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STRUCTURAL FUNDS – BETWEEN CONFORMITY AND PERFORMANCE. THE CASE OF ROMANIA

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Argumentum

In recent years, the concept of “gold-plating” or over-regulation of funds has begun to be discussed more and more often at the level of the European institutions, in response to efforts to understand what is not working in implementing Cohesion Policy. Its most common description is: regulation that goes beyond the requirements of European law that makes the implementation of EU law more costly for beneficiaries of regulations. A consequence of the gold-plating phenomenon is that it increases the administrative burden. We also find the term in the so-called “cutting red-tape” initiatives and reducing the administrative burden in the context of the European market. (High Level Group on Administrative Burdens, 2014).

Policies act differently in different contexts, so a policy cannot simply be replicated in another context without knowing what works, for whom, in what context and through what mechanisms.

The principle of subsidiarity and *the shared management of funds* determine, at the level of member states, the need to incorporate the rules governing the funds into the national legislative framework. In this approach, the emergence of the phenomenon of „*gold-plating*” is a significant obstacle in terms of access and implementation of ESI funds.

The orientation toward performance in the field of economic and social cohesion, a characteristic element of the New Public Management, is reflected in the evolution of the design of essential elements for performance at EU level, generating a political impetus in the preparation of current and future programming periods. In order to meet the objectives and targets set out in European strategies, the Commission has emphasized, since 2010, the need to improve the effectiveness of cohesion policy by placing more emphasis on results. The results orientation is one of the main objectives of the Commission, which is the basis of its proposals for the period 2021-2027.

On the other hand, the global crisis caused by the SARS-CoV-2 virus has brought a number of new challenges in the implementation of European Union policies, with both the Union and the member states being required to respond as quickly as possible to this crisis by making the policy implementation framework or financial allocations more flexible, or by accelerating the measures already in place to simplify its policies.

Thus, in the context of recent developments in Union policies but also of the need to accelerate the accelerated simplification of the fund management framework, the lack of in-depth studies on this subject is a shortcoming that this research aims to correct.

Through the existing regulatory framework at European level, the EU sets out the main rules to be followed in the implementation of funds by Member States. In this context, states have the obligation to create the mandatory minimum institutional architecture and to harmonize / transpose the relevant legislation at national level, but also having the freedom to adjust the institutional architecture and to create a simplified regulatory framework.

Practical implementation can go beyond national legislative responses to EU rules, at different levels of legal compliance. National actors involved in implementation could react to the failure of policy makers to address any of the objectives of EU law, or they could also strive to fill the gaps in formal rules that already partially reflect EU requirements.

While some rules explain in detail what actions national administrations should or should not adopt, others leave it to national actors to select the most appropriate implementation options that best meet the relevant policy objectives.

Methodology

For the present research, we considered that an intermethodological approach is needed to identify the systematic processes, as well as the applicable cause-effect relationships.

The research hypotheses we considered in this study were:

I.1: The main cause of the difficulties encountered in the implementation of the funds is the over-regulation (“gold-plating”) that appears at national level.

I.2: There is a causal relationship between the phenomenon of gold-plating - ensuring compliance - obtaining performance in the implementation of funds.

I.3: Ensuring compliance, at national level, with European rules and principles, together with a simplified institutional architecture and a low degree of over-regulation, has a positive influence on the success of the Structural Funds.

The theoretical debate on the structural and cohesion funds is a relatively recent one (Allen, 2005) but the profound transformations that the European economy has undergone lately have created the premises for detailing this concept and its analysis from several points of view.

During the process of initiating this study, several research questions were considered, and the answers had an impact on the choice of research design. The main questions I asked myself were:

1. Which point of view should be considered: realistic or constructivist?
2. On what type of approach will the research be based: a theoretical or empirical one?
3. What type of evidence collection methods will be used: positivist, interpretivist or a mix of them?

This research implies a constructivist point of view, because it aims to discover meanings, to understand, to interpret. The qualitative research style aims a limited issue and the qualitative methods penetrate in depth. The data were analyzed by interpretive methods.

The ability to use different approaches leaves room for triangulation. Thus, a variety of data sources were used - data triangulation and several methods to study the research problem - methodological triangulation.

Among the various methodological approaches, as tools for testing theories, it can be stated that case study and qualitative research are ideal for corroborating or rejecting working hypotheses, especially due to the high degree of speculation on European and national actors involved in managing structural funds.

In particular, the first method used was qualitative analysis, ie the study of the literature in order to develop definitions of the terms „*compliance*” and „*performance*”, relevant to cohesion policy and structural funds.

The purpose of presenting the research stage in the field of structural funds implementation mechanism was based on the need to identify relevant trends in the study of the chosen topic, to compare the results of existing research and to identify directions that need further development. The analysis is useful for identifying and presenting similar research efforts and for making a clear delimitation between them and the topic of this research.

In order to understand at what level of the policy process and when the gold-plating phenomenon occurs and, subsequently, determine if and what kind of relationship exists between the gold-plating phenomenon - compliance in the implementation of funds - performance, we conducted an evaluation of the framework for implementing Cohesion Policy.

Considering the fact that from the moment the research hypothesis was established until now, an element that could not be initially foreseen occurred, namely the pandemic generated by the SARS-CoV-2 virus, which generated a series of significant changes in the budget and Union policies, more precisely determined the Union to provide a rapid response

to member states by providing the necessary support for the recovery of national economies, we decided to include in the evaluation also the Recovery and Resilience Mechanism (MRR).

I have studied the elements that led to the phenomenon of over-regulation and a low level of performance given that ensuring compliance was a mandatory requirement in the implementation of funds, actors involved in the process and system of implementation of structural funds, institutional architectures and European and national regulatory framework.

Subordinated to the overall objective, the evaluation seeks to identify the extent to which the implementation framework of the Recovery and Resilience Mechanism is a simplified model for accelerated policy implementation. As an evaluation of the policy implementation process, I chose to use the theory-based approach, as it could test the causal links between compliance and performance through various methods, including the elimination of rival assumptions.

Moreover, this evaluation approach allowed the analysis of the context of the policies and the mechanisms that lead to results, which is necessary to substantiate the decision to reproduce or improve a policy.

Based on the conclusions of the evaluation, we extracted a set of qualitative attributes that clarify the causal relationship between "gold-plating" - compliance - performance. For the elaboration of the simplified model for the implementation of the funds we used the scenario method. The definition of the scenarios was made taking into account the identified attributes, resulting from the evaluation. Three scenarios were formulated for the analysis of which we used the method of competing hypotheses (ACH), the choice being motivated by its extended applicability in areas where it is necessary to make rational decisions in the medium or long term (so with a high degree of uncertainty).

The analysis of competing hypotheses is auditable, and helps to overcome cognitive biases. It allows a return to the evidence and hypotheses, and therefore monitoring the sequence of rules and data that led to the conclusion. (Sfetcu, N., 2019)

After applying the analysis of competing hypotheses, we conducted a case study based on the results of ACH to determine which of the 3 scenarios are possible and probable in the case of Romania.

According to Robert K. Yin, the research through case studies would be preferable compared to other methods when:

- (1) the main research questions are the "how" and "why" questions;

(2) the researcher does not have much or no control over events that involve certain behaviors;

(3) the study focuses on a contemporary phenomenon (as opposed to a completely historical one). (Yin, R. : 2014).

Through the case study, we try to understand a broader phenomenon, evaluating it from a certain perspective. Therefore, the research aimed at analyzing the legislative and administrative framework, in relation to European requirements and internal legislative and administrative traditions, together with efforts to simplify and eliminate bureaucracy. At the same time, the feasibility of each of the attributes identified in the situation of each proposed scenario and in the context of the institutional and normative framework in Romania was followed, without omitting the experience of previous financial years.

The sources for data collection in case-based research are multiple - documents, archive records, interviews, observations, etc. In this research, the qualitative method was based on the analysis of national and European laws and regulations (official documents), analysis of studies / reports on implementation of funds (annual implementation reports, evaluation reports, audit reports), analysis of specific and limited statistical data - to identify the absorption rates of operational programs.

A case study is an exploration of a "delimited system" or a case (or cases) over time, through the in-depth, detailed collection of data, which involves several contextually rich information resources. In this research, this system is delimited by time (multiannual financial framework 2014-2020) and place (European Union and Romania).

Chapter I. The constructivist approach in European policy management research

In the first chapter, we have detailed how constructivism provides alternative understandings of several central themes in international relations theory, including: the meaning of anarchy and the balance of power, the relationship between state identity and interest, power composition, and prospects for change in global politics. The evolution of European policies from the perspective of New Public Management was also analyzed, taking into account the role of New Public Management in carrying out reforms, at least in some CEE countries. In the last four decades, the public sector in most countries has been reshaped by reforms under the umbrella of a new public management (NMP) (Hood, 1990; Pollitt and Dan, 2011). Traditional, hierarchical, legalistic, “Weberian” public administrations have been partially replaced by results-oriented public organizations, as well as by private companies or for-profit NGOs since the late 1970s (Gruening, 2001) or by a state-owned commercialization itself. (Hood, 1995). NMP reforms, whether explicitly or implicitly, are still a powerful force for change in most public administrations, despite the fact that the idea of NMP may seem to have lost the initial enthusiasm it enjoyed two decades ago (Osborne, Radnor, Nasi, 2013).

Also in the first chapter we have made a brief presentation of the experiences of evaluating the implementation systems of European funds. The main conclusions were the degree of risk involved in generalizing the European experience. In the countries that now make up the EU, history, institutions, culture, government and civil society are extremely diverse. Researchers have debated how these variations are translated into public management and governance, which inevitably establishes a framework for evaluation policy (Pollitt & Bouckaert, 2004; Rosamond, 2000; Furubo, Rist, & Sandahl, 2002; Hayward and Menon, 2003). Although there are common EU assessment factors, many of them come from the EU institutions, the context and response in different countries are distinct and necessarily dependent on national circumstances and histories. The emergence of a more differentiated repertoire of policy instruments has undoubtedly expanded the range of evaluation objects in the EU. This situation is facing new methodological challenges for evaluators: how to assess the contribution of these instruments to results, often given that several policy instruments are conducted simultaneously in common ways.

Chapter II. Compliance and performance in the implementation of European funds - reshaping the paradigm

In the second chapter, we set out a series of theoretical considerations on the concept of "compliance" in the context of European policies.

Considered a challenge, measuring the degree of compliance, appreciated by previous studies as a dependent variable, focused on three dimensions:

- transposing the spirit and policy provisions of the directives into national law, in the most accurate, fair and timely manner possible;
- effective enforcement and ensuring that the rules are complied with;
- the existence, at national level, of administrative and legal mechanisms to detect breaches of the rules / non-compliant behavior of the addressees and to bring about a change in behavior in the sense of compliance with the provisions. (Treib, 2014)

Theoretical considerations on the concept of "performance" in the context of European policies. The Structural Funds have played a major role in introducing performance measurement in the public sectors of Central and Eastern European countries. Although indicator-based performance management exists in sporadic forms in public administrations in these Member States (Nemec and Sagat 2011; Hajnal and Ugródsy 2015), fund-specific regulations require the definition of quality indicators that go far beyond Member States' practices. The novelty of EU funds in measuring performance is underlined by administrative traditions in the region that emphasize legalism at the expense of efficiency (Hajnal and Jena, 2007). Compared to most "older" Member States, the significance of the funds is also amplified by their much larger share in the public budget. The emergence of the Structural Funds has provided an opportunity for Member States to gain experience in advanced performance measurement mechanisms.

The congruence between compliance and performance, although comparable in terms of the regulations specific to the principle of sound financial management in the financial years 2007-2013 and 2014-2020, reveals a distinct approach to performance. There is a more clearly regulated way of granting the performance reserve but, at the same time, a transfer of this decision to the financier, even if at least formally, the Commission had this role in the first financial framework analyzed.

In the effort to ensure compliance with European norms and rules but also in the effort to achieve performance indicators, the emergence of the gold-plating phenomenon seems to be imminent, given the tendency of states to over-regulate.

Gold-plating is, at European level, a phenomenon as complex as it is sensitive. Although it has been the subject of studies commissioned by various Commission services, with different objectives and approaches, the assumption from which this research starts is that gold-plating transcends European law and manifests itself at national level through the rules of the programs. and administrative obligations.

Conformity in the implementation of funds was, therefore, analyzed from the perspective of the following elements, established following the study of the literature, as detailed above: existing regulations, management and control system of funds, audit task.

The concept of performance in the implementation of funds was analyzed from the perspective of the normative dimension of performance indicators and the existence of monitoring mechanisms, respectively corrective measures.

In the analysis of each of the two concepts, the research sought to identify the establishment of a relationship between the occurrence of the gold-plating phenomenon and the degree of compliance, respectively the degree of performance and what is the nature of this relationship.

Chapter III. Evaluation of the implementation framework of the Cohesion Policy and the Recovery and Resilience Mechanism

In the third chapter we presented the framework for implementing Cohesion Policy in the financial year 2014-2020, as well as the new framework for implementing Cohesion Policy in the programming period 2021-2027, respectively the Recovery and Resilience Mechanism, the context in which it the implementation mechanisms and also the implementation mechanisms.

In this chapter we applied the first research instrument, namely the evaluation of the implementation framework of the Cohesion Policy and of the Recovery and Resilience Mechanism.

The general objective of the evaluation was to understand at what level of the policy process and when the gold-plating phenomenon occurs, respectively how it interferes with the effort to ensure compliance and performance. Subject to this objective, the evaluation sought to identify the extent to which the implementation framework of the Recovery and Resilience Mechanism is a simplified model for accelerated policy implementation.

As an evaluation of the policy implementation process, I chose to use the realistic approach, theory-based, as it can test the causal links between compliance and performance through various methods, including eliminating rival assumptions.

Moreover, this evaluation approach allowed the analysis of the context of the policies and mechanisms that lead to results, which is necessary to substantiate the decision to reproduce or improve a policy.

The following topics were analyzed:

- Compliance in the implementation of funds - was analyzed from the perspective of existing regulations, the management and control system of funds, audit obligations.
- Performance in the implementation of funds - was analyzed from the perspective of the normative dimension of performance indicators and the existence of monitoring mechanisms, respectively corrective measures.
- The existence and nature of the relationship between gold-plating - compliance - performance.

The multiannual financial framework 2014-2020 was analyzed in terms of Cohesion Policy and the period 2020-2021 in terms of the Recovery and Resilience Mechanism.

Evaluation results

Under Cohesion Policy, a country's Management and Control System (MCS), including the Managing Authority (MA), is the "mechanism" that public administrations use to effectively implement their development policies funded by the ESI funds. The European Union has established a number of general regulations on funds, including the establishment of the MCS.

The main cause for the low absorption or domino effect was identified in the late adoption of the legislative framework, which in turn led to delays in the adoption of operational programs. Although some of the measures taken by the Commission have led to an increase in absorption, this has had implications for the results, which have received much less attention. The Court's recommendations in this regard indicate a desire to speed up the start of programs through a timetable set by the legislative authorities to ensure that implementation can start at the beginning of the programming period and focus on the results of operations and programs.

In its proposal for the period 2021-2027, the Commission introduced, for the first time, a definition of "achievement" and "outcome" indicators.

Simplification of procedures is very important to promote efficient public investment, especially where capacity is low, a point which the European Commission is strengthening through greater simplification in the next programming period.

To counter any uncertainty, various national control bodies respond by introducing new or additional control activities for funds, often stricter than those set out in EU or national regulations. This may lead to more administrative burden for managing authorities and higher transaction costs for intermediary bodies and beneficiaries.

Administrative burdens and excessive bureaucracy are a central challenge when pursuing efficient investments (OECD, 2018) and one that management authorities, intermediate bodies or beneficiaries have constantly emphasized.

For the period 2021-2027, the European Commission has proposed several reforms aimed at reducing the administrative burden in implementing the funds. These include the creation of a single regulatory framework, the framework of common provisions, covering the entire management of the funds; reducing the number of thematic objectives to allow synergies and flexibility between different components in a given objective; streamlining and reordering ex-ante conditionalities according to their priority level; simplifying access to funding for beneficiaries through fewer rules and easier control procedures (European Policy Research Center, 2019).

The increase of the administrative burden through gold-plating for the beneficiaries of ESI funds can take place in connection with a variety of times when the beneficiaries of the project have to comply with the requirements proposed by the program.

There are four moments that are particularly relevant when discussing gold-plating:

- Funding application phase (eligibility issues): Gold-plating can be associated with a number of eligibility requirements, including incomplete rules and ambiguous or vague requirements. Other issues include highly detailed requirements for applicants and excessive documentation, as well as unfounded differences in implementation rules between calls.

- Beneficiaries' payment requests (payment problems): the rigidity in identifying the sources of co-financing and the application of different procedures, respectively the unnecessary requirements prevent the timely payment.

- Budgetary and reporting obligations: several reporting obligations may be the result of gold-plating, as well as additional requirements arising from audit recommendations. For example, a final beneficiary may need to report expenditure up to three times: i) the Commission for a certain period, ii) in a supplementary statement in which all expenditure in a given calendar year is reported again, and iii) in a final statement of expenditure at the end of a project.

- Public procurement rules: a general rigidity and an extension of public procurement rules to private entities can be an investment burden, as well as excessive publication or notification requirements.

Gold-plating does not manifest itself in the absence of certain conditions. These conditions are often associated with the system of shared management of ESI funds and the fact that Member States are free, within certain limits, to choose methods of implementing EU law through domestic law.

For the evaluation of the Recovery and Resilience Mechanism, although the same design was applied, it was not possible to analyze all established indicators, the reason being the early stage of this tool and the extremely low availability of data.

With regard to the management and control system, it is not yet possible to make assessments of its reliability but rather to identify a number of challenges that need to be taken into account.

The mechanism created for the implementation of the new instrument brings some novelties, the statement being based on its comparison with ESI funds. These are not just risk factors, they can be turned into benefits if they are approached in a cautious manner.

The first opportunity created by MRR is represented by the direct link between the national plans and the country-specific recommendations. Structural reforms are essential to transform Member States' economies into more resilient and better functioning. Alignment of country-specific recommendations should be seen as a positive element of innovation introduced by MRR. This broad approach to conditionality has the advantage of analyzing reforms and investments not individually, but as a system.

The second novelty concerns the possibility of avoiding the complexity of "centralized management". MRR could, in principle, perform better than ESI funds due to the different system of governance. Compared to ESI funds, MRR introduces a simplified control, less focused on the bureaucratic process of settling funds and more on achieving goals and objectives. This should, in principle, reduce administrative burdens and increase the speed of deployment and improve efficiency. The focus on achieving milestones is also more relevant in direct management, as the Commission retains control over payments here. Thus, it appears that by avoiding the traditional governance of ESI funds under shared management, MRR could circumvent some of the administrative burdens traditionally attached to ESI funds.

However, the risk has been identified that managing authorities (possibly the same ones that also manage ESI funds) tend to use MRR rather than ESI funds to finance the necessary investments.

At the same time, MRR can become a simplification model, if its implementation will not suffer major deficiencies.

Given the short period of time in which funds related to the Recovery and Resilience Mechanism should be spent, the pressure on management and control systems is also increasing. For this reason, increased and constant attention to the circumstances that may amplify the occurrence of irregularities and fraud is imperative.

Regulation (EU) no. 241/2021 stipulates the general framework for measuring and monitoring performance. Thus, the Commission establishes an instrument called "Dashboard on Recovery and Resilience". Through this instrument, the stage of implementation of the national recovery and resilience plans can be obtained, segmented on each pillar of the Mechanism.

While impact and results are the ultimate goal, the MRR strategy is overwhelmingly based on an ex ante classification of what needs to be done or not done, rather than at the discretion of Member States to choose how to achieve their goals. The EC relies on an

informal detailed taxonomy, proposed in Annexes VI and VII to the Regulation, as a tool to achieve the desired results.

Chapter IV. Case Study. Elements of a simplified model for implementing funds

In the fourth chapter, which represents the core of the research, we identified the attributes that characterize a simplified fund implementation system, able to ensure performance, based on the analysis of the literature, performed in previous chapters and the evaluation of the Cohesion Policy implementation framework. and the Recovery and Resilience Mechanism.

Attributes:

1. Reduced administrative burden at the level of the managing authority and the beneficiaries
2. Direct management
3. Shared management
4. Management and control system based only on managing authority, without intermediate bodies
5. Management and control system maintained from one financial year to another
6. Fund-specific regulations, at national level, to emanate from the managing authorities
7. Audit practices and rules based on the principle of proportionality and necessity
8. Establishing the obligation to define unitary performance indicators at program level
9. Existence of a digitized, automated data collection system for performance indicators and reporting
10. Existence of performance monitoring mechanisms and early correction mechanisms
11. Application of the "one size fits all" principle
12. Practices for assessing the legislative impact and the impact on the institutionalized administrative burden

13. Use of results-based settlement mechanisms
14. Fewer but more consistent, more robust selection criteria
15. Timetable assumed by normative acts regarding the start of the execution of the programs since the first year of the multiannual financial framework
16. Audit and evaluation library
17. Use of rules and guidelines that have also shown positive results in future financial years
18. Establishment of the single audit principle

The identified attributes were evaluated classified according to their relevance, the scale used being: low relevance, medium relevance and high relevance.

Starting from the results of the evaluation performed in the previous chapter, we formulated three scenarios for which we measured and tested the consistency through the analysis of competing hypotheses, as follows:

Scenario 1: The MA-only fund management system, without IBs, has a low administrative burden.

Scenario 2: Ensuring compliance does not guarantee performance.

Scenario 3: Programs implemented under direct management have a lower error rate.

For the analysis of the proposed scenarios, we chose an interdisciplinary approach, using a specialized program that is more common in the practice of analyzing national security information, namely "weighted inconsistency scores" (weighted inconsistency assessment). The program used is ACH 2.05 and was developed by the Palo Alto Research Center.

In the analysis, each of the three scenarios was a working hypothesis, against which the consistency and specificity of the selected attributes were evaluated and tested following the evaluation of the fund implementation system carried out in chapter 3.

Thus, the resulting level of inconsistency of each of the scenarios is inversely proportional to the probability of its materialization in the future. Therefore, it can be stated that:

- Scenario 1 - it is possible, plausible and indeed very likely.
- Scenario 2 - is still possible, relatively plausible, but the least likely of the 3 scenarios analyzed.
- Scenario 3 - it is possible, relatively plausible, but unlikely compared to the measured inconsistency of scenario 1.

Also in this chapter we conducted a case study consisting in analyzing the implications of applying each of the scenarios in Romania, taking into account the current institutional and legislative context, the history and experience of implementing Cohesion Policy to date in Romania.

For this purpose we created an analysis grid, composed of the 18 attributes described above, in which we explained how they interact with each scenario.

Scenario 1: *“The fund management system based only on MA, without IB, has a low administrative burden” is it really possible, plausible and very likely in the case of Romania?* Yes, but more attention is needed to how some of the attributes will be implemented or to what extent they can be integrated without creating an additional administrative burden. I am referring here to the use of results-based settlement mechanisms, the establishment of the single audit principle and the use of fewer but more consistent, more robust selection criteria.

In addition to the mentioned attributes, I consider that in an implementation system that includes only a managing authority the attention paid to the administrative capacity of the entity designated as MA is defining for the success of such a model.

Given the complexity of the functions of a managing authority: in the field of designation, program management, evaluation and selection, in the field of procurement and finance, respectively control or on-the-spot checks, anti-fraud measures, annual management declaration, annual summaries (on accounts) and implementation reports, increased administrative capacity is needed, not only in terms of quantity (number of employees) but also qualitatively (relevant experience of employees), but especially, it is necessary to establish a performance management for staff management but also ensuring a high degree of institutional stability.

The orientation towards continuous professional development of the staff employed within the Managing Authority is necessary to become a constant concern of the management of the organization, all the more so as it has access to a series of tools and forms of training provided by the European Commission. .

Scenario 2: *“Ensuring compliance does not guarantee performance” is still possible, relatively plausible, but least likely, in the case of Romania?* Partially agree with the answer obtained in the analysis of competing hypotheses, regarding this scenario applied to the factual situation of Romania. The statement is based on the experience of implementing the Cohesion Policy in Romania, in which a large part of the efforts made by the national authorities aimed at ensuring compliance. It is indeed possible and plausible that a satisfactory

level of performance cannot be ensured in the compliance effort, but I do not consider this scenario to be unlikely, as it is already an experience of previous or current programming periods.

Scenario 3: "Programs implemented under direct management have a lower error rate" is possible, relatively plausible, but unlikely, in the case of Romania? Yes, with the mention that the degree of improbability is still low in the case of Romania. The fact that the direct management system consists in a direct involvement of the Commission services in the implementation of the programs is an advantage for Romania, this fact can also have a learning function for the Romanian authorities and an in-depth understanding of the Commission's requirements, which they can later use. and within the programs implemented in the shared management system. At the same time, there is a risk of regulatory gaps, at least temporary, when the Commission provides late a series of guidelines . The aspects where the authorities may still face difficulties in the direct management system are the regulations on public procurement, which need special attention to align with the Commission's approaches but also the rules on state aid.

Another unfavorable element is the possible lack of clarity as the Commission's guidelines are often subject to different interpretations. On the one hand, this encourages flexibility in adapting EU requirements to the specific conditions of the program, but on the other hand, managing authorities often react to uncertainty and perceived risks by tightening safeguards, trying to prevent their decisions from being challenged by other institutions in the system.

Beyond offering ideal solutions, the three scenarios analyzed and their applicability in the case of Romania indicate that, in pursuing performance, more important than what is financed is the way in which it is financed.

Conclusions

The research I conducted led me to the conclusion that achieving performance in the implementation of funds, although not fully based on compliance with European rules and principles, depends on the degree of compliance ensured, and the phenomenon of gold-plating can not be ignored because, in otherwise, compliance and performance become far too costly for both governance structures and final beneficiaries.

The constructivist approach proved to be an optimal choice because, by deconstructing the different fund management systems, we identified both causal relationships and temporal elements that are essentially to be followed in the process of implementing the funds. The reconstruction of an implementation model (the new model) took over attributes of the existing systems, which proved their efficiency. The author's contribution was manifested by combining these attributes and their analysis and potential to achieve performance.

If the experience of implementing Cohesion Policy provides enough data to link compliance to the existence of a significant administrative burden that could have been avoided by clearer regulation and greater stability of the legislative framework, under the Recovery and Resilience Mechanism they can take on the role of lessons learned.

However, the fact that Cohesion Policy is implemented through shared management and the Recovery and Resilience Mechanism through direct management, already highlights a number of differences in the effort to ensure compliance. In the latter (MRR), the role of the Commission is clearly formalized, there is no need to invoke the principle of sound financial management for the depth of audits that the Commission can carry out, this time audits being an obligation of the Commission under the Regulation.

For a higher degree of certainty, I recommend testing the three scenarios at the level of several states and also at a time interval of at least two years from the establishment of the Recovery and Resilience Mechanism, when I estimate that relevant data will be available for research.