

Practical Experiences in Romania with the

COST BENEFIT ANALYSIS FOR COHESION FUNDS IN THE WATER SECTOR

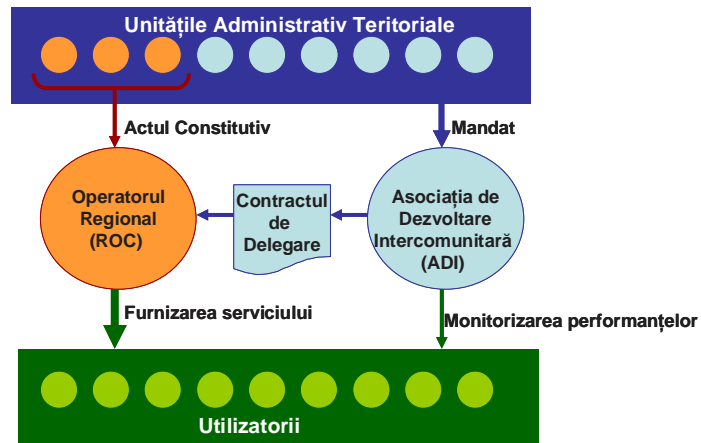


Key aspects

- Methodology in the Romanian context
- Relationship with the beneficiaries
- Tariff issues
- Contribution of Local Authorities
- Co-financing loan



Methodology in the Romanian context (1)



Methodology in the Romanian context (2)

- Our experience on:
 - Option analysis
 - Financial analysis
 - Economic analysis
 - Sensitivity analysis
 - Risk analysis

Methodology in the Romanian context

- The Consultants should explain the methodology in simple words to the local beneficiaries
- Consider the particularities of each area
- The Consultants should discuss the assumptions with the local beneficiaries

Relationship with the beneficiaries

- Local Beneficiaries:
 - The Consultant should be in permanent contact with the management team of the ROC and with IDA
 - Discuss and agree the results step by step
 - The Consultant should assist the LB when needed

Relationship with the beneficiaries

- Central Beneficiaries:
 - Have regular meetings and explain the draft results
 - The communication “style” is very important

Tariff issues

- Key issues:
 - Unification
 - Affordability constrains
 - The Consultant should prepare a tariff unification and adjustment strategy for each agglomeration and each type of tariff
 - Discussions with all stakeholders

Contribution of Local Authorities

- Discussion regarding the contribution
- SOP: 2-5% from the funding gap
- Strategy:
 - Separate for each agglomeration
 - County Council and Large Cities
- Decisions of Local Councils

Co-financing loan

- Discussion regarding the contribution
- Options: IFI, Commercial Banks, etc.
- RON or Euro?

Difficulties encountered

- Limited understanding of the process at the level of local beneficiaries
- Problems with the accuracy of data
- Communication with local authorities

When does the job of financial consultant ends?

- Not with the finalization of the application...
- Assistance during the financing contract preparation and signature
- Assistance during the tender documents preparation

Thank you!

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