SECTION FINANCE, BANKING, ACCOUNTING AND AUDIT

GOVERNANCE MATTERS: INSIGHTS INTO EUROPEAN UNION FUND ABSORPTION ACROSS SUCCESSIVE MULTIANNUAL FINANCIAL FRAMEWORKS

Diana BĂLAN[1], Ana-Cristina NICOLESCU[2]
[1]*West University of Timisoara, Doctoral School of Economics and Business Administration, Timisoara, Romania*
[2]*West University of Timisoara, Romania, Faculty of Economics and Business Administration, Department of Finance, Business Information Systems and Modelling*
diana.balan01@e-uvt.ro
cristina.nicolescu@e-uvt.ro

Abstract: *This paper explores the relationship between governance quality and European Structural and Investment Funds (ESI Funds) efficiency at the European Union (EU) level. This research proposes a new approach by classifying Member States into distinct groups based on governance indicators and ESI Funds absorption. The study uses a comprehensive dataset for 27 EU Member States from 2007 to 2022. This time frame covers the last two multiannual financial frameworks (MFFs): 2007-2013 and 2014-2020. The main results reveal a clear connection between the quality of governance and the degree of ESI Funds absorption for each period. Countries with high regulatory standards, the rule of law, and government efficiency demonstrate remarkable results in absorbing ESI Funds. These findings highlight the essential role of aligning national regulations with those of the EU. On the other hand, low levels of these governance indicators generate deficiencies in managing these financial resources. The comparative analysis of the two MFFs reveals notable progress in streamlining European funds' regulations and absorption process. The reduction in the number of clusters from six in 2007-2013 to four in 2014-2020 signifies a more streamlined and efficient distribution and absorption of ESI Funds. Countries with robust governance systems, such as Denmark, Finland, and Sweden, demonstrate tangible advantages in managing these funds. On the other hand, countries with weaker governance, including Romania and Bulgaria, demonstrate a low absorption rate. Intermediate clusters with a moderate level of all indicators – such as Italy and Spain – oscillate between the groups in which they are located, which reveals both periods of progress and stagnation. The insights gained from this research underline the importance of fostering governance reforms tailored to the specific needs of Member States to ensure fair and balanced utilisation of European financial resources. This study provides valuable information for policymakers, highlighting the need to adapt monitoring mechanisms to identify the individual challenges and opportunities of each Member State. The analysis promotes equitable development in the European Community by strengthening administrative capacities and reducing inequalities.*

1. Introduction

As one of the largest chapters in the European Union (EU) budget, the European Structural and Investment Funds (ESI Funds) finance thousands of infrastructures, health, sustainable development, agriculture, energy, and telecommunications projects. Thus, the absorption of ESI Funds is an essential pillar of the social, economic, and territorial cohesion of the Member States. The absorption rate of these funds reflects the efficiency with which the beneficiary states use these financial resources in a predefined timeframe. Although the allocation of ESI funds is differentiated according to the specificity of each region, the efficiency of their use, quantified by absorption rates, varies considerably from country to country, influenced by the administrative capacity and quality of governance. This discrepancy has attracted both the attention of policymakers and researchers in recent years, as attempts are being made to understand the interconnections between government quality and ESI funds' efficiency.

The paper aims to investigate the interdependence between the quality of governance and the efficiency of ESI funds, focusing on how governance indicators influence the absorption rate during the two MFFs, 2007–2013 and 2014–2020, to provide a comprehensive understanding of this phenomenon across EU Member States.

The novelty of this research lies in cluster analysis, an empirical method that allows for the systematic classification of countries according to governance and absorption indicators. Thus, cluster analysis provides an innovative perspective in the current academic discourse. The paper also contributes significantly to the specialised literature by offering practical recommendations for policymakers to improve governance mechanisms that maximise the socio-economic impact of ESI funds.

The results revealed that the efficiency of ESI Funds is higher in an environment with solid policies that ensure accountability, political stability, regulatory quality, rule of law, government effectiveness, and anti-corruption. These main findings contribute to the policy discourse on the efficiency of the ESI Funds at the level of the European community and provide practical guidance on improving the governance characteristics that support the effective use of funds. By identifying the interconnections between the various aspects of governance and the use of ESI funds, policymakers can make decisions tailored to each context, thus promoting fair development in all EU member states.

The work is structured as follows: the introduction is followed by the section dedicated to literature reviews of relevant papers in this field. The second section illustrates the methodological framework of cluster analysis. The third section presents the results of the empirical study and provides a detailed interpretation of them. The last section concludes the results, underlining at the same time the essential role of the quality of governance in the process of absorbing the ESI funds.

2. Literature review

The ESI Funds were created progressively, starting in 1958, in response to internal problems and needs, enlargement, globalisation, and changes in political preferences (Piattoni and Polverari, 2019). Although the initial objective of these funds was to eliminate regional disparities, over the years, they have been associated with economic growth, competitiveness, employment, sustainable development, subsidiarity, good governance, and bringing the European Union closer to its citizens (Wallace et al., 2020).

Considering the evolution and the redistributive nature of the ESI Funds, the debates of the European communities have gradually expanded around the impact, added value, and administrative costs, as well as on the institutional features necessary to make the management of these funds more efficient (Piattoni and Polverari, 2019). In this context, at the end of the 1980s, as a result of the discrepancies between the available resources and the real budgetary needs of the European communities, the concept of a multiannual financial perspective emerged to strengthen fiscal discipline and have the budget execution through better planning (Delasnerie, 2023). Starting with 2009, the Lisbon Treaty transformed the multiannual financial framework (MFF), also called the long-term budget, from an interinstitutional agreement into a Council regulation, which must be adopted unanimously and is subject to the approval of the European Parliament under a particular legislative procedure (Delasnerie, 2023). This treaty strengthened monitoring and accountability mechanisms, recognising that weak governance in the state can compromise the political objectives of cohesion. Therefore, implementing the funds in the 2007-2013 financial framework was more efficient in the states with solid institutions and high administrative capacity, such as the Western and Northern countries. In contrast, Central and Eastern European (CEE) countries have recorded limited results. Factors contributing to this phenomenon include governance inefficiency and systemic problems (Bachtler and McMaster, 2008), the migration of skilled professionals from less developed regions to Western economies (Gravili et al., 2019), the global financial crisis, which led to severe economic disruptions and high social costs, significantly affecting vulnerable regions (Pirtea and Nicolescu, 2013), insufficient finances in research and development activity (Avram et al. 2019), as well as the redistributive nature of fiscal policies at that time (Dima et al. 2009).

To make the following multiannual financial framework more efficient, the European Commission has introduced stricter regulations for the beneficiaries of ESI funds, including the rule of law conditionality (Blauberger and Van Hüllen, 2021). These changes responded to the institutional deficiencies identified in the previous financial framework. Thus, the member countries were forced to adopt reforms to improve administrative capacities. Dotti et al. (2024) demonstrated that this approach positively influenced several regions, which also led to simplifying the implementation process of projects financed by ESI funds. However, governance challenges persisted, especially in less developed areas, thus limiting the overall impact of ESI funds. This disparity underscores some sustained efforts to create

governance frameworks, particularly in countries where structural weaknesses remain entrenched.

Overall, this literature review underlines the importance of governance quality for streamlining ESI fund absorption processes. As the EU continues to refine its funding mechanisms for member states, the focus must remain on fostering institutional resilience, innovation in public administration, and collaborative governance.

3. Data and methodology

This study provides a cluster analysis based on a dataset of 27 EU Member States from 2007 to 2022, with an annual frequency. The variables were standardised to ensure compatibility between the analysed countries. Key indicators include ESI funds absorption rates and six governance metrics: Government Effectiveness, Voice and Accountability, Political Stability, Regulatory Quality, Rule of Law, and Control of Corruption. These metrics were chosen for their relevance to governance quality and potential impact on fund absorption rates.

Model-based clustering is applied, which partitions the dataset into distinct clusters by analysing the data distribution to maximise within-cluster homogeneity. The number of clusters was determined using the elbow method, ensuring an optimal balance between variance explanation and interpretability.

Table 1 summarises the description and sources of the indicators included in the dataset.

Table 1: Description of dataset indicators

Variable	Description	Source
Absorption rate (ABR)	The proportion of the total funds allocated by the European Commission to a Member State during an MFF that has been utilised, as evidenced by payments made.	European Commission (2015; 2016)
Government Effectiveness (GE)	A measure of the perceived quality of public services, the competence and independence of the civil service, the quality of policy design and implementation, and the credibility of the government's commitments to these policies.	World Bank (2023)
Voice and Accountability (VA)	An assessment of the extent to which citizens can participate in governmental selection processes alongside indicators of freedom of expression, freedom of association, and the presence of independent media.	World Bank (2023)
Political Stability and Absence of Violence/Terrorism (PS)	A measure of the perceived likelihood of political unrest, instability, or violence, including acts of terrorism.	World Bank (2023)
Regulatory Quality (RQ)	An evaluation of the government's capacity to develop and enforce policies and regulations conducive to private sector growth and development.	World Bank (2023)
Rule of Law (RL)	An indicator of the extent to which individuals and organisations have confidence in and comply with	World Bank (2023)

	societal rules, including the effectiveness of contract enforcement, the protection of property rights, the performance of the police and judiciary, and the prevalence of crime and violence.	
Control of Corruption (CC)	A measure of the degree to which public power is used for personal gain, encompassing minor and significant forms of corruption, as well as state capture by private interests and elites.	World Bank (2023)

Source: Authors' processing

Table 2 presents a detailed summary of the descriptive statistics for all indicators included in the econometric models, covering the 2007-2013 MFF and a two-year extension period spanning 2007 to 2015. This inclusion of the 2014 and 2015 years corresponds with the application of the n+2 rule (European Union, 2006), which allows funds committed during the 2007-2013 MFF to be spent up to two years beyond the official end of the period.

Table 2: Descriptive statistics of the variables used for the 2007-2015 period

Variables	Valid	Mean	Std. Deviation	Minimum	Maximum
ABR	243	3.024×10^{-16}	0.983	-4.043	4.667
GE	243	-5.763×10^{-17}	0.983	-2.314	1.887
VA	243	-1.786×10^{-17}	0.983	-2.142	1.554
PS	243	4.809×10^{-17}	0.983	-2.694	1.954
RQ	243	1.013×10^{-16}	0.983	-2.119	1.756
RL	243	-8.543×10^{-17}	0.983	-2.074	1.481
CC	243	2.448×10^{-17}	0.983	-1.63	1.74

Source: Authors' processing using JASP software, https://jasp-stats.org/

Similarly, Table 3 illustrates the descriptive statistics for the variables included in the econometric models for the 2014-2020 MFF and a two-year extension period, respectively, 2021 and 2022.

Table 3: Descriptive statistics of the variables used for the 2015-2022 period

Variables	Valid	Mean	Std. Deviation	Minimum	Maximum
ABR	216	-4.754×10^{-17}	0.984	-2.139	3.032
GE	216	4.969×10^{-19}	0.984	-2.225	1.785
VA	216	2.515×10^{-17}	0.984	-2.222	1.511
PS	216	-8.510×10^{-17}	0.984	-2.502	2.285
RQ	216	1.391×10^{-16}	0.984	-1.952	1.815
RL	216	3.807×10^{-17}	0.984	-2.000	1.691
CC	216	3.050×10^{-17}	0.984	-1.662	1.868

Source: Authors' processing using JASP software, https://jasp-stats.org/

4. Results

The results of this analysis highlight a significant relationship between the quality of governance, quantified by the World Bank's Worldwide Governance Indicators, and the efficiency of European funds, quantified by the absorption rate.

The analysis of the 2007-2013 MFF (Table 4) illustrates six distinct clusters. High scores in both governance and performance of the use of European funds characterise the first cluster. Intermediate clusters – 2 and 3 indicate a medium institutional quality but also a medium absorption rate. Contrary to these, Cluster No. 4 has the lowest values for all indicators, reflecting a low quality of regulations and significant deficiencies in the management and implementation of non-reimbursable funds. Clusters 5 and 6 illustrate below-average values for all indicators, indicating the existence of various challenges at both governmental and European funds management levels.

Table 4: Cluster Means for 2007-2013 MFF

	ABR	GE	VA	PS.	RQ	RL	CC
Cluster 1	0.122	1.275	1.297	0.994	1.391	1.253	1.417
Cluster 2	0.23	-0.168	-0.065	0.145	-0.378	-0.107	-0.016
Cluster 3	0.103	0.692	0.651	0.153	0.455	0.78	0.659
Cluster 4	-0.569	-1.568	-1.874	-0.96	-1.472	-1.71	-1.389
Cluster 5	-0.06	-0.582	-0.45	0.02	-0.383	-0.565	-0.777
Cluster 6	0.079	-0.295	-0.416	-1.703	-0.48	-0.375	-0.478

Source: Authors' processing using JASP software, https://jasp-stats.org/

This analysis categorises EU member states into distinct clusters based on governance quality and EU fund absorption performance during the 2007–2013 MFF (Table 5), highlighting significant disparities in institutional capacity and resource utilisation. Cluster 1, comprising the Nordic countries such as Denmark, Finland, and Sweden, demonstrates exceptional governance quality and high absorption rates. Cluster 2, comprising Cyprus, Poland, and Slovenia, reflects moderate governance deficiencies but relatively efficient fund absorption. Cluster 3, comprising Austria, Belgium, and France, shows balanced governance performance and consistent use of funds. In contrast, Cluster 4 (Bulgaria, Romania, and Croatia) has the lowest governance scores and weak fund absorption, highlighting substantial institutional challenges affecting the efficient use of these financial resources. Cluster 5, comprising Greece, Italy, and Poland, shows moderate levels of governance with mixed results in fund absorption. Finally, Cluster 6 (Cyprus, Greece, and Latvia) demonstrates significant governance deficiencies and low absorption capacity. These groups highlight substantial discrepancies between the levels of governance quality and fund absorption at the Member State level, underlining the need for interventions adapted to this context.

Table 5: Country Classification by Cluster for the 2007–2013 MFF

Cluster	Countries
Cluster 1	Denmark, Finland, Germany (2014), Ireland (2007-2009, 2014, 2015), Luxembourg, Netherlands, Sweden
Cluster 2	Cyprus (2012-2015), Estonia (2007,2009,2010-2015), Malta (2015), Poland (2011-2013,2015), Portugal, Slovenia
Cluster 3	Austria, Belgium, France, Germany (2007-2013,2015), Ireland (2010-2013), Malta (2007-2008), Spain (2011-2012)
Cluster 4	Bulgaria, Croatia, Hungary (2014-2015), Romania
Cluster 5	Czech Republic, Greece (2007-2008), Hungary (2007-2013), Italy, Latvia (2007-2014), Lithuania, Malta (2009-2014), Poland (2007-2010,2014), Slovak Republic
Cluster 6	Cyprus (2007-2011), Estonia (2008), Greece (2009-2015), Latvia (2015), Spain (2007-2010,2013-2015)

Source: Authors' processing using JASP software, https://jasp-stats.org/

Unlike the 2007-2013 MFF period, which illustrated six distinct clusters, the 2014-2020 MFF analysis consolidates them into four groups (Table 6), indicating increasing convergence both at the governmental level and in the efficiency of using ESI funds between some Member States. As in the 2007-2013 case, Cluster 1 presents the most relevant governance scores with a high absorption rate, indicating exemplary ESI fund management. In contrast, cluster 4 (the last), reflecting low scores on the governance indicators, highlights persistent institutional deficiencies that negatively influence the efficient absorption of EU funds.

Table 6: Cluster Means for 2014-2020 MFF

	ABR	GE	VA	PS.	RQ	RL	CC
Cluster 1	0.215	1.07	1.081	0.709	1.233	1.093	1.251
Cluster 2	0.027	-0.078	-0.162	0.19	-0.256	-0.146	-0.406
Cluster 3	0.112	0.612	0.588	-0.488	0.348	0.768	0.58
Cluster 4	-0.286	-1.229	-1.147	-0.735	-1.121	-1.24	-1.073

Source: Authors' processing using JASP software, https://jasp-stats.org/

In terms of clustering (Table 7), cluster 1 includes countries such as Denmark, Finland, and Sweden, which consistently demonstrate strong governance and high efficiency of fund absorption. Cluster 2 comprises countries like Cyprus, Latvia, and the Czech Republic, with moderate governance and reasonable absorption rates. Cyprus's repeated but variable inclusion (2015, 2017–2021) suggests both periods of improvement and governance stagnation within this group. In contrast, Cluster 4 includes Bulgaria, Romania, and Greece, which have the weakest governance and fund absorption performances. The inclusion in the same group of Poland (2016–2022) and the Slovak Republic (2015–2020, 2022) indicates governance challenges in these years, despite occasional progress.

These results highlight significant variability across EU Member States – from countries that maintain robust performance across countries to countries that perform, then stagnate. This underscores the necessity for a tailored approach for

each region category, aiming to address specific challenges while leveraging unique opportunities.

Table 7: Country Classification by Cluster for the 2014-2020 MFF

Cluster	Countries
Cluster 1	Belgium (2021), Denmark, Estonia, Finland, Germany, Ireland, Luxembourg, Netherlands, Sweden
Cluster 2	Cyprus (2015, 2017-2021), Czech Republic, Latvia, Lithuania, Malta, Poland (2015), Portugal, Slovak Republic (2021), Slovenia, Spain
Cluster 3	Austria, Belgium (2015- 2020, 2022), France
Cluster 4	Bulgaria, Croatia, Cyprus (2016, 2022), Greece, Hungary, Italy, Poland (2016-2022), Romania, Slovak Republic (2015-2020, 2022)

Source: Authors' processing using JASP software, https://jasp-stats.org/

The comparative analysis of the mapping of the member states for the two analysed periods – 2007-2013 and 2014-2020 (Table 8) illustrates distinct profiles of the governance and absorption of the ESI funds. In both MFFs, countries with robust governance systems, such as Denmark, Finland, and Germany, find themselves in the same cluster, characterised by the highest scores in the governance and absorption of EU funds. In contrast, countries with government deficiencies, such as Bulgaria and Romania, remain in the same cluster from one period to another. These results highlight the crucial link between the quality of governance and the efficiency of using ESI funds. Intermediate clusters covering countries such as Spain and the Czech Republic vary from period to period, suggesting some improvements in the capacity to use the ESI Funds and governance systems.

Table 8: EU Member States by Governance and Fund Absorption Clusters for 2007-2013 MFF and 2014-2020 MFF

Cluster	Countries (MFF 2007-2013)	Countries (MFF 2014-2020)
Cluster 1	Denmark, Finland, **Germany (2014), Ireland (2007-2009, 2014, 2015)**, Luxembourg, Netherlands, Sweden	Denmark, Finland, **Germany, Ireland**, Luxembourg, Netherlands, Sweden, **Belgium (2021), Estonia**
Cluster 2	Cyprus (2012-2015), **Estonia (2007, 2009, 2010-2015), Malta (2015), Poland (2011-2013, 2015)**, Portugal, Slovenia	Cyprus (2015, 2017-2021), **Malta, Poland (2015)**, Portugal, Slovenia, Czech Republic, **Latvia, Lithuania, Slovak Republic (2021), Spain**
Cluster 3	Austria, **Belgium**, France, **Germany (2007-2013,2015), Ireland (2010-2013), Malta (2007-2008), Spain (2011-2012)**	Austria, **Belgium (2015-2020, 2022)**, France
Cluster 4	Bulgaria, Croatia, **Hungary (2014-2015)**, Romania	Bulgaria, Croatia, **Hungary**, Romania, **Cyprus (2016, 2022), Greece, Italy, Poland (2016-2022), Slovak Republic (2015-2020, 2022)**
Cluster 5	**Czech Republic, Greece (2007-2008), Hungary (2007-2013), Italy, Latvia (2007-2014), Lithuania,**	-

	Malta (2009-2014), Poland (2007-2010,2014), Slovak Republic	
Cluster 6	Cyprus (2007-2011), Estonia (2008), Greece (2009-2015), Latvia (2015), Spain (2007-2010,2013-2015)	-

Source: Authors' processing

5. Conclusions

In conclusion, this study illustrates a pronounced relationship between the quality of governance and the efficiency of ESI funds, quantified by the absorption rate, in correlation with other relevant previous research (Incaltarau, Pascariu and Surubaru, 2020; Tiganasu and Lupu, 2023; Mendez and Bachtler, 2024).

The cluster analysis reveals that Member States with high regulation standards, rule of law, and government efficiency demonstrate remarkable results in the absorption of ESI funds. These results highlight the essential role of national regulations in aligning with EU policies. On the other hand, low levels of governance indicators generate deficiencies in using these financial resources.

The comparative analysis of the two multiannual financial frameworks 2007-2013 and 2014-2020 reveals both progress at the Member State level and stagnation. While some countries have registered substantial improvements in governance and efficiency of the management of European funds, others have remained stuck in excessive bureaucracy, corruption, and poor administration. However, the reduction in the number of distinct clusters from 6 in 2007-2013 to 4 in 2014-2020 suggests progress, also generated by the European Commission's measures regarding ex-ante conditionalities and the rule of law. Although these rules have positively impacted intermediate countries like Spain and the Czech Republic, other countries still have significant deficiencies. We consider it imperative to adapt differentiated policies to distinct governance frameworks to eliminate these discrepancies.

For the European Union, strengthening the Member States' governance levels remains an indispensable element to ensure a balanced and equitable allocation of financial resources. These results can form the basis of future initiatives focused on strengthening the administrative capacities of the Member States. Such measures could positively influence the absorption process of ESI funds and contribute to the socio-economic cohesion of the community.

References
1. Avram, A., Nicolescu, A. C., Avram, C. D., and Dan, R. L. (2019) Financial communication in corporate social responsibility Growth. *Amfiteatru Economic*, Vol. 21 no. 52, pp. 623-638. [Online], Available: https://www.amfiteatrueconomic.ro/temp/Article_2843.pdf [30 November 2024]
2. Bachtler, J., and McMaster, I. (2008) EU Cohesion policy and the role of the regions: investigating the influence of Structural Funds in the new member states. *Environment and Planning C: Government and Policy*, Vol. 26, no. 2, pp. 398-427. [Online], Available: https://doi.org/10.1068/c0662 [18 November 2024]
3. Blauberger, M., and Van Hüllen, V. (2021) Conditionality of EU funds: an instrument to enforce EU fundamental values? *Journal of European Integration*, Vol.

43, no. 1, pp. 1-16. [Online], Available: https://doi.org/10.1080/07036337.2019.1708337 [27 December 2024]

4. Crescenzi, R., and Giua, M. (2020) One or many Cohesion Policies of the European Union? On the differential economic impacts of Cohesion Policy across member states. *Regional Studies*, Vol. 54, no. 1, pp. 10-20. [Online], Available: https://doi.org/10.1080/00343404.2019.1665174 [19 November 2024]

5. Delasnerie, A. (2024). Cadrul financiar multianual. [Online], Available: https://www.europarl.europa.eu/factsheets/ro/sheet/29/cadrul-financiar-multianual [22 November 2024]

6. Dima, B., Lobonț, O., and Nicolescu, C., (2009) The fiscal revenues and public expenditures: is their evolution sustainable? The Romanian case. *Annales Universitatis Apulensis Series Oeconomica*, Vol. 11, p. 416-425. [Online], Available: https://shorturl.at/md3SO [22 November 2024]

7. Dotti, N. F., Colnot, L., Walczyk, J., Kupiec, T., and Pellegrin, J. (2024) Triggering policy learning via formal EU evaluation requirements in the case of Cohesion Policy. [Online], Available: *European Policy Analysis*. https://doi.org/10.1002/epa2.1226 [22 November 2024]

8. European Commission. (2015) SF 2007-2013 Funds Absorption Rate *Cohesion Open Data Platform*. [Online] Available: https://cohesiondata.ec.europa.eu/2007-2013-Finances/SF-2007-2013-Funds-Absorption-Rate/kk86-ceun/about_data [22 January 2024]

9. European Commission. (2016) ESIF 2014-2020 Finance Implementation Details. *Cohesion Open Data Platform*. [Online] Available: https://cohesiondata.ec.europa.eu/2014-2020-Finances/ESIF-2014-2020-Finance-Implementation-Details/99js-gm52/about_data [22 January 2024]

10. European Union (2006) Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund, and the Cohesion Fund and repealing Regulation (EC) No 1260/1999. [Online] Available : https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1083 [19 November 2024].

11. Gravili, G., Avram, A., and Nicolescu, A. C. (2019) Gender Equality and Firm Financial Performance: The Case of Central and Eastern Europe Financial and IT&C Sectors. In *Proceedings of the ICGR 2019 2nd International Conference on Gender Research*, Rome, Italy, pp. 316-326. [Online], Available: https://shorturl.at/sksZc [23 November 2024]

12. Incaltarau, C., Pascariu, G.C. and Surubaru, N.C. (2020) Evaluating the determinants of EU funds absorption across old and new member states–The role of administrative capacity and political governance, *JCMS: Journal of Common Market Studies*, Vol. 58, no. 4, pp. 941-961. [Online], Available: https://doi.org/10.1111/jcms.12995 [19 November 2024]

13. Mendez, C., and Bachtler, J. (2024) The quality of government and administrative performance: explaining Cohesion Policy compliance, absorption and achievements across EU regions. *Regional Studies*, Vol. 58, no. 4, pp. 690-703. [Online], Available: https://doi.org/10.1080/00343404.2022.2083593 [27 December 2024]

14. Piattoni, S., and Polverari, L. (2019) Cohesion policy and European Union politics. In *Oxford Research Encyclopedia of Politics*. https://doi.org/10.1093/acrefore/9780190228637.013.1160 [22 November 2024]

15. Pirtea, M. and Nicolescu, C., (2013) Corporate governance codes of best practice of top Romanian banks. *Annals of Faculty of Economics*, Vol. 1, no. 2, pp. 390-397. [Online], Available: https://anale.steconomiceuoradea.ro/volume/2013/n2/037.pdf [23 November 2024]

16. Tiganasu, R., and Lupu, D. (2023) Institutional quality and digitalization: Drivers in accessing European funds at regional level? *Socio-Economic Planning Sciences*, Vol. 90, Article no. 101738. [Online], Available: https://doi.org/10.1016/j.seps.2023.101738 [27 December 2024]

17. Wallace, H., Pollack, M. A., Roederer-Rynning, C., and Young, A. R. (Eds.). (2020). *Policy-making in the European Union*. Oxford University Press. [Online], Available: https://shorturl.at/ShD4 [19 November 2024]

18. World Bank (2023) Worldwide Governance Indicators, *World Bank.* [Online] Available: https://www.worldbank.org/en/publication/worldwide-governance-indicators [22 January 2024].