

Abstract

The paper investigates the domestic determinants influencing the absorption capacity of European Union (EU) Cohesion Policy funds among Member States (MS). The multilevel governance at which it operates together with the redistributive character aiming at socioeconomic cohesion, give to Cohesion Policy a pivotal role in European integration. Despite its significance, the efficiency of fund absorption differs by MS, posing a serious obstacle to intergovernmental negotiations in the field. Using data from the 2007-13 and 2014-20 programming periods, this study investigates the effect of governance quality, decentralisation, and the share of Cohesion funds in national public investment on the absorption capacity. Based on Europeanization, multilevel governance, and agency theories, the study takes a mixed-methods approach, integrating qualitative elite interviews with quantitative multivariate regression analysis. By integrating academic and practical perspectives, the paper identifies the key variables influencing the effective utilization of EU Cohesion funds, providing valuable insights for policy implementation and regional development.