

# STUDY ON THE PROBLEMS IN THE STAGES OF FILLING OUT THE APPLICATION FORM AND TECHNICAL-FINANCIAL REPORTING ENCOUNTERED BY THE PUBLIC INSTITUTIONS IN THE CENTRE REGION IN ACCESSING EUROPEAN FUNDS

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*The article has as main field the project management, specifically, identifying the negative factors on European projects. The article assumes that there is a connection between the absorption of European funds and the maturity of the Romanian society in terms of project management.*

*The main objective of the research is to identify the problems faced by public institutions from Centre Region in accessing European funds. The purpose of the research is to identify the causes that led to the low absorption of European funds, with devastating effects on the current economic situation.*

*The present research is based on a preliminary analysis performed by the author on the rate of accessing European funds published in an article entitled “The current state of European funds absorption through funding programmes – measure of the Romanian performances in the project management practice”. The small degree of absorption of European funds resulting from the analysis shows a poor practice of the theory on project management. To identify the causes of this problem, a research was carried out to recognise the issues that led to this situation.*

*The investigation included two successive surveys, the first one qualitative, exploratory type, interview-based, meant to demonstrate the qualitative aspects of the investigated phenomena and the other one, quantitative, based on a questionnaire in the form of occasional surveys. The qualitative and quantitative research methods are used in combination; this approach has become necessary especially due to the very complex reality whose trueness cannot be captured through one method. The investigation has however a highly quantitative character, the purpose of the qualitative research being to provide the prerequisites for achieving the quantitative research.*

*The qualitative research revealed the existence of some problems faced by institutions in relation to accessing and developing projects that focus on several directions: when filling out the application form, the technical-financial reporting, at the contracting phase of the projects, problems of partners. The article deals with the first two, and from the respondents’ answers, the phase with the greatest number of problems was that of filling out the application form, followed by the technical and financial reporting.*

*Regarding the usefulness of the results, it should be noted that the information obtained from the conducted research supplies, theoretically speaking, the studied field and brings an important contribution not only to possible beneficiaries of European funds (public, private organisations, NGOs, the state, etc.), but to the entire Romanian society through the economic growth it generates*

*The authors’ main contribution is to integrate this study into the logical thread of the thesis entitled “Strategic management in European project funding”. The research conducted in the project management specialty literature emphasises the uniqueness and originality of the*

*proposed and researched theme, which meets a current and pressing requirement of the Romanian society.*

*Keywords: funds, projects, problems, access, reporting.*

*Cod JEL: M16.*

## **1. INTRODUCTION**

The central goal of a research is the discovery of certain hidden truths that have not yet been explored, to approach truths that have not been discovered and that help find solutions for the identified problems.

At the beginning of this 3<sup>rd</sup> millennium we notice that the term “project management era” is more often used to describe the period we are going through and it is increasingly more used by managers and specialists from almost all areas of economic, social and political life. But there is the question: How is this term found in the contemporary Romanian economic reality?

Although we always hear talking about projects and European funds, the signals drawn towards us refer to the low rates of absorption of those funds. Assuming that there is a correlation between the degree of maturity of project management in the Romanian society and this low degree of European funds absorption, identifying a solution to prepare Romania for the next programming period 2014-2020 in view of obtaining higher rates of absorption becomes a necessity.

The article has as main objective identifying the problems faced by the public institutions from Centre Region during the stages of filling out the application form and technical and financial reporting, and also the causes that have generated their occurrence.

## **2. PREVIOUS RESEARCH**

As noted in the summary, the study is part of the approach of a PhD thesis which began with identifying the current stage of the scientific knowledge in the field of project management. Research has revealed that the study theme is unique and it completes the studied field.

An article published earlier by the authors (Ranf and Dumitrascu 2011: 153-163) ended with the conclusion of a low rate of absorption of European funds of approximately 17%. This is the starting point for beginning a research on identifying the main negative factors on the European projects from Centre Region. These results indicate the existence of an immaturity of the project management practice in Romania. Identifying the causes of this low level of maturity in the field of project management should be a priority for the whole society, in order to turn structural funds into opportunity.

Improving the capacity to absorb European funds – has become a constant concern and worry of government so far – means, first of all, to identify the main gaps, insufficiencies or inefficiencies encountered by the people responsible with writing projects and implementing them.

## **3. METHODOLOGY OF RESEARCH**

The investigation combines methods of qualitative and quantitative research. But the investigation has however a pronounced quantitative character, the purpose of the qualitative research being to provide the prerequisites for achieving the quantitative research.

The conducted interviews among the respondents revealed that the problems encountered by institutions in relation to accessing and developing projects focus on several directions: when filling out the application form, the technical-financial reporting, at the contracting phase of the projects, problems of partners. The article deals with the first two: filling up the application form and reporting the application form. This conclusion of the qualitative research formulates the premise that the questionnaire-based quantitative research started with.

The population of interest for the study, namely the population chosen for the sample, is composed of public institutions (town halls, county councils, foundations, public administrations,

prefectures) or NGOs located in Centre Region (the counties of Alba, Brasov, Covasna, Harghita, Mures and Sibiu), the greatest part that have accessed European funds, in order to have the opportunity to identify and analyse the main difficulties they faced in accessing and implementing projects.

A number of 95 questionnaires were correlated, of which 73 questionnaires were processed, the remaining 22 respondents being institutions that have not accessed any type of funds (European, governmental) and whose processing would have vitiated the results.

#### 4. RESULTS OF THE RESEARCH

An important objective of the present research is to identify the difficulties faced by institutions in accessing and implementing these projects. Therefore, institutions were surveyed about the degree of difficulty they encountered when filling out the application form and the technical and financial reporting.

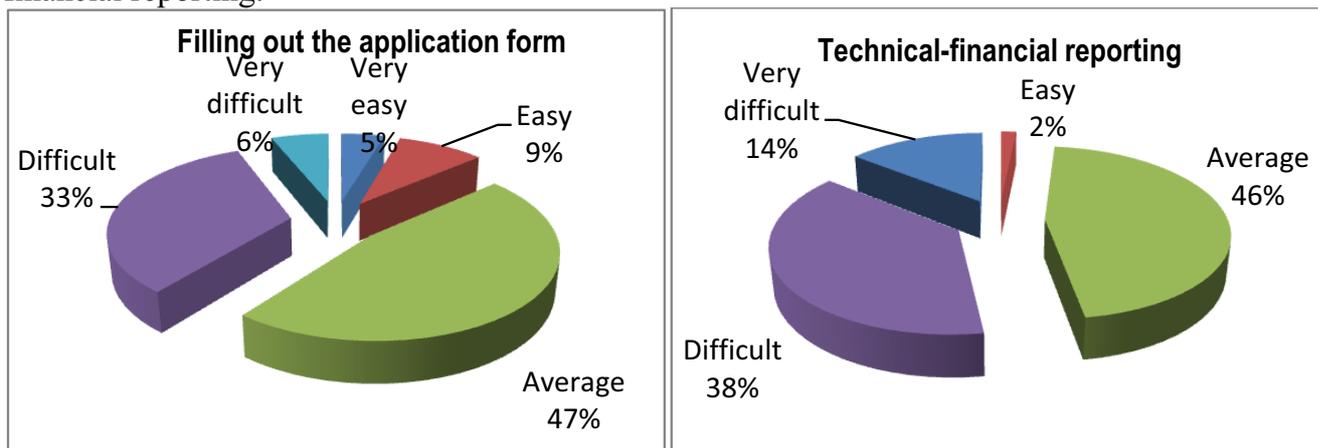


Figure 1 The degree of difficulty in filling out the application form and technical and financial reporting (made by author)

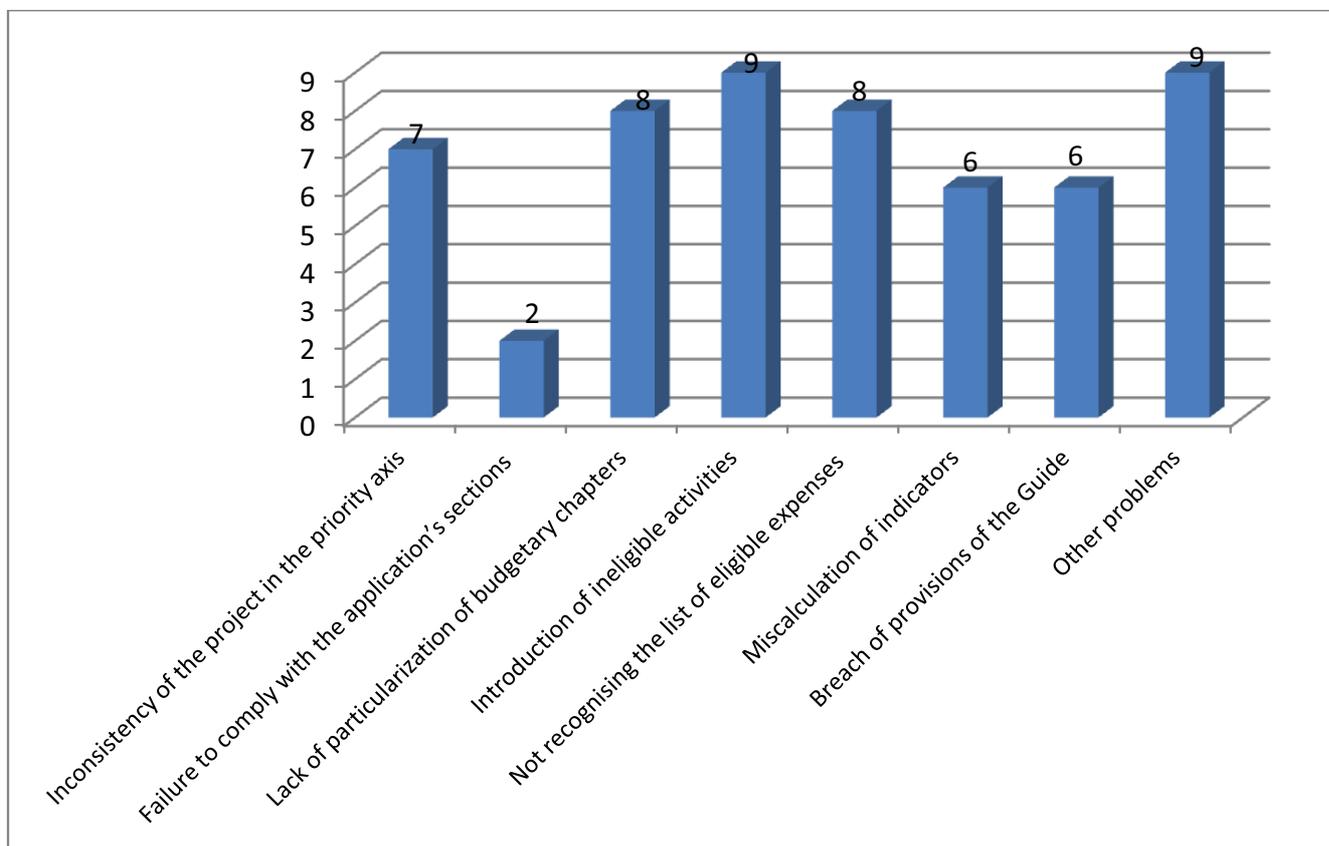


Figure 2 Problems faced by respondents in filling out the application form (made by author)

In terms of identifying the main problems encountered in filling out the application form, as well as their causes, we started from a series of problems identified in primary sources, problems published online for each operational programme, but essentially similar. Respondents added to them causes and, according to the situation, other problems they encountered. Respondents associated a series of causes to these problems, outlined below.

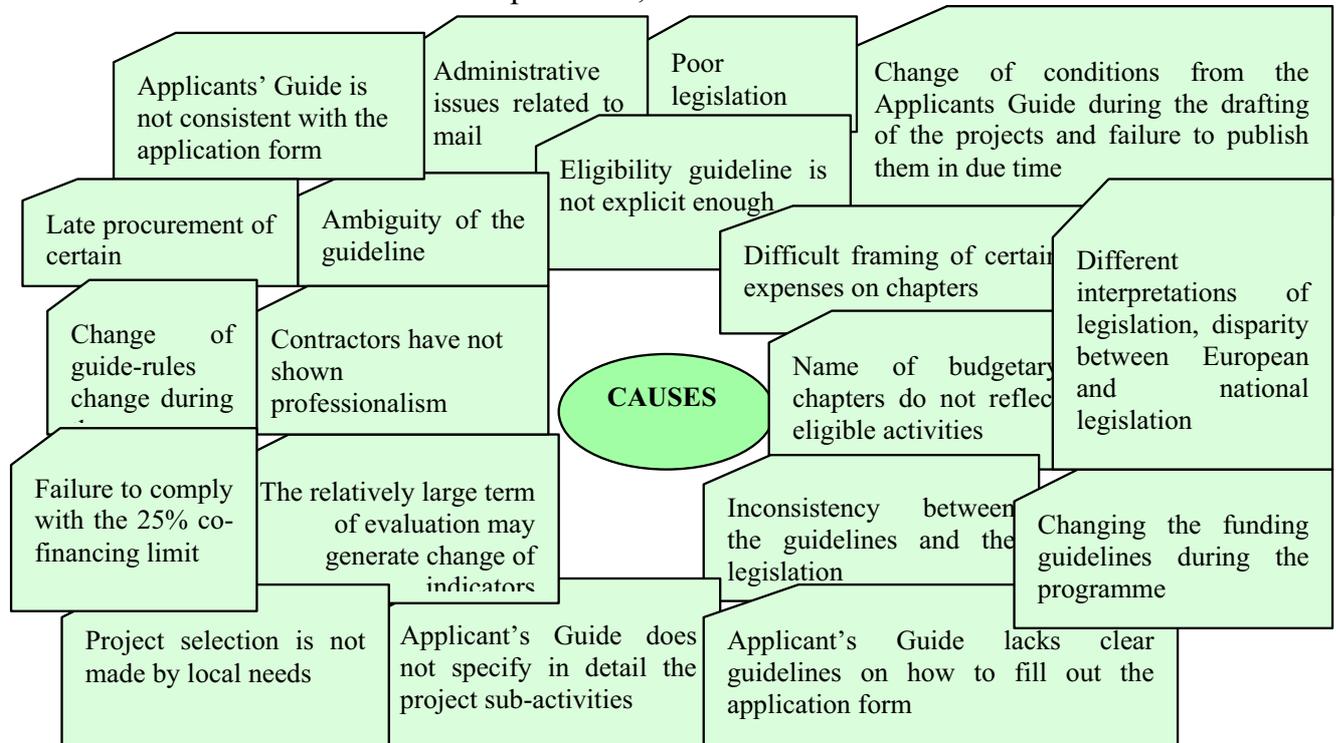


Figure 3 Causes of the problems encountered by respondents in filling out the application form (made by author)

Analysing the figure above, it can be noticed that the main problems encountered by the public institutions in filling out the application form originate in the complete understanding of the Applicant's Guide, their eligibility criteria and also of some changes in those guidelines during the projects and their late publication. Respondents also accuse consulting firms they are working with of lack of professionalism.

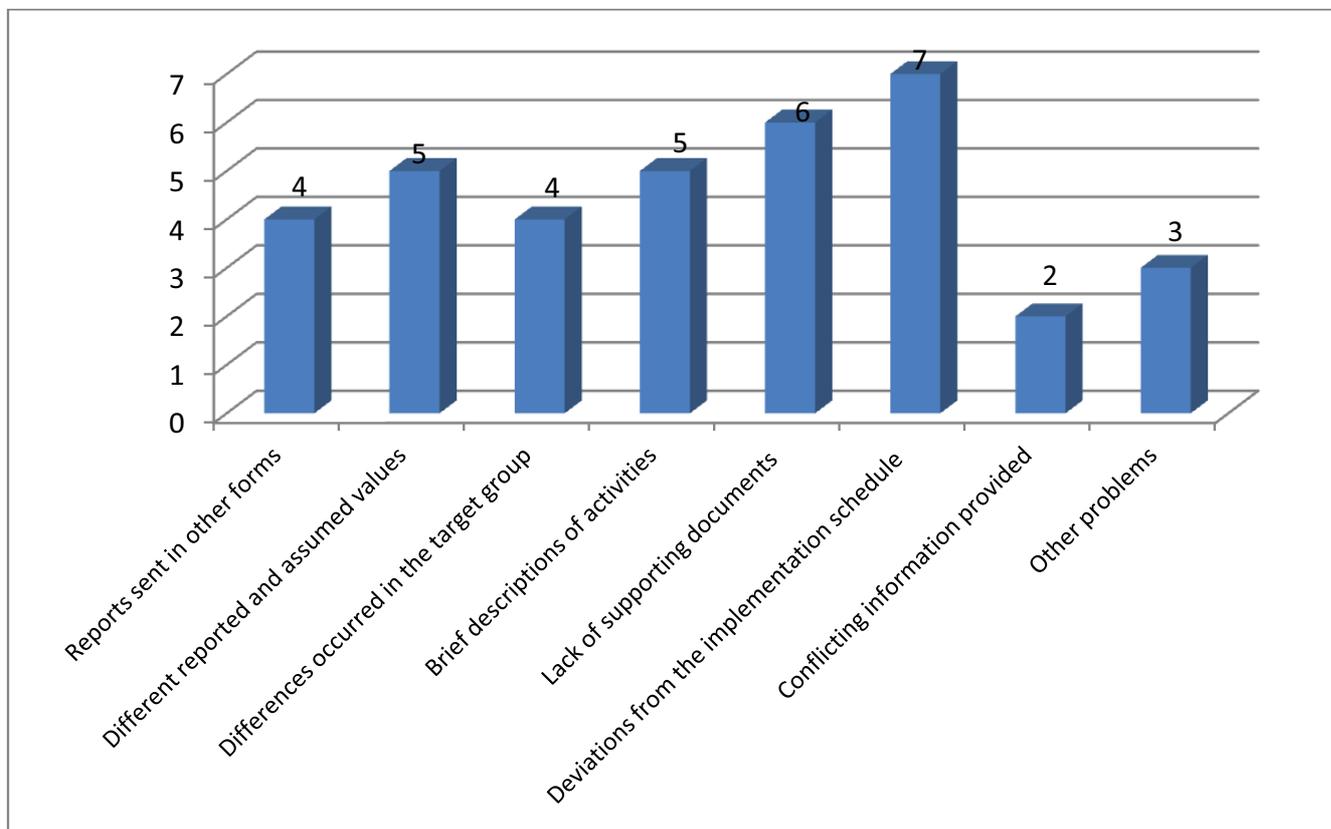


Figure 4 Problems faced by respondents in the technical and financial reporting (made by author)

Figure 4 deals with the issues encountered by the surveyed institutions in the technical and financial reporting, specifying their frequency.

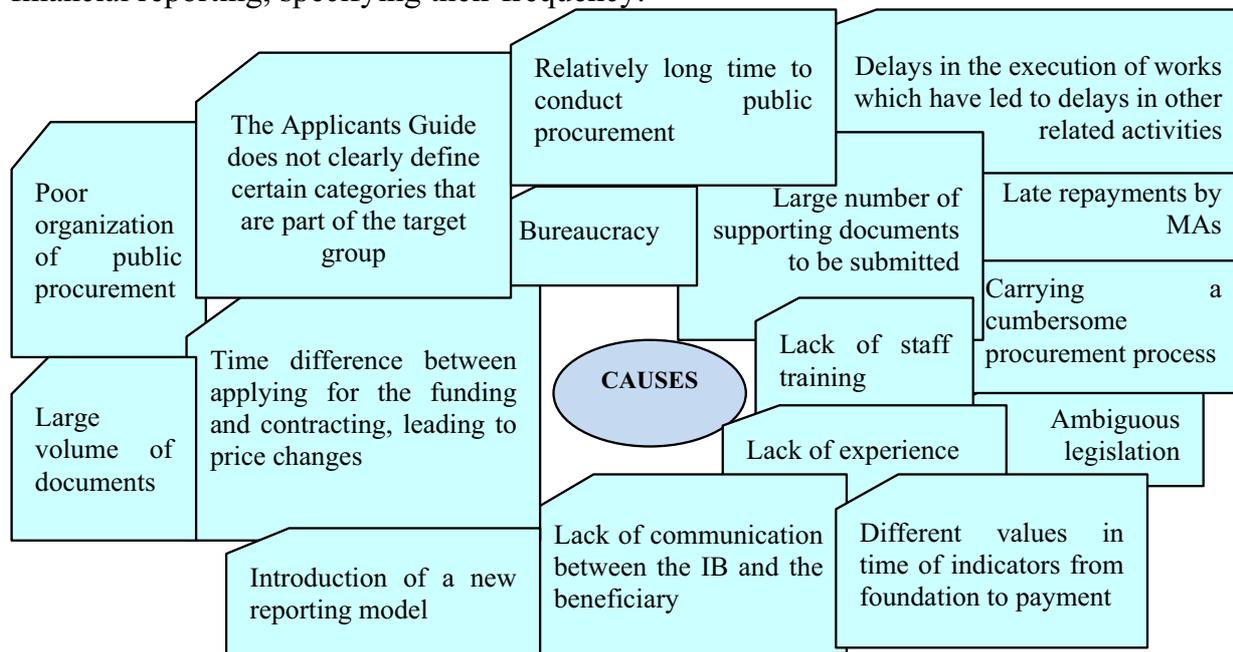


Figure 5 Causes of the problems encountered by respondents in the technical and financial reporting (made by author)

The main reasons for which respondents claim they faced problems during the technical and financial reporting stage include a large volume of documents that need to be reported, sometimes the same documents must be forwarded at different stages of reporting. Respondents also accuse the poor organisation of public procurement: during the evaluation period, acquisitions have been merged in the same activity and expenses came during the 3<sup>rd</sup> different

procedure of procurement. Institutions also had to forward certain documents due to changes in reporting formats.

## **5. CONCLUSIONS AND RECOMMENDATIONS**

The research, whose target groups is the institutions from the Centre Region, aims to obtain information from the respondents regarding: the problems encountered by them in carrying out projects in two phases: filling put the application form and the technical and financial reporting. From the respondents' answers, although they have reported a higher degree of difficulty in the technical and financial reporting stage, the filing out of the application form was the phase with the greatest number of problems (a total of 55 problems). For each of the stages, respondents added a series of reasons that have caused these problems. Problems reported by respondents appear because of lack of commitment and professionalism of fund management institutions , and also because institutions that accessed funds.

Although the target group is represented by public institutions, the information obtained after processing the data become useful to any organisation, be it public or private. The methodology for accessing European funds is the same for any institution, the difference being the conditions from the Funding Guide, conditions that should be studied in detail by each applicant for European funds.

Among the benefits that the present research brings to institutions which carry out European projects or plan to develop projects in the future, there are:

- quantifying the problems encountered so far by the institutions that have developed projects or that have tried to access European funds enables institutions to get an advantage when they decide to take advantage of the opportunity provided by European funds;
- from the experience of the institutions that have developed projects, either successful, or unsuccessful, we should learn that the strictest coordination of time, human and financial resources is essential.

Obviously, the usefulness of the research lies in the fact that its results allow us to develop recommendations, both for the institutions that carry out projects and for the institutions that deal with the management of European funds in Romania (Intermediary Bodies and Management Authorities).

A recommendation for the project development institutions to obtain better results in the development and implementation of projects would be the studying in detail of the Funding Guide in order to reduce the number of problems encountered during the stage of filling out the application form, a stage, in many cases, underestimated by institutions as degree of difficulty.

Recommendations for institutions dealing with European funds in Romania:

- elaboration of Funding Guide that would provide detailed and explicit information to possible applicants on projects to ease the filling out of the application form;
- approval in advance of possible changes that occur in the Funding Guide;
- correlation of information from Funding Guides to the current legislation;
- reducing projects' evaluation periods which have exceed even a year.

## **6. NOTES**

(1) This research is conducted within the project SOPHRD/6/1.5/S/26, cofinanced by the European Social Fund through the Sectoral Operational Programme "Human Resources Development" 2007-2013.

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