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**The Operational Program Administrative
Capacity, Strategic Management Tool**

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Abstract: The strategy of the Operational Program Administrative Capacity addresses the main weaknesses identified in the public administration and it meets the needs and requirements arising both from the relevant EU legislation and from the national incident legislation. OPAC is a strategic reference document for public administration in Romania, promoting the creation of a modern administration capable of facilitating the socio-economic development through competitive public services, investment and quality regulations, thereby contributing to the Europe 2020 objectives. Among the shortcomings of public administration there can be listed the reduced ability of strategic and financial planning and poor allocation of financial resources, together with the absence of effective strategic management and human resources. Thus, the financial allocation under the OPAC is focused solely on supporting the institutional capacity- of public authorities, on the priority on investing in institutional capacity and the efficiency of public administrations and public services for the achievement of reforms, of a better regulation and good administration.

Keywords: European Funds; Public Administration

JEL Classification: O10; O29

1. Introduction

The Operational Program Administrative Capacity (OPAC) is in line with the general and specific objectives of the Strategy for Consolidation of the Public Administration (SCPA) 2014-2020 and is included in the Romanian Partnership Agreement with the European Union.

2. Program Structure

The Operational Program consists of three Priority Axes, of which two are operational (covering respectively strengthening the structures, processes and competencies of the public administration and improving the delivery of service of the citizen) and one of technical assistance.

Priority Axis one, “Efficient public administration and judicial system” consists of four specific objectives (Table 1):

- SO 1.1. The development and introduction of common systems and standards in public administration to optimize decision processes for citizens and business consistent with the Strategy for

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the Consolidation of the Public Administration (SCPA);

- SO 1.2. Development and implementing of modern human resource management policies and instruments;
- SO 1.3. Developing and implementing modern and efficient system and instruments in the institutions of the judicial system;
- SO 1.4. Increase efficiency, transparency and responsibility of the public procurement System.

Priority Axis 2, “Accessible and transparent public administration and judicial system” consists of three specific objectives (Table 2):

- SO 2.1. Optimising structures and processes within local authorities and public institutions to be able to exercise powers uniformly;
- SO 2.2. Increasing the transparency, ethics, integrity of the public authorities and institutions;
- SO 2.3. Improving the access and quality of services provided by the judicial system, including by ensuring an enhanced transparency and integrity.

Priority Axis 3, “Technical Assistance” consists of two objectives:

- SO 3.1. Improving the capacity of MA OPAC to efficiently and effectively implement the program;
- SO 3.2. Ensuring publicity, information and support for OPAC beneficiaries.

Table 1. Matrix of needs and activities for Priority Axis 1

Needs	Specific objectives	Activities
Address strategic deficiencies at central level , in civil society organizations and in the judiciary	SO 1.1	<ul style="list-style-type: none"> - Strategic planning and program budgeting at central level; - Developing management systems and tools; - Improve public policies and increase the quality of regulations; - Simplify administrative procedures and reduce bureaucracy; - Measures to support NGOs and social partners; - Developing skills and knowledge.
	SO 1.2	<ul style="list-style-type: none"> - Legal and institutional framework regarding human resources management; - Modern human resources management instruments for increasing professionalism and attractiveness of public administration.
	SO 1.3	<ul style="list-style-type: none"> - Strategic and operational management system, integrated, assuring the key decisions regarding the administration of justice; - Enhanced institutional capacity at the level of the judicial system for increasing institutional performance, including the continued implementation of the new codes.
	SO 1.4	<ul style="list-style-type: none"> - Regulatory framework in the field of public procurement; - Support for the introduction of instruments, procedures regarding the monitoring, management and evaluation of the public procurement; - Developing the skills and knowledge.

Table 2. Matrix of needs and activities for Priority Axis 2

Needs	Specific objectives	Activities
Address operational deficiencies at local level , in civil society organizations and in the judiciary	SO 1.1	- Strategic and financial planning; - Support for the introduction of management instruments; processes at local level; - Measures to support for NGOs and social partners; - Developing skills.
	SO 1.2	- Anticorruption education; - Anticorruption preventive measures; - Administrative mechanisms; - Introduction of risk assessment as a prerequisite for adoption of sectoral anti-corruption action plans.
	SO 1.3	- Training of personnel; - Drafting/developing of guidelines, manuals, books, materials, training plans, IT tools to support training; - Further development of the IT systems in terms of increasing quality and accessibility to services provided within the judicial system; - Organising information campaigns, legal education and awareness raising, developing guides / materials; - Conducting surveys/studies; - Improving legal aid; - Improving enforcement of court judgements; - Promoting and strengthening of alternative methods for disputes resolution; - Measures to to enhance transparency, ethics and integrity at the level of the judicial system.

The assessment of the program strategy is focused on whether:

- the needs identified under the OPAC 2014-2020 are in line with the country specific recommendations, National Reform Program and the analysis done in the context of the European semester;
- the program strategy is consistent with the content of the Partnership Agreement and takes into account the relevant elements of the Commission services country position paper;
- the program strategy incorporates lessons learnt from 2007-2013 programming period;
- the challenges and needs identified under the OPAC are in line with the Europe 2020 objectives and targets.

3. Deficiencies in Public Administration

Based on the assessment of the 2013 convergence program and national reform program, the EC formulated an opinion on major challenges that Romania has to address, and it was included in the country specific recommendations (COM (2013/373). Regarding the administrative capacity the opinion was:

- Poor administrative capacity is a core concern for Romania. The public administration is characterized by an inconsistent legal framework, frequent recourse to emergency ordinances, low levels of inter-ministerial cooperation and excessive bureaucracy. It is also undermined by a lack of skills, a lack of transparency in staff recruitment and high management turnover rates.

- Poor administrative capacity contributes to low absorption of EU funds. The absorption of EU funds stalled for most of the second half of 2012, after several deficiencies in management and control systems and in public procurement were identified by national and European auditors. There is a significant risk that a substantial part of structural and cohesion funds will be de-committed in 2013.
- Improvements to the business environment should be integrated into a wider, coherent e-government strategy to promote an administrative culture of transparency and legal certainty and provide for better public online services. Romania should also undertake efforts to ease access to finance and to reduce the administrative burden on SMEs.

The updated opinion formulated in 2014 (COM (2014/424)) included the following assessment on administrative capacity:

- The weak capacity of the public administration to develop and implement policies remains a core challenge for Romania, hampering overall development of the country, the business environment and the capacity for public investment, while not allowing for the provision of public services of sufficient quality. The structural causes that led to a low administrative capacity were analysed in 2013. Based on this, a 2014-2020 strategy on strengthening public administration is currently under preparation and is expected to be finalized by mid-2014;
- The absorption rate for EU funds remains one of the lowest in the EU, despite important progress. Continuously weak management and control systems and public procurement practices may negatively impact the preparations for and implementation of the next generation of programs. Public procurement legislation suffers from instability and a lack of coherence. The institutional set-up, with multiple actors and frequently overlapping responsibilities is not equipped to tackle the shortcomings and provide appropriate guidance to contracting authorities. Corruption and conflicts of interests continue to be concerns for contracting authorities. A system for ex-ante checks for conflicts of interest in the award process of public procurement contracts is expected to become operational by the end of 2014;
- Poor quality of regulations and the lack of transparency and predictability of the regulatory framework hinder businesses and citizens. Procedures for obtaining electricity, dealing with construction permits and paying taxes are still complex. Romania has made some progress in improving the quality, independence and efficiency of the Romanian justice system and in the fight against corruption, but these issues remain a concern for businesses seeking effective redress. Resistance to integrity and anticorruption measures at political and administrative levels is still strong.

4. Program Funding

Program funding is provided by the European Union, the allocation of budgetary resources correspond to the program's objectives. This work presents a comparison of OPAC budget in 2014-2020 with the OP DAC 2007-2013 budget by priority axes and categories of regions (Table 3).

A total of 553.191.489 euro of european funding is allocated for the achievement of the objectives of the OPAC. Assuming an 80% co-financing rate for the more developed regions (Bucharest-Ilfov) and 85% for the less developed regions (the other 7 Romanian regions), the total budget, including national co-financing, amounts to 658.296.768 euro. Over 80% of the budget will be spent to improve institutional capacity in less developed regions, while the remaining 20% will be allocated for the Bucharest-Ilfov region.

Table 3. OPAC budget in 2014-2020 versus OP DAC 2007-2013 budget

Priority axis	Budget allocation (euro)	
	2007-2013 period	2014-2020 period
Priority axis 1: Efficient public administration and judicial system	116.481.469	326.382.979
Priority axis 2: Accessible and transparent public administration and judicial system	83.201.049	187.697.657
Priority axis 3: Technical assistance	8.320.104	39.110.853

Conclusions

Public administration is an important vector in ensuring good governance, in regulating, promoting and implementing policies and measures to create a medium conducive to medium and long-term economic development. The importance of European financial assistance is undeniable, but unfortunately in Romania, the absorption of European Funds is delayed and negatively influenced by a series of factors, such as: the absence of effective strategic management and insufficient human resources. OPAC will promote the creation of a modern public administration, so the submission of feasible projects should be encouraged. For successful implementation of OPAC and ensuring a high level of absorption of European funds, it is essential to increase the administrative capacity of potential beneficiaries to implement projects funded during the 2014-2020 programming period and better information on funding opportunities and the conditions for accessing the operational program.

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