of trust in the quality of services provided by ministry officials leads beneficiaries to seek information from informal sources.**

Hypothesis 2.2: Lack of trust in the behavior of ministry officials causes potential applicants to be pessimistic and demotivated, convinced that they cannot bring about positive changes.

o econometrically test the second secondary hypothesis of the research, we analyzed the responses to the following two questions: what are the complaints they would signal in

their interaction with ministry representatives, and what is the level of satisfaction of the applicants. As econometric techniques, we used cross-analysis of multiple responses, and as an instrument, the frequency of response occurrences.

In Table no.11, we can observe the correlation between the complaints generated by the respondents' lack of trust in the ministry representatives and the subsequent feelings generated. As a result of analyzing the contingency tables for the two variables, the second secondary working hypothesis was also confirmed.

Tab.no.11: \$Feelings*\$Professional_trust Crosstabulation

		\$Professional_trust ^a							Total	
		În foarte mare măsură	Nu prea am încredere	În foarte mică măsură	Deloc	Nu m-am gândit	Nu știu	Prefer să nu răspund		
Feelings ^a	Hatred and anger towards the officials I interacted with	Count	4	22	21	4	2	0	0	25
		% of Total	0,7%	3,8%	3,7%	0,7%	0,3%	0,0%	0,0%	4,3%
	Helplessness	Count	14	162	42	20	4	4	0	118
		% of Total	2,4%	28,2%	7,3%	3,5%	0,7%	0,7%	0,0%	20,5%
	The feeling that I am NOTHING to the state and society	Count	0	18	8	7	2	0	0	15
		% of Total	0,0%	3,1%	1,4%	1,2%	0,3%	0,0%	0,0%	2,6%
	The belief that the goal of most of those who lead us is to humiliate us	Count	3	19	23	7	0	0	0	23
		% of Total	0,5%	3,3%	4,0%	1,2%	0,0%	0,0%	0,0%	4,0%
	I haven't thought about such an aspect	Count	10	20	18	0	2	0	2	26
		% of Total	1,7%	3,5%	3,1%	0,0%	0,3%	0,0%	0,3%	4,5%
	I don't know / I don't want to answer	Count	14	54	10	4	4	4	2	46
		% of Total	2,4%	9,4%	1,7%	0,7%	0,7%	0,7%	0,3%	8,0%
	Not applicable	Count	371	290	24	0	12	4	8	353
		% of Total	64,5%	50,4%	4,2%	0,0%	2,1%	0,7%	1,4%	61,4%
Total	Count	408	564	117	28	24	12	12	575	
	% of Total	71,0%	98,1%	20,3%	4,9%	4,2%	2,1%	2,1%	100,0%	

Percentages and totals are based on respondents

a. Group

Source: Analysis of responses in the IBM SPSS 20 application, conducted by the authors

Hypothesis 3: Due to the fact that ministry representatives are not interested in obtaining feedback from applicants, the applicants lose confidence in the success of their efforts.

To test the third main working hypothesis, the responses to the following questions were used: What is the frequency of participation in projects funded by European funds? and How often do representatives of the relevant ministry request feedback from applicants? As an econometric technique, we used the contingency coefficient again, allowing us to compare the frequencies for the two defined variables. Once again, we formulated the null hypothesis and the alternative hypothesis for the study. If the differences between the observed and theoretical frequencies are large, the χ^2 test is significant and indicates the existence of an association between the two variables.

Tab.no.12: Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum
(9) Human Capital (POCU)	561	3,90	1,557	1	6
(9) Competitiveness (POC)	561	4,58	1,068	1	5
(9) Technical Assistance (POAT)	561	4,79	,715	1	5
(9) Regional (POR)	561	4,30	1,349	1	5
(9) Administrative Capacity (POCA)	561	4,53	,930	1	5
(9) Fisheries and Maritime Affairs (POPAM)	561	4,84	,675	1	5
(9) Another operational program	561	4,61	1,113	1	6
(20) Have you ever been surveyed through a questionnaire?...	575	3,03	,612	1	7

Source: *Analysis of responses in the IBM SPSS 20 application, conducted by the authors*

The testing of response frequency shows a similar behavior for all studied variables: affirmative responses from participants were underestimated, and negative responses were overestimated.

Tab.no.13: Responses to the two analyzed questions

(9) Human Capital (POCU)	Observed N	Expected N	Residual
Member: 1-5 times	99	93,5	5,5
Member: more than 5 times	6	93,5	-87,5
Project Management: 1-5 times	96	93,5	2,5
Project Management: more than 6 times	11	93,5	-82,5
Never	348	93,5	254,5
Prefer not to answer	1	93,5	-92,5
Total	561		

20) Have you ever been surveyed through a questionnaire?	Observed N	Expected N	Residual
YES! And I even noticed that MIFE took my opinions into account	1	82,1	-81,1
YES, but I was not interested in the extent to which MIFE has taken/will take my point of view into account to improve quality	31	82,1	-51,1
NO	525	82,1	442,9

NO, because I wouldn't know what to answer, and even if I did, my assessments would be very subjective	4	82,1	-78,1
NO, and anyway, if I had been surveyed, I would have refused to answer	1	82,1	-81,1
I have never thought about such an aspect	5	82,1	-77,1
Prefer not to answer	8	82,1	-74,1
Total	575		

Source: Analysis of responses in the IBM SPSS 20 application, conducted by the authors

As a result of the significant association between the analyzed variables, we accepted the final hypothesis of the research, namely that **due to the lack of interest from ministry representatives in obtaining feedback from applicants, the applicants lose confidence in the success of their efforts.**

Tab.no.14: Test Statistics

	POCU	POC	POAT	POR	POCA	POPAM	Another operational program	Have you ever been surveyed?...
Chi-Square	939,310 ^a	1490,399 ^b	1311,364 ^c	1139,490 ^b	890,815 ^c	1408,904 ^c	2051,652 ^a	2793,437 ^d
df	5	4	3	4	3	3	5	6
Asymp. Sig.	,000	,000	,000	,000	,000	,000	,000	,000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 93,5

b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 112,2

c. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 140,3

d. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 82,1

Source: Analysis of responses in the IBM SPSS 20 application, conducted by the authors

4. Conclusions and further research

In the research we conducted, we initially aimed to analyze the specialized literature on costs, expenses, and investments. We examined the different types of investments, whether public or private, and analyzed the importance of public-private partnerships. Each of these investments has its own management style and project management stages, bringing specific value. By combining these correctly and efficiently, successful project implementation can result.

Following this, the next stage of our analysis focused on the absorption of funds at the national level in recent years. We mention some of the relevant elements: for the period 2014-2020, our country had 51.5 billion euros at its disposal, of which, by the end of 2022, only 75.7% had been spent. Despite the availability of substantial funds, the rate of absorption remained low. This raised questions regarding the factors impeding efficient fund absorption, which we aimed to explore through our research.

The third step of the research was represented by the distribution of a questionnaire via crowdsourcing, completed by 575 respondents. Before conducting this analysis, we identified the deficiencies that we considered were causing the absorption process to be not so efficient, and why interested parties were not applying in greater

numbers. Based on these, we formulated the five working hypotheses, three main and two secondary, which we validated through econometric analyses and with the help of data processing in the IBM SPSS20 system.

The conclusions drawn from the analysis are not the most favorable: due to the low level of trust in the representatives of the relevant ministry, potential beneficiaries turn to informal sources of information. Future research should explore Romania's EU fund absorption issues in comparison with other EU member states. By comparing Romania's experience with those of countries that have successfully absorbed a higher proportion of available funds, it may be possible to identify systemic barriers and best practices that could be adopted. Understanding whether these challenges are unique to Romania or part of a broader trend across the EU could provide valuable insights for both country-specific interventions and Union-wide policy reforms.

Moreover, beneficiaries do not trust the ability of the designated personnel to attract funds and implement them for the benefit of interested parties. The deficiencies recorded in the external organizational communication of the ministry representatives cause beneficiaries to lose confidence in the success of their efforts. Additionally, the fact that state representatives are not interested in obtaining feedback from beneficiaries leads to a lack of trust and the belief that things will not improve.

These trust issues, coupled with low fund absorption rates, have significant economic consequences for Romania. The low absorption of EU funds in Romania has extensive economic implications. The inability to fully utilize these funds restricts the country's ability to invest in critical areas, such as infrastructure, human capital development, and regional competitiveness. This underuse results in slower economic growth for regions that fail to absorb the available funds, increasing regional disparities and hindering overall development. Moreover, it represents a missed opportunity to modernize public infrastructure and support innovation, ultimately reducing Romania's competitiveness within the EU and globally. Addressing these issues is therefore crucial for ensuring sustainable and inclusive economic growth across the country.

To overcome these challenges, ministry officials must take action to build trust with beneficiaries. To improve the absorption of EU funds, it is essential for ministry officials to focus on building trust with potential beneficiaries and establishing systematic feedback mechanisms. Trust-building initiatives could include the creation of a dedicated helpdesk to assist applicants, as well as public workshops aimed at directly addressing their concerns. Furthermore, systematic feedback mechanisms, such as post-application surveys and focus group discussions, should be implemented to gather insights from stakeholders on their experiences. This feedback could be used to adapt and improve the services provided by the ministry, ultimately re-establishing credibility and fostering better engagement with applicants.

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