

EUROPEAN PROJECT MANAGEMENT: A SYSTEMATIC LITERATURE REVIEW

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ABSTRACT

The benefits of implementing European Project Management (EPM) have been studied in various contexts, as achieving objectives through EPM holds significant potential for organizations, governments, and society. Although researchers have been paying more attention to this topic recently, there is a current need for more systematic work that depicts how management is applied to successfully European-funded projects in general. Moreover, being Romania's primary funding source, it is vital to analyze and assess the factors that lead EU projects to success. The originality of this paper consists of systematically identifying, critically evaluating, and synthesizing relevant studies and publications on EPM, using semi-automated and manual filtering, both exclusionary and inclusionary, while analyzing and assessing critical success factors of national relevance. This research significantly contributes to knowledge of the factors affecting the success of European-funded projects in Romania and offers practical approaches that can be applied in this field. Our results can be used to address Romania's current weaknesses and challenges in accessing EU funds, such as reducing bureaucracy, fighting corruption, and strengthening administrative capacity. Moreover, this paper can serve as a manual for training and coaching programs to improve project teams' competencies and knowledge.

KEYWORDS: *EU funds, project management, project's success.*

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1. INTRODUCTION

Project management is an innovative and distinctive approach implemented by a temporary team within a given time frame and budget to turn an idea into a concrete solution to a specific problem. This discipline has gained significant interest among researchers and practitioners in recent decades. Defining and measuring project success have been debated in the literature and addressed from various perspectives. Baccharini (1999) and De Wit (1988) research focuses on this topic and explores the criteria and indicators used to evaluate project success. Similarly, Ika (2009) and Westerveld (2003) examine the factors and criteria influencing project success, identifying key aspects contributing to achieving desired outcomes.

European funds have also become a primary source of funding for many projects in general, in Romania, providing significant opportunities for economic and social development (Crescenzi & Rodríguez-Pose, 2008, Fratesi & Wislade, 2017). Thus, as European projects are increasingly used as instruments to achieve institutional, social, and political objectives, their success has become a subject of significant interest among scholars. Within this context, success in project management emerges as critical for any institution and can affect its image and viability.

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This paper will conduct a systematic literature review on project success, particularly managing European-funded projects. By examining current studies and identifying research gaps, this paper aims to contribute to the knowledge and development of a more practical approach to managing European projects. In this regard, we will investigate critical success factors and outcomes in this specific context. Furthermore, we will explore the scope to what extent there are new and valuable issues in the literature and identify potential challenges or shortcomings that may affect the success of European-funded projects.

Thus, this research contributes to developing a more comprehensive and scientifically founded perspective in project management, especially in the specific context of EU-funded projects.

2. RESEARCH METHODOLOGY

The research methodology employed in this article is a systematic literature review that rigorously collects, screens, analyzes, and synthesizes existing studies and publications concerning European Project Management. This process employs a combination of semi-automated and manual filtering techniques, encompassing both exclusionary and inclusionary criteria. Additionally, the study focuses on analyzing and assessing critical success factors that hold significant national relevance. Through this methodology, the article contributes to the knowledge surrounding EPM practices, offering a comprehensive overview of the field's current state and identifying avenues for future research and practice.

3. EUROPEAN PROJECT MANAGEMENT

3.1 Romania`s project funding

In Romania, European funds are a leading source of project financing. The European Union (EU) aims to support the economic and social development in the states and regions of its members by financing their projects according to the European cohesion policy and objectives. Thus, the European funds have been a point of constant and continuous interest from its establishment until now. In academia, they are studied in terms of the impact they have on regional and economic development (Becker et al., 2010; Bouvet & Dall'erba, 2010; Surubaru, 2021), on the national gross domestic product (Burlea-Schiopoiu et al. 2021; Varga, 2010), its management and the associated challenges of EU financed projects (Burlea-Schiopoiu, 2009; Burlea-Schiopoiu et al., 2014; Tita et al., 2015).

Projects funded by the European Union (EU) generally do not significantly differ from other projects. Therefore, it is possible to utilize the fundamental principles, methods, and tools recommended by project management theory and practice in various knowledge domains for their planning and implementation (Burlea-Schiopoiu, 2007; Kostalova et al., 2017, p. 302; Project Management Institute, 2004). European funds are available through various programs, such as the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the European Agricultural Fund for Rural Development (EAFRD), and the European Commission administers them. Access to these funds generally involves compliance with strict rules, including meeting eligibility criteria and demonstrating project implementation capacity. Additionally, the management of European funds can be complex and requires appropriate documentation and a strategic approach (European Commission, 2021).

Thus, many projects, typically of medium to long duration, deliver tangible and intangible benefits (Project Management Institute, 2004). These projects are implemented across various economic sectors, like the private, public, and nonprofit sectors. Although most projects are implemented at the national level, due to their cross-border nature, they can also have an international character. According to Crescenzi and Rodríguez-Pose (2008), the European Union (EU) 's regional policy

has positively impacted the poorer regions of Europe. However, they note that there is significant variation in the effectiveness of this policy, depending on the autonomy of the regions, the level of cooperation, and the resources and competencies of the institutions responsible for project implementation.

However, some authors disagree, arguing that some EU-funded projects have had a limited impact on regional development, especially in the poorer regions of Romania. The benefits of these projects have often been short-term, and their long-term impact on the economy and regional development has been limited (Tita et.al., 2015). A careful and strategic approach is necessary for implementing EU-funded projects to ensure efficient resource management and maximize their impact on regional and socio-economic development.

In Romania, EU funds are considered an important source of financing and play an essential role in the country's socio-economic development. These funds have contributed to increasing productivity and developing sectors such as agriculture, transportation, and infrastructure through investments in these areas. Nevertheless, factors like Romania's low absorption rate of Structural and Cohesion Funds (SCF - e.g. during the 2007-2013 programming period), indicates a significant challenge in effectively utilizing EU allocations. This is due to issues within the system of managing and accessing European funds, including both common and specific challenges at various stages and levels such as legislative barriers and the persistent effects of the global economic crisis (Zaman & Georgescu, 2014).

Through their analysis Tita et al. (2015), investigated the European fund utilization of Poland and Romania and found out that implementing EU funds has positively impacted regional development, but this impact has varied across regions. Nevertheless, funding implementation can be affected by delays in the bidding process, and by issues regarding the quality of implemented projects and inefficient spending of funds. The absorption capacity and impact of EU funds can be influenced by administrative capacity, regional development level, local stakeholders' involvement, and the quality of submitted projects.

During the first ten years of its membership in the EU, Romania received significant financial resources from the EU compared to its contributions to the EU joint budget. For instance, Romania received approximately €40.5 billion, while it only contributed €13.6 billion during 2007-2016. The remaining funding was invested in Romania through various grants and programs. These figures indicate that although the country has significantly benefited from EU funds at the regional level, it still encounters challenges related to its implementation and effective utilization of them. It is recommended that the responsible authorities and institutions undertake measures for improving the absorption capacity and ensuring efficient and strategic usage of EU funds in order to maximize the impact on regional and socio-economic development in the long term. Despite the EU's efforts to establish economic and social cohesion, the absorption rate of structural funds and the delivery of cohesion policy within countries remain relatively low due to the disparity between Member States. (Surbaru, 2021, p3).

Absorption of EU funds has undoubtedly been a significant challenge for Romania, affected by various obstacles and challenges. These include excessive bureaucracy, corruption, insufficient administrative capacity, and coordination problems between institutions. Such problems have harmed the absorption rates and led to the underutilization of the funds. In the 2007-2013 programming period, absorption rates in Romania were lower than the European average, reflecting these difficulties (Zaman & Cristea, 2011).

During the 2014-2020 programming period, Romania benefited from a global budget of over €43 billion of European funds, of which more than €22 billion were allocated to regional development and territorial cohesion. These funds were used to finance many projects in different areas such as infrastructure, transport, energy, environment, education, health, tourism, and others (Ministry of Public Finance, 2021).

Nevertheless, to increase the Romanian absorption rates, it is essential to keep up continuous efforts by addressing the current weaknesses and implementing the appropriate management and follow-up measures. These actions should reduce bureaucracy, fight corruption, strengthen administrative capacity, and improve coordination between institutions. In this way, more efficient and strategic spending of EU funds can be assured to benefit Romania's regional and socio-economic development.

However, Romania also encounters challenges in the development of infrastructure, health, and education sectors, and at present, the Large Infrastructure Operational Program is one of the significant European funding programs for Romania, aiming to improve road, rail, and airport infrastructure. The significant allocation of funds to this program indicates the importance given to infrastructure development in the country. For the 2021-2027 period, the budget allocated to Romania is €30.4 billion, of which €16 billion goes to the Large Infrastructure Operational Program (Ministry of European Investment and Projects, 2021).

At the same time, accessing European funds can be challenging for many beneficiaries, as it requires compliance with strict procedures and regulations and reporting and submitting performance indicators. In addition, there is a potential risk of experiencing difficulties in project implementation, such as budget or deadline overruns. Project grantees must take a strategic approach and ensure they have the administrative capacity and resources to effectively manage EU funds and achieve the desired results.

3.2 Success factors applied to EU funded projects

Projects offer a setting for the directions, actions, and objectives execution, with high economic importance and social impact, easy to monitor and manage. Therefore, questions arise about identifying the elements that favor a project's trajectory toward success.

Project management research has identified key project success factors, such as rigorous planning, resource management, effective communication, and progress monitoring and control, which will be discussed next.

Thus, Young (2007) identifies several elements that can contribute to the success of a project:

- (a) Setting clear objectives – It is important to define clear and measurable project goals so that all team members understand what needs to be achieved, which ensures alignment and focus of work efforts and allows for subsequent evaluation of the project's success.
- (b) Adequate project planning – Thorough planning can help prevent further problems and identify potential barriers at an early stage. The project plan should include the precise definition of activities, resource allocation, setting realistic deadlines, and identifying dependencies between activities.
- (c) Effective communication – Ensuring strong communication channels between team members and clients or stakeholders is essential so that everyone knows the project's progress. Regular and transparent communication ensures a shared understanding of project objectives, expectations, and progress and facilitates prompt problem-solving.
- (d) Risk management – Identifying and managing risks is critical to the success of a project. It is vital to identify potential risks and develop appropriate action plans to minimize them or manage them effectively when they emerge. Continuous monitoring of risks and risk mitigation measures is essential throughout every phase.
- (e) Quality control – Ensuring the quality of the final product is another essential aspect of project management that requires the development of clear quality criteria and the implementation of quality control processes to ensure that the final product meets all specifications and requirements.
- (f) Cost and time management – Close monitoring of costs and efficient allocation of resources are essential to ensure that the project is on budget and on time. It is important to monitor continuously and report project costs and progress to identify deviations and take corrective action if necessary.

The successful project completion and evaluation rely on how the objectives are being set since it is on these objectives that its strategy and methodology are planned (Popa, 2014, p. 10). Project objectives are most successfully met if they are defined following the SMART model - specific, measurable, achievable, realistic, and time-bound (Watt, 2014, pp. 95-96; Rădulescu et al., 2017, p. 76; Project Management Institute, 2021, p. 97). Well-defined objectives are essential to set directions, determine what needs are to be achieved, and ultimately help evaluate project success. Thus, management efforts will generally focus on monitoring, achieving, and evaluating project outcomes as the project progresses (Meredith & Mantel, 2012, p. 407).

European-funded projects are submitted to the same fundamental evaluation filter (time criterion, monetary criterion, efficacy criterion, customer satisfaction) with success determinants depending on several variables such as type, size, and complexity, as well as the funding program, legislation and regulations in place, and the geographic area of deployment (Ceptureanu, 2016, p. 889).

By researching the European funded projects literature, we propose three categories of factors that can influence project success, as shown in Figure 1.

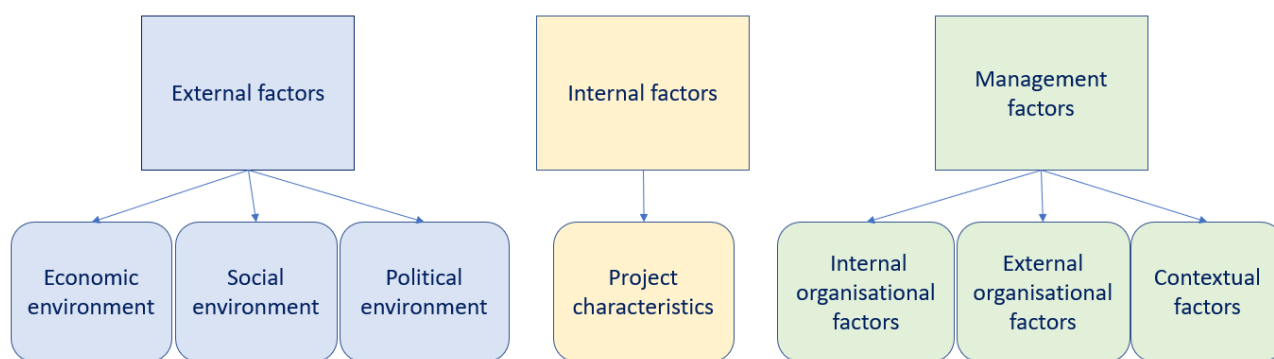


Figure 1. Success factors for European projects

Source: Authors' contributions

The success factors can be extended to the different categories of projects supported by EU funds, with each contributing significantly to the overall success of the projects:

- Internal factors refer to the internal characteristics of the project and include project size and complexity, quality of planning and implementation, responsiveness to local needs, and impact on economic and social development.
- External factors are either related to the economic and social environment and include the socio-economic characteristics of the region, the development level of the infrastructure, the level of cooperation between project stakeholders and private sector involvement, or political factors referring to coherence with national and regional strategies, alignment with EU priorities and objectives, access to information and support for implementation and adequate monitoring.
- Management factors can be divided into three categories:
 - (a) Internal to the organization – this refers to staff competencies, the organization's change adaptability, and its ability to develop, design and implement strategies, as well as to the project coordination and management capacity and the level of involvement of project partners.
 - (b) External to the organization – refers to the external environment relations, including other organizations and project partners, public authorities, and local community support and cooperation.
 - (c) Contextual – includes factors related to the environment, such as EU legislative requirements and regulations, as well as local economic and social conditions.

The management factors are the most important for the success of projects as they can influence how resources are allocated, implemented, and monitored (Ceptureanu, 2016, p. 896). Kloppenborg et al. (2017, p. 107) further add to the list of success factors the norms of human management, such as collaboration, intercommunication, and interpersonal relationships within the project.

Thus, through careful planning, efficient management, and an effective team, European-funded projects can be successfully implemented and significantly contribute to a region's economic and social development. Strict adherence to funder regulations and procedures, along with specific methodologies and tools usage, are the critical factors for these projects' success. Furthermore, the active involvement of partners and beneficiaries through the implementation process can also facilitate achieving established objectives and maximizing project impact.

4. CONCLUSIONS

Our paper aimed to systematically analyze the existing literature on the success of projects in the context of EU funding in Romania.

We have observed that projects provide a framework for the execution of directions, actions, and objectives that have a high economic importance and social impact and are easy to monitor and manage on the development of society as a whole. Thus, we found answers to questions about identifying factors that favor a project's trajectory toward success.

Based on the literature review, we have identified several important factors contributing to the success of projects, such as rigorous planning, resource management, effective communication, and progress monitoring and control.

Furthermore, the paper's emphasis on critical success factors of national significance enhances the depth and applicability of the study's outcomes. Recognizing that the effectiveness of EPM practices can be influenced by country-specific contexts, cultural nuances, and regulatory environments, the paper delves into factors that are particularly relevant at the national level.

In Romania, implementing EU funds positively impacted regional development all over the country. Although European funds have become a crucial source of financing for Romania's projects since joining the Union, challenges and deficiencies still exist that can be improved.

Our findings show that in Romania, excessive bureaucracy, corruption, insufficient administrative capacity, and coordination problems between the institutions involved are some challenges and obstacles encountered while implementing EU funds. These issues must be addressed to ensure efficient absorption and maximize their impact on regional and socio-economic development.

Thus, in addition to the strategic approach and well-defined management plan, EU-funded projects should also focus on aspects such as effective communication, top management support, constant monitoring and feedback, skills of the project manager, and risk management (Moradi et al., 2022, p. 11).

Nevertheless, EU funds will continue to have an essential role in the country's socio-economic by contributing to increasing productivity and developing sectors such as agriculture, transportation, and infrastructure through investments.

In conclusion, this study contributes to a more profound knowledge of general European project management and its success factors. Thus, our research can serve to develop more effective strategies and approaches in the EPM for both professionals and scholars.

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