

THE DIVERSITY OF EUROPEAN FUNDING MECHANISMS: INSIGHTS INTO THEIR TYPOLOGIES

Corina MARINESCU^a, Claudiu CICEA^a, Silviu-Gabriel BACIU^{a}*

^a *Bucharest University of Economic Studies, Romania*

ABSTRACT

The European Union (EU) has developed a complex architecture of funding mechanisms aimed at promoting economic cohesion, social inclusion, and sustainable development across its member states. This paper explores the diversity of European funding instruments and provides a structured typology. By distinguishing between traditional grant-based schemes, financial instruments such as loans and guarantees, and hybrid mechanisms combining public and private capital, the study highlights the evolving nature of EU financial governance. The analysis also considers the interplay between centralized programs that European Commission is managing (e.g., Horizon Europe, LIFE, Erasmus+) and shared management funds administered at national or regional levels (e.g., the European Structural and Investment Funds). The paper identifies key trends in funding diversification, including the increasing emphasis on performance-based financing, digitalization of fund management, and alignment with the European Green Deal objectives. The findings underline that understanding the typologies of EU funding mechanisms is essential for improving policy coherence, enhancing absorption capacity, and ensuring that resources effectively address territorial and sectoral disparities. Ultimately, this study contributes to a clearer comprehension of how the EU's multifaceted financial ecosystem supports integration and resilience within the European project.

KEYWORDS: *cohesion policy, European funds, regional development.*

DOI: [10.24818/IMC/2025/05.09](https://doi.org/10.24818/IMC/2025/05.09)

1. INTRODUCTION

In recent decades, European funds and foreign investments have become essential instruments for promoting socio-economic development within the EU. They play a crucial role in reducing regional disparities, enhancing economic competitiveness, and supporting the transition towards a green and digital economy (Kisiała & Stępiński, 2024). In this context, European funding mechanisms are not merely financial resources but strategic tools through which the Union's overarching objectives (innovation, sustainability, social inclusion, and territorial cohesion) are implemented.

The role of funding programs is particularly significant in the context of cohesion policy and regional development (Maris, 2024). These instruments facilitate member states' access to financial resources needed for modernizing infrastructure, improving human capital, and strengthening institutional capacity. Moreover, European funds foster solidarity among member states and contribute to maintaining economic and social balance within the EU.

* Corresponding author. E-mail address: silviu.baciu@man.ase.ro

Mussida et al. (2023), as well as Tiganasu and Lupu (2023), support the idea that European funds focus on equal development between territories. In regard with this the authors offer as example The European Pillar of Social Rights which tries to combat poverty and social exclusion. Cohesion Policy is reducing the discrepancy of social economic and territorial disparities by dividing it into the European Regional Development Fund (ERDF), the European Social Fund Plus (ESF+) and the Cohesion Fund (CF) (Mussida et al., 2023).

The European funds are changing their main focus in every window taking into account the context and the development level of every country. Tiganasu and Lupu (2023) emphasise the fact that The European Cohesion Policy is adapting to international context, trying to strengthen the resistance of the EU in difficult situations. Braşoveanu et al. (2011) emphasise that the funds are helping the beneficiaries by adding value for those who access them.

The European funds represent an important responsibility for management institutes and beneficiaries as they are strictly monitored and the results assumed must be seen implemented (Tiganasu & Lupu, 2023).

The motivation for addressing this topic stems from the complexity and diversity of European funding mechanisms. Understanding their typologies (whether based on grants, loans, guarantees, or hybrid schemes) is essential for improving absorption capacity and for designing coherent public policies. A clear classification of funding programs provides a strong analytical foundation for comparative studies and supports the development of more effective administrative practices across member states. This paper seeks to address the following research questions:

(1) What are the main typologies of European funding mechanisms?

(2) How do these mechanisms differ in terms of objectives and budget?

The paper is organized as follows: the first section establishes the theoretical and conceptual framework of European funding mechanisms; the second section presents a detailed typology of these instruments; the third section analyzes emerging trends in funding diversification and provide examples of programs that fit those trends; and the final section summarizes the main conclusions and recommendations.

2. LITERATURE REVIEW

The benefits of European funds can be seen within a country over a longer period of time. Most public funding is for major investment projects such as building a hospital, constructing a highway, or creating a photovoltaic park. The benefits of these types of funding are direct or indirect. Direct benefits are closely linked to the reason for achieving the objective, while indirect benefits are related. Starting from the benefits of funding we can estimate the need for a country to access this type of financial help.

The European funds are helping beneficiaries' sustainable development and social, environmental and climate benefits (Nicolas et al., 2025), keeping in mind the objectives set regarding the climate change. The main purpose of European funds is reducing the social discrepancy and to reduce the economic gap between countries. Braşoveanu et al. (2011) state that each type of financing is used for a different goal, thus they finance multi-annual programmes which are different depending on regions or states, and in close correlation with the EU planning.

The European Commission offers explanations regarding the types of European funds, being the organization that manages everything regarding them. The European Union's Cohesion Policy aims to support all regions and cities by fostering job creation, enhancing business competitiveness, promoting economic growth, encouraging sustainable development, and improving citizens' quality of life (European Commission, n.d.). To comply with this policy, six key objectives must be addressed: education, employment, energy, environment, the single market, and research and innovation. Other scholars, such as Braşoveanu et al. (2011), states that the cohesion policy has three

objectives: convergence, regional competitiveness and employment and territorial cooperation. All these objectives are pointing towards a bigger goal: co-founding.

In order to achieve those objectives, the EU offers different types of specific funds. For example, the period 2014-2020 offered five types of funds, European Structural and Investment Funds (ESIF) consisting in ERDF, European social fund (ESF), the CF, European agricultural fund for rural development (EAFRD) and European maritime and fisheries fund (EMFF) (European Commission, n.d.-a). ESIF represents the primary fiscal tool used by the European Union to foster socio-economic cohesion across the bloc. Their origins can be traced back to the creation of the European Economic Community, in 1957, although the number of funds, their objectives, and their names have undergone multiple changes over time (Staeher & Urke, 2022). The window 2020-2027 consists in four types of funds (European Commission, n.d.-b): ERDF, CF, ESF+ and JTF. In order to understand the difference between them this paper tries to explain the funding mechanism and the policy typologies. The ERDF was established in 1975 and supports structural adjustment and the development of less-advanced regions. Its aims include facilitating economic reconversion and promoting the development of regions facing structural challenges, such as declining industrial areas, urban zones with economic delays, or territories dependent on fisheries or specific services (Braşoveanu et al., 2011). In the window 2021-2027 this fund offers funds for innovation making regions more competitive, for greener regions, mobility, education and social inclusion and sustainable development (European Commission, n.d.-c).

The CF was founded with the aim of providing the necessary financial support for environmental and transport infrastructure (Braşoveanu et al., 2011). Its purpose is to support Member States which have a gross national income per capita below 90% EU-27 average to strengthen the economic, social and territorial cohesion of the EU. The countries that qualify for this programme in the period 2021-2027 are Bulgaria, Czechia, Estonia, Greece, Croatia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovakia and Slovenia. (European Commission, n.d.-d). The main difference between the other funds and CF is that Member States' authorities are choosing which project to finance and take responsibility for their management, in accordance with the European Commission. The ESF started in 1958 and its purpose is to enhance employment opportunities within the single market by boosting labour mobility and supporting adaptation to industrial changes, with the help of vocational training and improved recruitment systems (Braşoveanu et al., 2011). The ESF+ consolidates four previously separate funding instruments from the 2014–2020 programming period: the ESF, the Fund for European Aid to the Most Deprived (FEAD), the Youth Employment Initiative, and the European Programme for Employment and Social Innovation (EaSI) and it was also used during the coronavirus pandemic for countries to address those challenges (European Commission, n.d.-e). The objectives of this fund are: enhancing the adaptability of employers, SMEs, and entrepreneurs; improving access to employment and ensuring the long-term inclusion of inactive individuals in the labor market, as well as preventing long-term unemployment and extending working lives; strengthening the social inclusion of disadvantaged groups to support their sustainable integration into the labor market and combating discrimination; and developing and reinforcing human resources (Braşoveanu et al., 2011).

The European agricultural fund for rural development (EAFRD) was established in 1958 and finances rural development measures, offering support to farmers located primarily in less-developed regions (Braşoveanu et al., 2011). The purpose of the objectives is to improve the competitiveness of the agricultural sector, promoting the sustainable management of natural resources and supporting climate action and achieving balanced territorial development within rural economies and communities (European Commission, n.d.-f).

The European Fisheries Fund (EFF) was launched in 1993 in order to adapt and modern the fisheries sector by reducing surplus capacity (Braşoveanu et al., 2011). In the period 2021-2027 it is called The European Maritime, Fisheries and Aquaculture Fund (EMFAF) and its objectives are supporting fishers in shifting toward sustainable fishing practices, helping coastal communities diversify their

local economies, funding projects that generate new jobs and enhance quality of life in Europe's coastal areas, promoting the development of sustainable aquaculture and assisting in implementing maritime policy (European Commission, n.d.-g).

In Romania there is a body that manages everything regarding European Funds and it's called the Ministry of Investments and European Projects (MIPE). Its activity leads to: maximize the absorption of all types of European funds available; reduce economic, social, and territorial development gaps; deepen European integration by meeting the economic convergence criteria; develop a balanced, resilient, inclusive, digitalized, and green economy; contribute to the profound transformation of the EU's economy and society so that it becomes sustainably competitive, particularly in terms of fairness, productivity, environmental sustainability, and macroeconomic stability (Ministry of Investments and European Projects, 2025). Brașoveanu et al. (2011) affirms that the absorption rate of structural and cohesion funds in Romania remains challenging due to the high rejection rate of applications and the difficulties beneficiaries face in securing their share of co-financing needed to cover their own contribution, initiate projects, and pay for non-eligible expenses.

In order to fulfill its duties and to maximize the absorption rate there are a number of directorates that manage different aspects, that can be seen in the following list (Ministry of Investments and European Projects, 2025):

1. *General Directorate for the Operational Health Programme*

Acts as Managing Authority for the Health Programme 2021–2027 and Administrative Capacity Programme 2014–2020. It ensures implementation of the National Investment Programme for Hospital Infrastructure.

2. *General Directorate for the Management of the Recovery and Resilience Mechanism*

Coordinates the implementation of Romania's reforms and investments under the National Recovery and Resilience Plan.

3. *General Directorate for Regional Development, Innovation and Digitalization*

Implements the Smart Growth, Digitalization and Financial Instruments Programme and also implements the Regional Operational Programme.

4. *General Directorate for European Human Capital Programmes*

It is a directorate that develops guidance documents, handles the evaluation and contracting of projects and provides help-desk support for beneficiaries.

5. *General Directorate for the Sustainable Development Programme*

Acts as Managing Authority for:

A. Large Infrastructure Operational Programme (POIM) 2014–2020

B. Sustainable Development Programme (PDD) 2021–2027

C. Former Managing Authorities for Sectoral Operational Programme Environment (POS M) 2007–2013

D. Sectoral Operational Programme Transport (SOP-T) 2007–2013

E. ex-ISPA.

6. *General Directorate for Technical Assistance and Financial Mechanisms*

It implements measures required to meet objectives from the Government Programme 2023–2024, especially in EU funds and non-reimbursable financial mechanisms. It also ensures efficient and transparent management of technical assistance programmes under Cohesion Policy (2014–2020 and 2021–2027) and manages non-reimbursable financial mechanisms.

7. *General Directorate for Regional Development and Just Transition*

It helps in the implementation of the Just Transition Programme (JTP) addressing investment needs identified in the Territorial Just Transition Plans for counties: Gorj, Hunedoara, Dolj, Galați, Prahova, and Mureș and also supports territories financed from the Just Transition Fund (JTF) 2021–2027.

8. *General Directorate for Legal Affairs and Relations with Parliament*

This directorate provides legal support and coordination for ministerial functions, being coordinated by Secretary General of the ministry.

9. General Directorate for Economic

It manages and records financial and material resources from the state budget and EU non-reimbursable and reimbursable funds. It also manages technical assistance programmes and other operational programmes for which MIPE is beneficiary. Nevertheless, it administers pre-accession and other financial instruments, such as: PHARE, ISPA, Transition Facility 2007, Swiss-Romanian Cooperation Programme, External Borders Fund, Schengen Facility, Internal Security Fund (2014–2020).

10. General Directorate for Human Resources Management and Administrative Capacity

Oversees HR planning, recruitment, selection, career development, appointments and dismissals according to the law, as it manages personnel administration and salary rights and handles changes to employment status for public servants and contractual staff.

11. General Directorate for Public Procurement and Internal Services

It provides methodological coordination of public procurement financed from the state budget or EU funds.

The gaps found in the literature are represented by the lack of categorization of fund types and grouping specific programs, beneficiaries, impacts, and challenges associated with each trend.

3. RESEARCH METHODOLOGY

This study adopts a qualitative and analytical research design aimed at exploring the diversity and typologies of European funding mechanisms. The methodology combines elements of documentary analysis, comparative assessment, and conceptual synthesis, in order to identify patterns and classifications within the complex landscape of EU financial instruments. The research relies primarily on secondary data sources, including official EU documentation (such as regulations, policy papers, and evaluation reports), academic literature, and analytical reports from institutions such as the European Commission. Additional sources include scholarly articles, working papers, and national implementation reports that provide insights into the functioning of various funding schemes across member states.

The analysis proceeds in two main stages. First, a literature review establishes the theoretical foundation, clarifying key concepts such as funding mechanisms, financial instruments, and policy typologies. Second, a comparative framework is developed to distinguish between funding programs as classified by purpose.

The methodological approach emphasizes a descriptive and interpretive perspective rather than a statistical or econometric one, aiming to provide a comprehensive understanding of the structural diversity and policy implications of EU funding mechanisms. The research thus contributes to both academic inquiry and policy formulation by clarifying how different financial instruments operate and interact within the broader framework of European integration and cohesion policy.

4. TYPOLOGIES OF EUROPEAN FUNDING PROGRAMS

The landscape of European funding is characterized by a high degree of complexity, reflecting the Union's diverse policy priorities, governance structures, and territorial realities (Pinar & Karahasan, 2024). To navigate this system effectively, it is essential to understand the main typologies into which funding programs can be categorized. These typologies reveal not only the underlying strategic objectives of the EU, ranging from cohesion and competitiveness to sustainability and external cooperation, but also the different operational and financial modalities through which support is delivered (Schwab, 2024). By examining these classifications, stakeholders gain clearer insight into how funding mechanisms function, whom they target, and how they can be accessed, thereby enhancing the relevance and effectiveness of their engagement with EU financial instruments.

European funding mechanisms encompass a wide spectrum of policy instruments designed to stimulate economic development, reduce disparities, foster innovation, and support strategic priorities

across the EU (Coppola & Destefanis, 2025). Although diverse in purpose and structure, these mechanisms can be grouped into several typologies based on their objectives, financing logic, governance model, and target beneficiaries. Classifying them into coherent categories helps clarify how they operate and how stakeholders can effectively access them. So, one can classify them given four aspects, as presented in Figure 1:

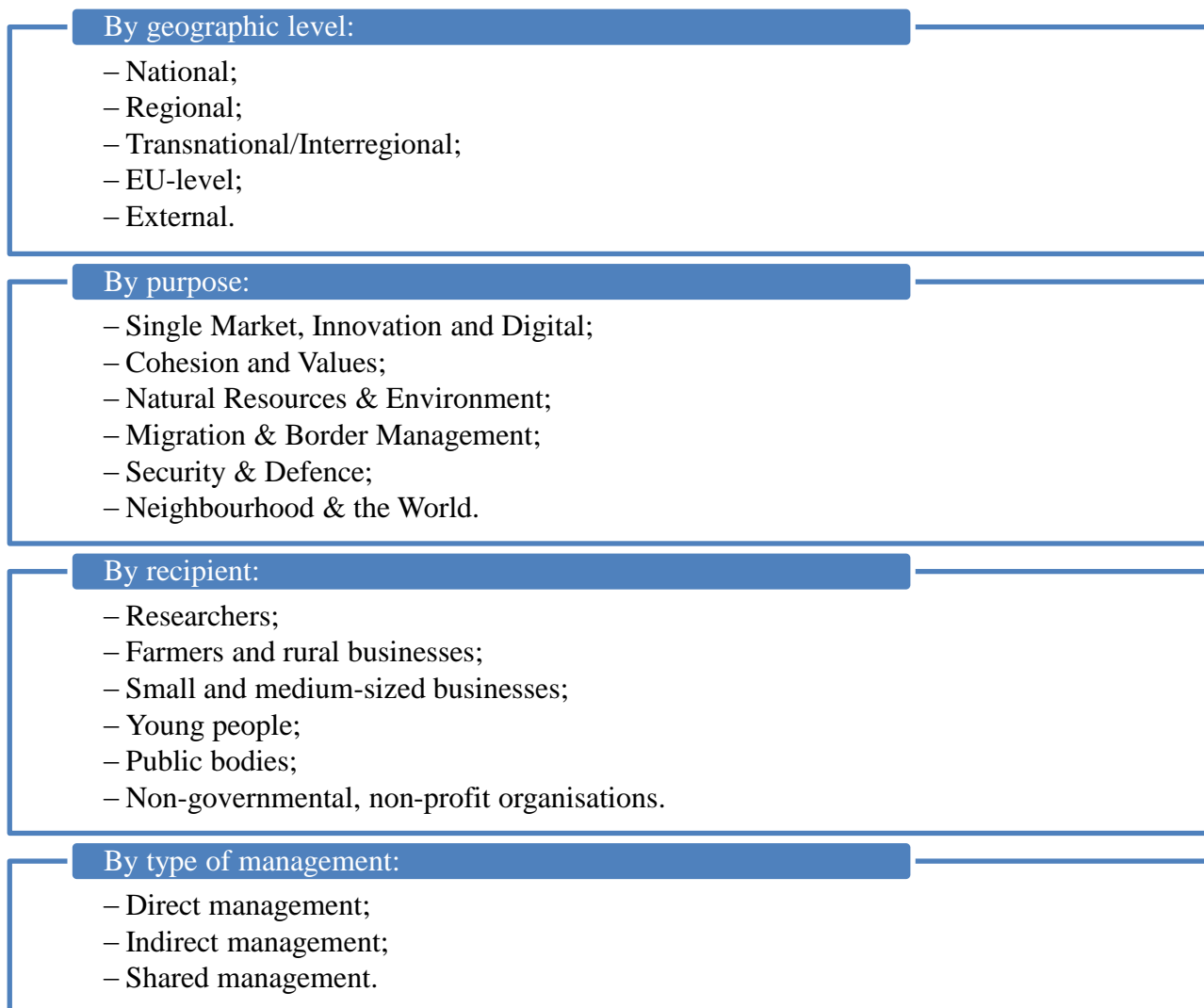


Figure 1. European Funds classification

Source: authors based on European Commission (2025h; n.d.-i)

The funding programmes implemented in the 2021-2027 framework, classified by purpose, are seen in Table 1:

Table 1. Types of European funds

Programme name	Objective	Budget window 2021-2027 (current prices)
I. Single Market, Innovation and Digital		
Research & Innovation		
Horizon Europe	The programme encourages cooperation and increases the effectiveness of research and innovation in shaping and implementing EU policies, while addressing global challenges.	€ 93.5 billion
Euratom Research and Training Programme	The programme focuses on initiatives related to nuclear safety, security, radioactive waste and spent fuel management, radiation protection, and fusion energy research.	€ 1.98 billion
ITER	The programme represents a major experimental project intended to demonstrate that fusion can be a feasible scientific and technological source of future energy.	€ 5.61 billion
European Strategic Investments		
InvestEU	The programme aims to stimulate innovation and generate new employment opportunities.	€ 10.28 billion
Connecting Europe Facility	The programme supports economic growth, job creation, and competitiveness through targeted infrastructure investments across the EU.	€ 20.73 billion
Digital Europe Programme	The programme aims to close the gap between digital technology research and its practical application on the market.	€ 7.59 billion
European Strategic Investments		
InvestEU	The programme aims to stimulate innovation and generate new employment opportunities.	€ 10.28 billion
Connecting Europe Facility	The programme supports economic growth, job creation, and competitiveness through targeted infrastructure investments across the EU.	€ 20.73 billion
Digital Europe Programme	The programme aims to close the gap between digital technology research and its practical application on the market.	€ 7.59 billion
Single Market		
Single Market Programme	The programme seeks to reinforce the governance and functioning of the EU's single market.	€ 4.21 billion
EU Anti-Fraud Programme	The programme contributes to safeguarding the EU's financial interests.	€ 181 million
Cooperation in the field of taxation (FISCALIS)	The programme enhances the efficiency of national taxation systems by fostering cooperation among tax authorities in combating fraud, evasion, and aggressive tax planning.	€ 269 million
Cooperation in the field of customs (CUSTOMS)	The programme supports the development and functioning of core EU IT systems used in customs operations.	€ 950 million
Space		
European Space Programme	The programme addresses climate change, encourages technological innovation, and delivers socio-economic benefits to EU citizens.	€ 14.88 billion

Programme name	Objective	Budget window 2021-2027 (current prices)
II. Cohesion and Values		
Regional Development & Cohesion		
European Regional Development Fund (ERDF)	The programme offers funding to reduce economic, social, and territorial disparities across all EU regions.	€ 226.05 billion
Cohesion Fund (CF)	The programme provides financial support to Member States whose GNI per capita is under 90% of the EU average, to strengthen overall EU cohesion.	€ 48.03 billion
REACT-EU	The programme finances projects that enhance crisis recovery and support a green, digital, and resilient economic rebound.	€ 50.62 billion
Support to the Turkish Cypriot community	The programme aims to promote the reunification of Cyprus.	€ 240 million
Recovery and Resilience		
Recovery and Resilience Facility	The programme helps soften the economic and social impacts of the pandemic, while promoting sustainable, resilient, and future-ready European economies.	€ 723.82 billion
Technical Support Instrument	The programme assists Member States in designing and carrying out reforms that improve national resilience by providing expert guidance.	€ 864 million
Protection of the Euro Against Counterfeiting	The programme combats counterfeiting and related fraud and safeguards the integrity of euro banknotes and coins.	€ 6 million
Union Civil Protection Mechanism (rescEU)	The programme improves disaster prevention, preparedness, and response through strengthened cooperation among EU Member States and participating countries.	€ 3.32 billion
EU4Health	The programme responds to the effects of COVID-19 on healthcare workers, patients, and health systems across Europe.	€ 5.75 billion
Investing in People, Social Cohesion & Values		
European Social Fund+	The programme helps Member States address the pandemic’s consequences, support employment, ensure fair social protection, and build a skilled workforce ready for green and digital transitions.	€ 99.26 billion
Erasmus+	The programme supports education, training, youth development, and sports initiatives throughout Europe.	€ 26.51 billion
European Solidarity Corps	The programme funds projects that engage young people in community-oriented activities through volunteering or by initiating their own solidarity projects.	€ 1.01 billion
Justice Programme	The programme promotes a European area of justice based on the rule of law, judicial independence, mutual recognition, trust, and cooperation.	€ 0.30 billion
Citizens, Equality, Rights and Values Programme	The programme works to uphold democratic, rights-based, equal, and inclusive societies grounded in the rule of law.	€ 1.56 billion
Creative Europe	The programme supports the cultural and audiovisual sectors.	€ 2.53 billion

Programme name	Objective	Budget window 2021-2027 (current prices)
III. Natural Resources & Environment		
Agriculture & Maritime Policy		
European Agricultural Guarantee Fund (EAGF)	The programme assists EU farmers in ensuring a stable supply of safe, healthy, and affordable food.	€ 291.09 billion
European Agricultural Fund for Rural Development (EAFRD)	The programme finances the EU's contribution to rural development actions.	€ 95.51 billion
European Maritime, Fisheries and Aquaculture Fund	The programme helps fishermen shift to sustainable practices, supports coastal communities in diversifying their economies, creates jobs, improves coastal livelihoods, enhances sustainable aquaculture, and implements maritime policy.	€ 6.11 billion
Environment & Climate Action		
Programme for the Environment and Climate Action (LIFE)	The programme supports the transition toward a sustainable, circular, energy-efficient, climate-neutral, and resilient economy.	€ 5.43 billion
Just Transition Fund	The programme aids Member States in supporting regions expected to be most affected by the shift to climate neutrality.	€ 19.32 billion
Innovation Fund	The programme focuses on deploying innovative low- and zero-carbon technologies (financed by revenues from auctioning allowances from the European Union Emissions Trading System (EU ETS))	approximately €40 billion between 2020 and 2030
Modernisation Fund	The programme helps modernise energy systems and increase energy efficiency in 13 lower-income Member States.	Information not available
IV. Migration & Border Management		
Migration		
Asylum, Migration and Integration Fund	The programme supports effective migration management and the development and strengthening of common EU asylum and immigration policies.	€ 9.88 billion
Border Management		
Integrated Border Management Fund	The programme ensures effective and coordinated management of the EU's external borders and backs the common visa policy.	€ 7.39 billion
V. Security & Defence		
Security		
Internal Security Fund	The programme contributes to achieving a high level of security within the EU.	€ 1.93 billion
Nuclear Decommissioning (Lithuania)	The programme contributes to achieving a high level of security within the EU.	€ 552 million

Programme name	Objective	Budget window 2021-2027 (current prices)
Nuclear Safety and Decommissioning	The programme aims to protect both citizens and the environment from nuclear risks.	€ 626 million
Defence		
European Defence Fund	The programme promotes collaborative defence research and capability development.	€ 7.95 billion
VI. Neighbourhood & the World		
External Action		
Global Europe: Neighbourhood, Development and International Cooperation Instrument	The programme manages the main share of the EU’s external action funding.	€ 80.59 billion
Humanitarian Aid	The programme delivers needs-based assistance to people affected by natural or man-made disasters.	€ 11.57 billion
Common Foreign and Security Policy	The programme supports peace, global security, international cooperation, and the promotion of democracy, rule of law, and human rights.	€ 2.68 billion
Overseas Countries and Territories	The programme promotes economic and social development in the 13 EU OCTs, enhancing their resilience, competitiveness, and reducing vulnerabilities.	€ 500 million
Pre-Accession Assistance		
Pre-Accession Assistance	The programme supports economic and social development in candidate countries to help them progress toward EU membership.	€ 14.16 billion

Source: authors based on European Commission (n.d.-j)

The table provided below (Table 2) details three key trends in the management and financing of EU funds, grouping specific programs, beneficiaries, impacts, and challenges associated with each trend. The conceptual framework included in Table 2 is a valid synthesis of current EU financial policy priorities and can be found disseminated across numerous official EU publications and reports that detail the operational rules and strategic goals of EU funding. However, this formal grouping of EU funds is not a standard, officially mandated categorization of them. These three areas work in synergy. Digitalization provides the tools for efficient, transparent management. Performance-Based Financing ensures these tools are used effectively to deliver measurable results. The European Green Deal provides the overarching strategic direction and policy goals towards which all efforts are channeled. By grouping funds this way, the table demonstrates a coherent strategy: using modern, results-driven management techniques to finance a sustainable future for Europe.

Table 2. Interconnected strategic principles in the current (2021-2027) EU financial framework

Trend	Purpose / Mechanism	Examples of Programs	Beneficiaries	Impact / Advantages	Challenges / Limitations
Performance-Based Financing	Funds linked to measurable outcomes, milestones, or KPIs	Horizon Europe, Euratom Research and Training Programme, ITER, InvestEU, ERDF, Cohesion Fund, REACT-EU, Recovery and Resilience Facility, Technical Support Instrument, Union Civil Protection Mechanism (rescEU), European Social Fund+, Erasmus+, Creative Europe, Justice Programme, Citizens, Equality, Rights and Values Programme	Research institutions, regional authorities, large infrastructure projects, students, cultural organizations	Promotes accountability, efficiency, clear link between funding and results	Risk of over-simplifying complex outcomes, high pressure on beneficiaries
Digitalization of Fund Management	Online applications, reporting, and monitoring; streamlined administration	Digital Europe Programme, Single Market Programme, EU Anti-Fraud Programme, FISCALIS, CUSTOMS, Horizon Europe, Euratom Research and Training Programme, ITER, InvestEU, Protection of the Euro Against Counterfeiting, EU4Health	All fund recipients and managing authorities	Reduces administrative errors, improves transparency, facilitates monitoring	Requires robust IT infrastructure and digital skills for beneficiaries
Alignment with the European Green Deal	Funding projects supporting sustainability, climate goals, and low-carbon transition	LIFE Programme, Just Transition Fund, Innovation Fund, Modernisation Fund, Horizon Europe (Green & Climate Pillars), Euratom Research and Training Programme, ITER, EAFRD, some projects under Connecting Europe Facility	Public and private projects in green infrastructure, renewable energy, sustainable agriculture, environment	Promotes ecological transition, aligns funding with EU climate goals	Risk of excluding non-green projects, additional compliance requirements

Source: authors

5. CONCLUSIONS

The analysis conducted throughout this paper demonstrates that the landscape of European funding mechanisms has evolved into a highly diversified and strategically oriented system, designed to respond to the European Union’s overarching goals of cohesion, competitiveness, resilience, and sustainability. By examining the main typologies of EU financial instruments (ranging from traditional grants to loans, guarantees, and hybrid schemes) the study highlights both the structural complexity and the functional coherence of the EU’s funding architecture.

The study also identifies three transversal trends that shape the current (2021–2027) funding framework: performance-based financing, digitalization of fund management, and the alignment of all major funding streams with the European Green Deal. These trends reinforce each other, contributing to improved transparency, stronger accountability, and greater strategic coherence. However, they also introduce new challenges, such as increased administrative pressure on beneficiaries, the need for advanced digital infrastructure, and the risk of uneven access for regions with lower institutional capacity.

Furthermore, the analysis shows that understanding typologies of EU funding is not merely a theoretical exercise but a prerequisite for optimizing absorption rates and designing effective public policies. Member States with robust institutional frameworks, including clear administrative responsibilities and well-coordinated managing authorities, tend to achieve better outcomes. In this regard, Romania’s institutional architecture, as outlined in the activities of the Ministry of Investments and European Projects, plays a crucial role in ensuring efficient fund management, despite persistent challenges related to co-financing, administrative capacity, and project implementation.

In conclusion, the European Union’s financial ecosystem is becoming increasingly integrated, strategic, and results-oriented. Clarifying the typologies of funding mechanisms enhances both academic understanding and practical implementation, supporting more informed decision-making by policymakers, beneficiaries, and regional authorities. As the EU continues to adapt to geopolitical, economic, and environmental challenges, the ability to navigate and leverage its diversified funding landscape will remain essential for promoting cohesion, resilience, and sustainable development across all Member States.

ACKNOWLEDGMENT

The present paper resulted from the research conducted within the doctoral program in the Management field at the Bucharest University of Economic Studies; all authors are members of the Scientific Research Center for Business Management through Projects.

REFERENCES

- Braşoveanu, I., V., Silvestru, I., C., Pavel, A. & Onica, D. (2011). Structural and Cohesion Funds: Theoretical and Statistical Aspects in Romania and EU. *Transylvanian Review of Administrative Sciences*, 7(33), 30-48.
- Coppola, G. & Destefanis, S. (2025). The Impact of Cohesion Policy on Sectoral Structure: A Focus on Tradable and Nontradable Activities. *Open Economies Review*, 1-27. <https://doi.org/10.1007/s11079-025-09827-3>
- European Commission. (n.d.-a). 2014-2020 European structural and investment funds. Retrieved from https://commission.europa.eu/funding-tenders/find-funding/funding-management-mode/2014-2020-european-structural-and-investment-funds_en
- European Commission. (n.d.-b). What is Regional policy. Retrieved from https://ec.europa.eu/regional_policy/policy/what_en

- European Commission. (n.d.-c). European Regional Development Fund. Retrieved from https://ec.europa.eu/regional_policy/funding/erdf_en
- European Commission. (n.d.d). Cohesion Fund. Retrieved from https://ec.europa.eu/regional_policy/funding/cohesion-fund_en
- European Commission. (n.d.-e). What is ESF+?. Retrieved from <https://european-social-fund-plus.ec.europa.eu/en>
- European Commission. (n.d.-f). European Agricultural Fund for Rural Development (EAFRD). Retrieved from https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/european-agricultural-fund-rural-development-eafrd_en
- European Commission. (n.d.-g). European Maritime, Fisheries and Aquaculture Fund. Retrieved from https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/european-maritime-fisheries-and-aquaculture-fund_en
- European Commission. (n.d.-h). European Union funding, grants and subsidies. Retrieved from https://european-union.europa.eu/live-work-study/funding-grants-subsidies_en
- European Commission. (n.d.-i). *Eligibility: who can get funding?*. Retrieved from https://commission.europa.eu/funding-tenders/how-apply/eligibility-who-can-get-funding_en
- European Commission. (n.d.j). *EU funding programmes*. Retrieved from https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes_en
- Kisiała, W. & Stępiński, B. (2024). European funds and the dynamics of economic growth among EU regions: A spatial modelling approach. *Quaestiones Geographicae*, 43(2). <https://doi.org/10.14746/quageo-2024-0020>
- Maris, M. (2024). Contribution of EU Cohesion Policy to Regional Growth: Evidence from V4 Countries*. *Prague Economic Papers*, 33(2), 164-186. <https://doi.org/10.18267/j.pep.855>
- Ministry of Investments and European Projects (2025). Annual Activity Report of the Ministry of Investments and European Projects - 2024
- Mussida, C., Parisi, M., L. & Pontarollo, N. (2023). Severity of material deprivation in Spanish regions and the role of the European Structural Funds. *Socio-Economic Planning Sciences*, 88, 1-15. <https://doi.org/10.1016/j.seps.2023.101651>
- Nicolas, R., Titl, V. & Schotanus, F. (2025). European funds and green public procurement. *Ecological Economics*, 227, 108400. <https://doi.org/10.1016/j.ecolecon.2024.108400>
- Pinar, M. & Karahasan, B., C. (2024). Asymmetric effects of EU cohesion policy on EU regional growth: The role of macroeconomic uncertainty. *The Journal of Economic Asymmetries*, 30, e00382. <https://doi.org/10.1016/j.jeca.2024.e00382>
- Schwab, T. (2024). Quo Vadis, cohesion policy? European Regional development at a crossroads. *Intereconomics*, 59(5), 284-292. <https://doi.org/10.2478/ie-2024-0056>
- Staehr, K. & Urke, K. (2022). The European structural and investment funds and public investment in the EU countries. *Empirica*, 49(4), 1031-1062. <https://doi.org/10.1007/s10663-022-09549-6>
- Tiganasu, R. & Lupu, D. (2023). Institutional quality and digitalization: Drivers in accessing European funds at regional level?. *Socio-Economic Planning Sciences*, 90, 1-20, <https://doi.org/10.1016/j.seps.2023.101738>