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This paper is focused on the role of Intermediate Bodies in the implementation of EU Cohesion Policy, with the view of providing inputs for the new programming period.

The first part of the paper aims to identify and showcase the main features of the implementation arrangements of EU Cohesion Policy with specific reference to the role of Intermediate Bodies. The second part of the paper aims to draw conclusions on the efficiency of Intermediate Bodies (IBs) within the Romanian Structural Instruments Implementation System, based on evidences extracted from Evaluation Reports issued in Romania as well as other documents and studies and an “Efficiency Index” applied on data made available by the Managing Authorities. The current paper is not an evaluation report, nor is it resulting from the application of an evaluation methodology, therefore the analysis and conclusions may be limited due to the documentary base available.

However, the results of the analysis should serve as a starting point for a debate among stakeholders on the functions, structure and organization of the Intermediate Bodies of the next programming period.

The document is addressed mainly to policy makers and programme managers involved in setting up the implementation system of delivering the Cohesion Policy in the 2014-20 programming period, but also to potential stakeholders which may be involved in the implementation process.

The paper has been prepared by Ernst & Young at the request of the Ministry of European Funds.



TABLE OF CONTENTS

Introduction – Cohesion Policy Implementation Arrangements	4
What makes Intermediate Bodies so important?	6
The various set-ups in place: types of IBs, number of levels and regional distribution	8
Overview of Intermediate Bodies in the Romanian Structural Funds Implementation	10
Comparative analysis of IBs' characteristics and efficiency	12
Efficiency Indices for Intermediate Bodies	28
Outlook on the 2014-2020 Programming Period - Implementation alternatives	36
Annexes	40

1. Introduction – Cohesion Policy Implementation Arrangements

Cohesion Policy of the European Union is often recognised as the most prominent initiative of the EC in budgetary terms and, therefore, one of the most visible and deliberated EU public policies. It aims to promote the harmonious development across Europe and to diminish economic development disparities between the European regions, in line with the principle of solidarity between the wealthy and less favoured Member States.

A clear strategy regarding selection of the most appropriate mechanisms for the delivery of the Policy is an absolute prerequisite to ensure its success.

Both the delivery methods and governance of Cohesion Policy have been often regarded as an integral part of the added value of the policy, especially due to the multi-annual, strategic approach, and the incentives for cooperation between organisations, across multiple policy sectors. However, past experience has shown that the achievement of the desired level of added value from the intervention has proved to be a cumbersome task, independent from the implementation layer.

Systems for implementing the funds supporting Cohesion Policy have always been crucial in order for interventions to be effective and have relevant impacts. In this respect, **institutional capacity in making optimal use of the Funds** plays a crucial role to support a high performance of Cohesion Policy¹ as noted by EC's Fourth Report on Economic and Social Cohesion (2007):

“A sound institutional framework and effective administration in Member States and regions are preconditions for the success of Cohesion Policy”

One of the most important features of Cohesion Policy is that **there is no single model of implementation**: within a common regulatory framework, **Member States can determine their own approach to management and implementation**. Consequently, there is a considerable variation between – and sometimes within – countries in the administrative structures and resource allocation systems.

In each Member State, the **European Commission, national government and regional stakeholders may have different roles in the implementation process**. More specifically, **systems may be built on centralised or regionalised approaches to implementation**, depending on the allocation of competences between national, regional and local levels, political interests and linkages, the financial strength and thematic orientation of the programmes and experience of administering Structural Funds.²

Moreover, practical arrangements for programming may also vary³, including the approaches to programme development, project generation, appraisal, selection and monitoring, and the extent to which these tasks are subsumed within the existing administrative structure or whether parts of the implementation are carried out by dedicated administrative structures and how these are organized.

¹ Martin Ferry, Frederike Gross, John Bachtler and Irene McMaster - Turning Strategies into Projects: The Implementation of 2007-13 Structural Funds Programmes, IQ-Net Thematic Paper No. 20(2), p. 1

² Ibid.

³ (Bachtler et al, 1999): OUT-SOURCING PROGRAMME MANAGEMENT: A COMPARATIVE ASSESSMENT Final Report to the Ministry of Economics and SMEs, Technology and Transport of the Land of Nordrhein-Westfalen, Sandra Taylor, Mary Louise Rooney and Professor John Bachtler; European Policies Research Centre, University of Strathclyde, UK

Such variability can be regarded as strength. According to former Commissioner Hübner⁴:

“There is no successful policy with one-size-fits-all solutions. Cohesion Policy promotes flexibility that allows each region and city to design and implement its own strategy”.

Over time, Cohesion Policy was subject to a plenitude of research papers, which ended mostly with similar conclusions, highlighting the direct proportionality between the policy’s impact and good management practices or, more generally, the link between the stakeholders’ efficiency and institutional or absorption capacity of the recipient regions and Member States.

Absorption capacity represents a broad concept, as it refers to the quality of the entire development and implementation policy cycle⁵.

General Regulation (1083/2006) and Implementing Regulation (1828/2006) define common principles, rules and standards for the implementation of the three cohesion instruments, the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund, during the period 2017-2013.

For each EU financed intervention, Member States are responsible for the design of the following elements:⁶

- ▶ **Responsibility for the management of each intervention** belongs to a Managing Authority, which must: ensure compliance with Community policies, make adjustments and reviews to programming documents (if/when required), ensure the evaluation of the intervention and correctness of operations, set up and maintain system for financial and statistical information, and, ensure the implementation of information and publicity requirements.
- ▶ **Managing Authorities can delegate management tasks, including decisions on resource allocation, to Intermediate Bodies.** These structures can organise project selection, advise applicants, perform verification of reimbursement claims and monitor project implementation, based on what is delegated by the Managing Authorities
- ▶ **Monitoring Committees** must be set-up for each programme, in order to ensure programme progress monitoring, review and approve criteria for project selection, propose programme changes to the Managing Authority and approve implementation reports and programme evaluations.
- ▶ Implementation systems must also include a **Certification Authority**, which accomplishes the role of certifying statements of expenditure and payment applications (prior to their submission to the EC for reimbursement) and an **Audit Authority** to analyze the implementation system in terms of efficiency of the management and control system.

Centralised vs. Decentralised Implementation Systems

Centralised systems focus the management of the interventions on national stakeholders (ministries and other national bodies), in parallel with a somewhat limited degree of involvement (regarding decision making) of regional administrative bodies. In almost all EU Member States, the central government plays an important role in Structural Fund implementation.

⁴ (Ferry et. al 2007), p.2, citing Opening statement by Commissioner Danuta Hübner at the conference “Success stories of EU Cohesion Policy and problems in practice” Hof, 9 May 2007.

⁵ (Worstner 2008), p.1, citing Fitzgerald R, and Promé C, 1996, “Generating Good Projects”, IQ-Net Thematic Paper 1(3), European Policies Research Centre, University of Strathclyde, Glasgow

⁶ Based on EC General Regulation (1083/2006), Article 59

In the case of Centralized systems, national ministries are prominent in negotiating with the EC services and designating assisted areas, but also in supervising strategy formulation, expenditure, monitoring and evaluation.

In some Member States, the role of the national level in the implementation process is particularly strong, like in those MS where domestic systems for implementing regional development interventions have traditionally accorded a prominent role to the central authorities. Although some implementation responsibilities have been delegated to other authorities (e.g. regional Intermediate Bodies), national authorities continue to play the dominant role as Managing Authorities, in organising and leading Monitoring Committees and in taking responsibility for final decisions on the allocation of resources.⁷

Decentralized systems can be regarded as “Mixed central-regional systems” and “Regionalised systems”.

Within **regionalised implementation systems**, implementation is devolved largely to sub-national administrative units. Responsibilities for programme management and implementation are decentralised to the regions, and the role of central government is limited to the general coordination of Community Funds, higher level Commission negotiation, inter-ministerial coordination and evaluation of ‘good practices’.

Several Member States operate **mixed central-regional systems** for management and implementation, which combine elements of centralised and decentralised approaches.

Such arrangements potentially include the combination of Managing Authority responsibilities across national and regional levels, with sectoral or multi-regional Operational Programmes under the responsibility of national line ministries operating alongside regional Operational Programmes which are the responsibility of regional level organisations.

Romania uses a centralized Implementation System for Structural Instruments, for the current programming period. Cohesion Policy is implemented through four sectoral operational programmes, one regional and two operational programmes aiming to improve administrative capacity of the public administration, as well as of capacity to manage EU funds.

2. What makes Intermediate Bodies so important?

A topic, present more often in the spotlights, refers to the mechanisms linked to the *need* to implement Cohesion Policy through multiple layers of governance: What makes Intermediate Bodies so important? In times of budgetary cuts and constant drive towards increased efficiency, couldn't the policy be more efficient if simplified?

While the question may sound quite straight-forward, the answer deems more complications, since the need for involving Intermediate Bodies is strictly linked to the type of intervention financed, but not only that.

The design of each Operational Programme, the types of interventions financed and target groups, generally provides the answer for the need of additional implementing structures, alongside the central coordinating body – the Managing Authority.

The main role of Intermediate Bodies is to relieve the Managing Authority from performing operational tasks related to implementation: directly working with beneficiaries, especially in selecting projects, their monitoring and providing support to the project beneficiaries.

⁷ (Ferry et. al 2007), p.17

While advocates of the simplification thesis may argue that a high-performing, centralized Managing Authority should manage implementation at project level just as well, there are aspects which a central body simply could not do effectively: IBs often work at regional level (both under regional and sectoral OPs), **their role being focused on the relationship with project beneficiaries.**

By being close to potential applicants and beneficiaries, IBs can easily receive feedbacks from the target groups, consolidate them and forward them to Programme stakeholders, contributing decisively to the alignment of the implementation related aspects, with the expectations and real needs of its target groups.

Moreover, the **relationship between both potential applicants (individuals or entities interested in obtaining information on operations financed) and beneficiaries, on one side, and implementing bodies, on the other, is potentially more streamlined, due to the perceived level of “openness” and “friendliness” when approaching an intermediary body** (especially if this is an NGO or a local authority), compared to approaching a line-ministry.

Finally, the principle of “segregation of duties” may also successfully apply in the case of Intermediate Bodies, since aspects related to strategy, evaluation of the effectiveness, efficiency and impact of the intervention and compliance of operations (managed by the MA), is separated from the strictly “operational” aspects (IBs), which would focus on project selection and contracting, verification of reimbursement claims and performing monitoring at project level.

As highlighted by Boeckhout (2002), in many cases, the personnel of the IB is also involved in other duties, and there is not always a specific separation of *EU specific* tasks. Although this may be regarded as a negative aspect, actually by integrating the Structural Funds practice in everyday regular work and tasks, the project pipeline has the potential of being more easily started up, since the IB's personnel has a better understanding of issues and particularities of the target groups, pro-actively and independently matching the specificity of the EU intervention with the sector / market's needs.

It should certainly be recognised however that there are different consequences for the implementation system that need to be taken in account. A greater number of involved institutions allows better institutional adaptability to the demands of the particular policy in question.

As a consequence, the involved institutions can reap the benefits of increased specialisation, which can be of significant importance. **On the other hand, however, it should be recognised that Cohesion policy implementation, founded on multi-level governance, requires complex and specific know-how. This does not only make the implementation of Cohesion policy more expensive than the implementation of domestic policies, it also involves noticeable learning costs.**

During the learning period, there is a significantly higher risk of irregularities in the process, resulting in a need to cover the additional costs from other (public) sources. Furthermore, a greater number of involved institutions magnifies the problem of coordination. This is relevant both in terms of policymaking (synergies) and, especially, in terms of legality of implementation (standardisation of procedures and forms).

3. The various set-ups in place: types of IBs, number of levels and regional distribution

After deciding on the type of Implementation System (with or without IBs), Member States are faced with the next important dilemma, which concerns how many institutions (i.e. Intermediate Bodies), should be involved in the implementation system.

Multiple levels of implementation

Intermediate bodies do not necessarily have to answer directly to the Managing Authority, as it is common practice that there can be more layers of Intermediate Bodies, in line with the national/regional institutional system. For example, an implementing public institution (second level IB – also commonly called **Implementing Authority/Body**) answering for example to a ministry (first level IB) which is answerable to the Managing Authority (e.g. SF Coordinating Structure, from within the Ministry of Finance). Larger countries or larger scale Operational Programmes tend to employ multiple levels of IBs: typical examples include Poland, Ireland and Germany.

For instance:

- ▶ the **Managing Authority** may be a specific structure of a line ministry, coordinating the implementation of the entire Operational Programme (e.g. Ministry of Labour, in the case of Sectoral Operational Programme for Human Resources Development),
- ▶ **first level IB** may be responsible for implementing a specific measure of the OP (e.g. for “life-long learning”, this may be a General Directorate from within the Ministry of Education), supported by
- ▶ **second level IBs**, at regional level, responsible with the actual implementation of the measure (e.g. either NGOs or Regional Education Inspectorates) – directly working with beneficiaries, selecting and monitoring projects in this area, etc.

The Romanian SF Implementation System makes use of only First Level Intermediate Bodies, working directly under the authority and coordination of the respective Managing Authority. Out of the 7 OPs, 4 are implemented with the aid of Intermediate Bodies. These IBs are either national line-ministries (or agencies), regional bodies acting only as an execution level between the MA and final beneficiaries, or regional bodies, with “special status” (NGOs of public utility).

The “ideal” number of IBs

Empirical⁸ investigations indicate that the number of intermediate bodies can differ markedly: the number of IBs per OP can amount to 30 or 40, but can even go up to 500⁹. It is hard to assume a priori which approach is more efficient, although some authors have argued in favour of concentration (e.g. Horvat, 2003).

The number of IBs is generally directly proportional with the size of the intervention, thus, a large scale Operational Programme, in a large Member State, may be implemented through multiple IBs, spread regionally, for each major Priority Axis.

An additional factor driving the implementing structure for Structural Instruments is also the so-called “country tradition”, being firmly rooted in national, regional or local organisations that are part of the mainstream of economic development.

⁸ The Micro-efficiency of EU Cohesion Policy, Peter Wostner, 2008

⁹ Boeckhout et al., Key indicators for Candidate Countries to Effectively Manage the Structural Funds, 2002, identified for example in the case of Ireland, 92 IBs for the 5 Ops, out of which 36 of them can be called ‘first tier’ IBs, or Implementing Departments within Ministries.

There is also a significant difference between sectorally IBs and regionally oriented IBs. For the implementation of SOPs, if IBs are integrated in the delivery mechanism, their number is usually fairly limited, being mostly national development agencies, foreign investment agencies, tourism agencies and development banks.

On the other side, ROPs can have high number of implementing bodies: municipalities, associations of municipalities and civil society organisations (e.g. regional development agencies, development associations and NGOs). As their name suggests, these are spread all over the eligible area of the intervention – at regional level – being responsible with the implementation of the policy in a specific geographical boundary.

The regional level IBs are the first recipients of applications and the first level at which compliance with eligibility rules is analysed and improved. They are in charge of defining the content of measures and of developing project pipelines, since they are closer to the final beneficiaries and are supposed to know best the main problems and needs to be solved.

In conclusion, the “ideal number” of IBs for an Operational Programme, depends upon a multitude of factors, ranging from *soft* – such as “tradition” - to *strategic* – such as the focus / specialization on a particular policy area, which should be managed by a distinct body (e.g. Ministry of Communications and Information Society, being responsible for implementing Priority Axis 3: ICT for Private and Public Sectors, of the Operational Programme Increase of Economic Competitiveness).

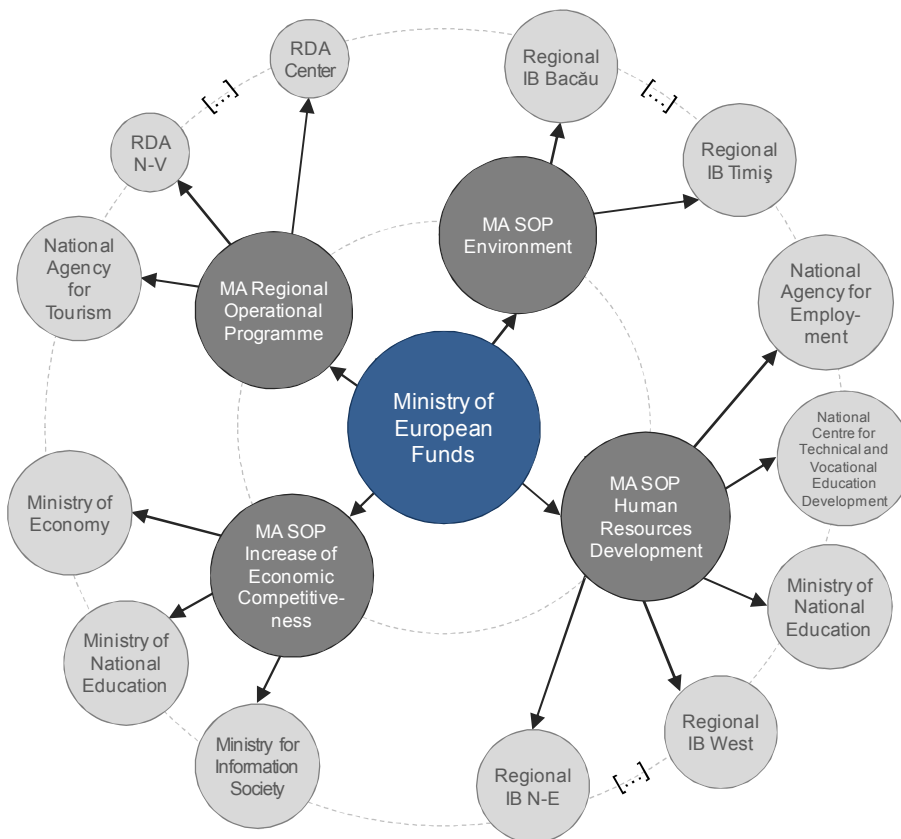
4. Overview of Intermediate Bodies in the Romanian Structural Funds Implementation System

The NSRF 2007 – 2013 for Romania provides that **Managing Authorities may delegate various tasks to Intermediate Bodies, but they retain the overall responsibility for the correct execution of delegated tasks.** The status and role of an Intermediate Body are defined by the scope of tasks delegated from the MA to that IB. This is captured within the delegation agreements concluded between the various MAs and their respective IBs.

Out of the 7 Operational Programmes implemented in Romania under the Convergence Objective, only 4 are implemented with the aid of IBs:

- ▶ Regional Operational Programme (ROP) – 9 IBs,
- ▶ Sectoral Operational Programme Increase in Economic Competitiveness (SOP IEC) – 4 IBs¹⁰,
- ▶ Sectoral Operational Programme Human Resources Development (SOP HRD) – 11 IBs, and,
- ▶ Sectoral Operational Programme Environment (SOP Env.) – 8 IBs

An overview of the structure of the Intermediate Bodies set-up at the level of the abovementioned Operational Programmes is presented in the following diagram:



The Managing Authorities of **Sectoral Operational Programme Transport, Sectoral Operational Programme Development of Administrative Capacity and Operational Programme Technical Assistance** have not established IBs because of either their limited number of beneficiaries or respectively, the limited financial allocation of the managed OPs.

¹⁰ Meanwhile the number has increased at 15.

In terms of operating models, the Intermediate Bodies in Romania can be structured according to two criteria:

- ▶ **Geographical coverage** – some IBs have **regional coverage** (usually local or regional branches of one Ministry or Central Authority), such as the Regional IBs in the case of SOP Environment and SOP Human Resources Development or Regional Development Agencies in the case of ROP; or **national coverage** – National IBs being established at the level of SOP Increase of Economic Competitiveness or in addition to Regional IBs at the level of Human Resources Development or ROP.
- ▶ **Legal status** – the IBs do not have individual legal personalities (being organized as Directorates within Line Ministries or National Agencies, e.g. Regional IBs of SOP Environment or within RDAs which are NGOs of public utility).

The main attributions delegated to Intermediate Bodies, by the Romanian Managing Authorities, are the following – in line with the functions delegated in most Member States, and aligned with the provisions of the General Regulation 1083/2006: preparation and distribution of information and publicity materials, guidance to potential applicants with regards to project preparation, launching calls for proposals, collection, evaluation and contracting of projects, monitoring activities, assistance to the MA on specific aspects, etc. The list of functions delegated by the MA of each OP to its corresponding IBs, is presented in detail in the following sections and comparatively, as an Annex (8.3) to the current paper.

5. Comparative analysis of IBs' characteristics and efficiency

The main characteristics of the Intermediate Bodies, in the Romanian Structural Funds Implementation System, are presented in the current section, being analyzed from the point of view of the delegated functions, available resources (workforce), and estimated workload (by means of number of project applications received, contracts signed, value of EU funding managed, etc.).

With regard to practices and failures that highlight the asymmetry of implementation between and within OPs, it is noteworthy that many OPs include both well-performing and under-performing Priority Axes and KAIs. It is therefore not possible to point to unambiguously “successful” or relatively “unsuccessful” MAs and IBs as such, as most demonstrate both successes and failures to date. High OP performance is usually explained by a few high-performing Priority Axes, alongside slower ones.¹¹

5.1 Regional Operational Programme

The Regional OP disposes of the 3rd largest financial allocation out of the 7 Operational Programmes financed under the Convergence objective in Romania, in the current programming period.

Organization

The implementation of ROP is performed by means of 8 Regional Development Agencies for all Priority Axes, except PA 5, KAI 5.3 coordinated by the National Authority for Tourism and PA 6 – Technical Assistance, coordinated directly by the Management Authority set up within the Ministry of Regional Development and Public Administration.

A particularity of the ROP Implementation System (when compared with other Operational Programmes, implemented with the aid of IBs) is the status of its regional IBs.

Regional Development Agencies can be defined¹² as: *regionally based, publicly financed institutions, outside the mainstream of central and local government administration designed to promote indigenous economic development through an integrated use of predominantly ‘soft’ policy instruments.*

As expressed by Prof. Henrik Halkier, in his paper “Regional Development Agencies: European Trends And Experiences”, Regional Development Agencies *“are ideal for implementing such [i.e. regional policy] interventions, since public bodies situated outside the mainstream government apparatus [...] can help regional development activities to be situated closer to the concerns of private sector actors and at the same time sheltered from both day-to-day political pressures and therefore able to take a more long-term strategic approach to regional development.”*

The legal provisions for the establishment, responsibilities and functioning of Regional Development Agencies in the context of Romanian SF, are set through Law 315/2004 – regarding Regional Development in Romania.

As opposed to other Intermediate Bodies in the Romanian SF System, the funds necessary for the sound and effective functioning of the **Regional Development Agencies are not made available solely through the local budgets**, but also by ERDF, through individual financing agreements concluded under Priority Axis 6 – Technical Assistance of ROP. Singlehandedly, this implementation arrangement is unique at the level of the management and control system of EU funds in Romania. The RDAs are NGOs of public utility, enjoying a certain level of flexibility (as regards structure and

¹¹ *Synthesis of OP Interim Evaluations*, Final Report, March 2011, p. 8

¹² Halkier, Henrik & Danson, Mike (1998) *Regional Development Agencies in Europe - A Survey of Key Characteristics and Trends*, in Halkier, Henrik et al. (eds.): *Regional Development Agencies in Europe*, London: Jessica Kingsley

most of all, capacity) compared to public institutions, their activity linked to IB function being supported by ERDF on the basis of financing contracts which link performance to the level of funding received, are aspects to be taken into account when comparing RDAs with other (even regional) IBs.

Article 46 of the delegation contracts signed between the IBs and Managing Authority, makes reference to the system of performance indicators for RDAs, and possible financial penalties, which could be imposed to RDAs, should the tasks delegated not be performed as provisioned. This “control mechanism”, although present in other delegation contracts in the case of other OPs, is strongest in the case of RDAs, **since it links financing with the optimum performance of the IB, being based on specific and quantifiable indicators**. The performance indicators and penalties which could be imposed to the RDAs are not specified in the delegation agreements, but in the financing contracts signed between the MA and IBs.

The indicators used to evaluate IB’s performance, included in the financing contracts for 2013 – 2014, are the following:

- ▶ Maximum 10% of reimbursement claims of beneficiaries, processed by IB corresponding to projects funded by ROP and rejected (returned) by MAROP, during the implementation of project activities;
- ▶ Maximum 3% of financing contracts returned to IB by MAROP, during the pre-contractual stage, due to incompleteness/incosistencies following their verification, during the implementation of project activities;
- ▶ Maximum 7% modifications to financing contracts, signed with beneficiaries, returned by MAROP to IB, due to incompleteness/incosistencies following their verification;
- ▶ Maximum 2% contestations regarding the verification, evaluation, selection and contracting process, with regard to funding applications evaluated annually, during the implementation of project activities, due to incompleteness/incosistencies on behalf of the IB: not applying correctly work procedures, delivering erroneous, incomplete or inaccurate information regarding the process development or the content of the documents subjected to the process.
- ▶ During the implementaiton of project activities, MAROP may only request once a return to the previous stages of the verification, evaluation, selection and contracting process, which would alter previous results, as a consequence of an error in the process attributable to IB, determined by the incorrect analysis of the financing request; not informing MAROP of all elements regarding a certain financing request; way in which IB performs the verification, evaluation, selection and contracting process; or communicating to MAROP correct/complete information.
- ▶ Maximum 2% error rate calculated with regard to the value of the percentage reduction and maximum 10% error rate calculated with regard to the number of procurement procedures verified;
- ▶ Maximum 10 notifications per annum sent by MAROP to IB, with regard to errors or lack of completeness of SMIS data, corresponding to reimbursement claims, with regard to procedural deadlines.

The **functions allocated to each Regional Intermediate Body are identical**, put in force by means of individual delegation agreements (signed in the second half of 2008), valid for the entire duration of the Programme, supplemented by an additional 5 years period (in accordance with Art. 89 of the EC Regulation no. 1083/2006).¹³

¹³ RDAs also dispose of county offices for each county in the development region, in which at least one person dedicated to ROP is employed. This person supports the RDA in monitoring and verification activities.

In addition to the 8 Regional Intermediate Bodies, one specific KAI of ROP is implemented by a National Intermediate Body, respectively the National Authority for Tourism¹⁴.

The delegated functions from the Managing Authority to the Intermediate Bodies are clearly described in the delegation agreements and summarized below:

- ▶ IBs must ensure, at a regional level, the use of provisions related to information and publicity;
- ▶ IBs develop together with the Managing Authority procedures and eligibility criteria for projects to be financed under ROP, drafting the *Guidelines for Applicants* and *Sequence for the launch of calls for proposals*;
- ▶ IBs launch calls for proposals, collect project proposals, perform eligibility and administrative compliance checks, supervise the technical evaluation of projects, according to the criteria set-up for ROP;
- ▶ IBs must perform checks, for all projects implemented at regional level, regarding the fact that they were effectively implemented, and that all expenditure claimed by Beneficiaries was performed by observing relevant national and community regulations;
- ▶ IBs must ensure that the information and data necessary for financial management, monitoring, verification, audit and evaluation are correctly collected for each project implemented in the region, and inputted in SMIS in a timely manner;
- ▶ IBs must ensure that the financing beneficiaries keep an accurate accounting system, with distinct analytical accounts, for each project;
- ▶ IBs must keep a clear archive of all documents (for the purpose of maintaining a valid audit trail, for each project implemented in the region), for a period of 5 years, following the closure of the Programme

Additionally, the Intermediate Bodies are obliged, as per agreement provisions, to support the Managing Authority in performing the successful completion of tasks which are not delegated, by providing the MA with information, documents and data requested.

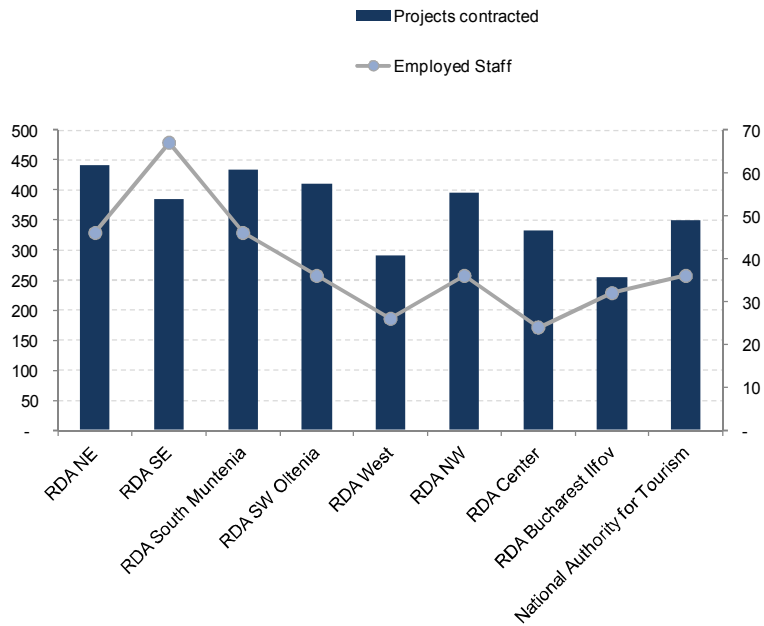
Efficiency

In terms of efficiency, when analyzing the number of projects under implementation, the staffing levels and EU funds managed, one can identify a certain level of correlation between these variables. Furthermore, significant variations can be observed in the number of contracted projects, (254 projects for RDA Bucharest-Ilfov, almost half of the number of projects implemented under RDA North-East – 441), which are somewhat aligned with the number of employees (32 in the case of RDA Bucharest-Ilfov and 46 for RDA North-East).

However, the indicator “Contracted Projects per Employed Staff” varies between 5.73 in the case of RDA SE to 13.88 in the case of RDA Center.

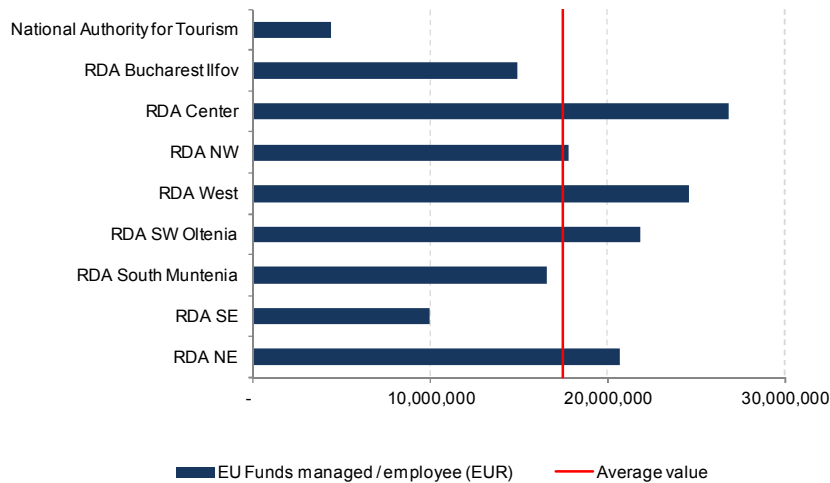
The below charts presents the differences between the IBs, in terms of number of projects contracted and employed staff:

¹⁴ Institution under the coordination of the Minister Delegate for SMEs, Business Environment and Tourism, established in January 2013. Prior to 2013, KAI 5.3 of ROP was managed by an IB established in the Ministry of Regional Development and Tourism. This structure has been reorganised later in National Authority for Tourism.

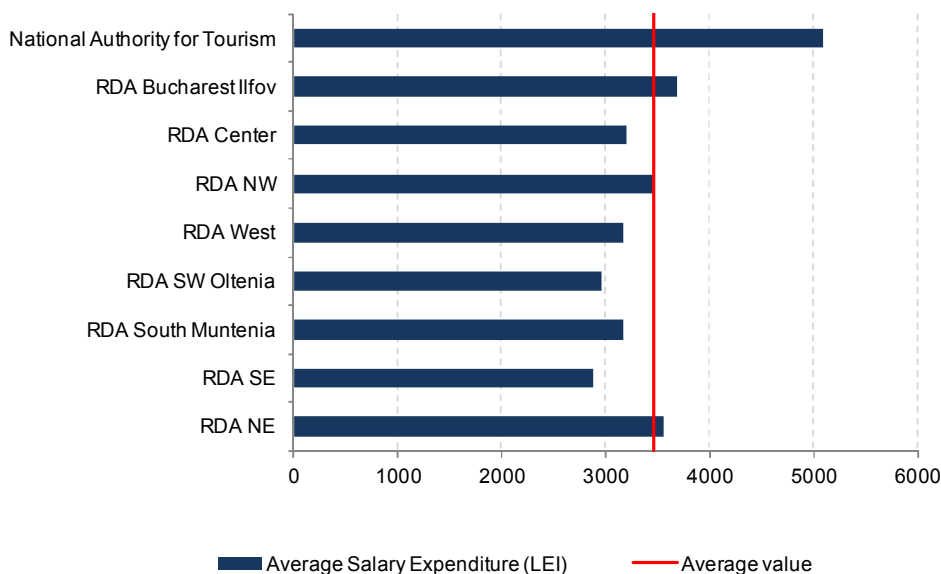


With regard to the EU funding managed at IB level, correlated with the number of employees, the highest values are encountered in the case of RDA Center, with approximately EUR 27million, and RDA West, South-West Oltenia and North-East, with over EUR 20m/employee.

Below the average value of EUR 17.5m are the National Authority for Tourism, RDA South-East and RDA South-Muntenia.



In terms of monthly salary expenditure, we observed little variation between RDAs: RDA SE exhibiting the lowest values in terms of salary expenditure / employee – 2,876 LEI, while RDA Bucharest Ilfov showcases the highest average amounts – 3,690 LEI. The salary levels in the National IB – National Authority for Tourism are significantly higher than in RDAs, averaging 5,096 LEI, as can be observed from the below diagram:



Performance issues highlighted through evaluation at OP level

Following the analysis we have performed on Evaluation Reports targeting the Regional Operational Programme, we have collected a series of findings related to performance issues affecting Intermediate Bodies, which we have presented in the below paragraphs.

A clear differentiating factor and positive aspect of the implementation system of ROP, as highlighted by the Interim Evaluation, is the previous experience of the staff employed in the Regional Development Agencies, working with pre-accession instruments, which enabled ROP to have a head start in implementation, when compared to other OPs.

Evaluation exercises have showcased a number of issues related to the relationship between the MA and IBs, which hampered the implementation of the programme. These issues however are not unique to ROP, but rather a fact which was observed while analyzing evaluation reports regarding other OPs also:

► **Separation of tasks between IBs and MA**

The Interim Evaluation of ROP, for the period 1 January 2007 – 30 June 2009 highlights the duplication of procedures applied to the expenditure verification, both at the level of the MAROP and RDAs, consisting of carrying out a double check of the reimbursement claims, initially 100% at both RDA and MAROP levels, with the same checklist, creating bottlenecks in processing reimbursement claims received from beneficiaries.¹⁵

The first audit mission in 2008 (Evaluation the Conformity of ROP Management System) noted that the structures of the IBs were not unitary and that there was no clear separations between the functions of the departments in the RDAs and other departments of the MA. Based on the recommendation of the audit mission, the organization chart, internal operating rules (ROF) and job descriptions for each RDA were updated so that they make use of a common structure.

► **Communication between IBs and MA**

An additional aspect highlighted by the evaluation of the Programme is the lack of an organized schedule of regular management meetings between the MA and the IBs. The Interim Evaluation Report also presents cases in which RDAs requested clarifications from the MA,

¹⁵ Interim Evaluation of the Regional Operational Programme for the period from 1 January 2007 to 30 June 2009, Final Report, 26 October 2009, p. xvii

receiving answers either promptly – *on the spot* , or in more than one month's time or never.¹⁶

► **Uploading data into SMIS**

In order to input data into SMIS, designated persons from the IBs, must be physically present in the headquarters of the IB and cannot connect remotely to the system. This contributes to delays in data inputting and to a risk of a higher data input error rate than alternative data input methods like the uploading of files directly into the system.¹⁷

5.2 Sectoral Operational Programme Environment

The total budget of the SOP Environment is approximately EUR 5.6 billion, out of which EUR 4.5 billion represent Community assistance, amounting to approximately 23 % of the total EU allocation for Romania under Cohesion policy 2007-2013, making SOP Environment, together with SOP Transport, the largest OPs in terms of EU fund allocation.

Organization

The Programme is implemented by means of 8 Regional Intermediate Bodies corresponding to each of the 8 developing regions of Romania, which are coordinated by the Managing Authority set up within the Ministry of Environment and Climate Change (through the General Directorate MA SOP Environment).

The Intermediate Bodies for OP Environment are structures established at regional level, with no legal personality, operated by public servants, being part of the Ministry of Environment (as individual Directorates). The legislative provisions setting-up the implementation structures have been updated several times, in 2007, 2009 and 2012, being currently in force through Government Decision no. 48/2013 – regarding the organization and functioning of the Ministry of Environment and Climate Change.

As in the case of the Regional Operational Programme, the functions allocated to each Regional Intermediate Body are identical, put in force by means of individual delegation agreements (signed in the second half of 2007), valid for the entire implementation period of the Programme and supplemented by an additional 5 years period (in accordance with Art. 89 of the EC Regulation no. 1083/2006).

The delegated functions from the Managing Authority to the Regional Intermediate Bodies are described in detail in the delegation agreement, the main aspects being:

- Information and publicity
- Performing verifications and evaluations of projects: for major projects, the IBs participate in the evaluation group, when requested by the MA, and in the process of developing the SOP Environment projects; for projects related to Priority Axis 4, the IBs must assist the solicitants in filling in the financing request, verifies the eligibility and admissibility of financing requests and informs the applicants and the MA about the status of the financing requests and about the results of the selection process;
- Monitoring and evaluation at programme and project level (on- the-spot verification reports and of other reports; the IBs must monitor the indicators regarding the projects implementation, etc.)
- Reporting at project level
- Financial/Technical verifications for the reimbursement requests, for the beneficiary accountancy and for the institutional organization of beneficiaries

¹⁶ *ibid.*, p. 175

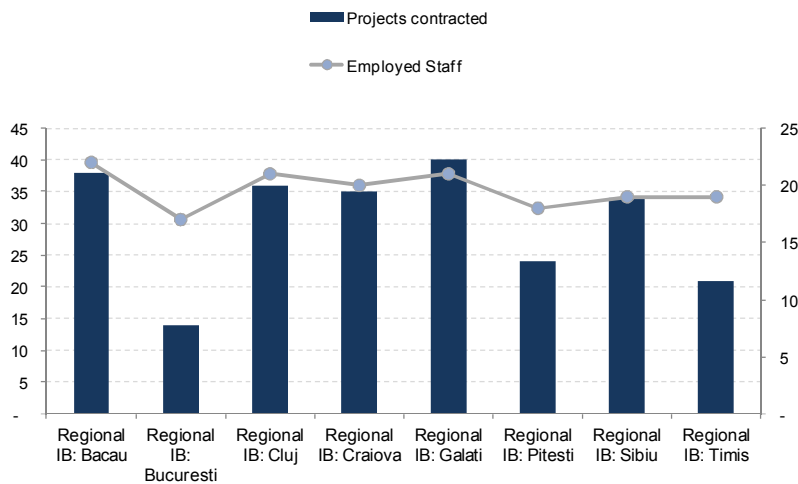
¹⁷ *ibid.*, p. 115

Efficiency

In terms of efficiency, the number of submitted projects varies considerably across IBs, between 26 projects submitted in Bucharest and 78 in Sibiu. The numbers of approved projects vary as well, as for example, there were 14 contracted projects in Bucharest and up to 40 in Galati.

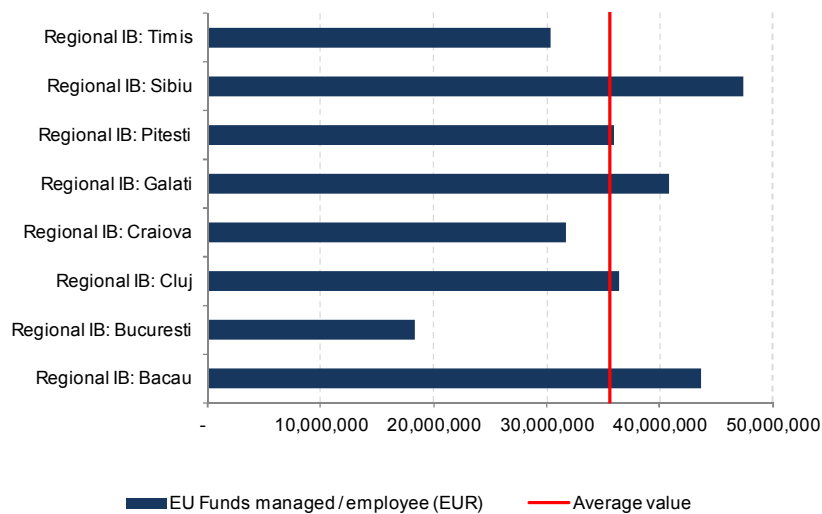
As it can be seen in the graph below, the number of employees varies generally with the number of projects, and average number of approved projects per employee range between 0.8 projects for IB Bucharest and 1.9 in IB Galati.

The number of employees per IB, on the other hand, does not vary too much. IB Cluj has 17 employees, while the largest number is in Bacau, with 22 people working in the IB.

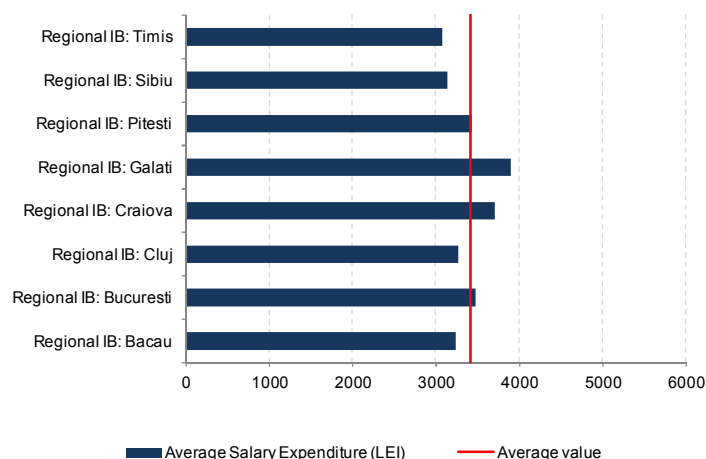


With regard to the EU funding managed at IB level, correlated with the number of employees, the highest values are encountered in the case of regional IB Sibiu, with approximately EUR 47.4m per employee, and the lowest in regional IB Bucharest, with over EUR 18m per employee.

The IBs with an value of EU funding managed per employee lower than the average are Timiș, Craiova and Bucharest with EUR 30m, EUR 31m and EUR 18m, respectively.



With regard to monthly salary expenditure, we observed limited variation between IBs: Regional IB Timis exhibiting the lowest values in terms of salary expenditure / employee – 3,080 LEI, while Regional IBs Bucharest-Ilfov, Craiova and Galati showcase average amounts higher than the average – 3,485 LEI, 3,712 LEI and 3,896 LEI respectively:



5.3 Sectoral Operational Programme Increase of Economic Competitiveness

The total budget of SOP Increase of Economic Competitiveness is approximately EUR 3 billion, out of which EUR 2.5 billion represent Community assistance, amounting to approximately 12.7% of the total EU funding allocated to Romania under Cohesion policy 2007-2013, making SOP IEC the 5th largest OP in terms of financial allocation.

The objectives of the Programme is to achieve an average annual growth of GDP per employed person by about 5.5%, which would allow Romania to reach approximately 55% of the EU average productivity by 2015, is implemented by the Ministry of Economy, the Managing Authority of the Programme, with the support of 4 National Intermediate Bodies¹⁸.

Organization

All Intermediate Bodies under SOP IEC are directorates within different line ministries. The split of allocation per IBs was performed by taking into account the different sectors and profiles of the groups targeted by the programme – individualised also at the level of Priority Axis, as follows:

- ▶ General Directorate Industrial Policies and Business Environment, from within the Ministry of Economy – Intermediate Body for SMEs – is responsible for implementing PA1: An Innovative and Eco-Efficient Productive System, with the exception of KAI 1.1 - Operation 1a and KAI 1.2¹⁹
- ▶ National Authority for Scientific Research, from within the Ministry of Education – Intermediate Body for Scientific Research – is responsible for implementing PA2: Research, Technological Development and Innovation for Competitiveness²⁰

¹⁸ In December 2012, the Romanian Government decided to reorganize one of the Intermediate Bodies of SOP IEC, namely the Intermediate Body for SMEs. The attributions of the latter were delegated to the 8 Regional Development Agencies, by means of delegation agreements concluded in 2013. However, the analysis is focused on the performance of the implementation system at the cutoff date (November 2012) and even though at the date of issuing the current paper, the delegation agreements with RDAs have been completed, it is too soon to perform an analysis of their performance, as no evidences are yet present in the evaluation reports.

¹⁹ *ibid.*

²⁰ On april 30, 2013, commenced the Government Decision no. 185 of april 16, 2013 regarding the organization and functioning of the Ministry of National Education. The Ministry of Education takes work, specialized structures and personnel of the National Authority for Scientific Research (ANCS), which was abolished upon the commencement of the Decision.

- ▶ Intermediate Body for promoting Information Society, from within the Ministry of Communications is responsible for implementing PA3: ICT for Private and Public Sectors
- ▶ General Directorate for Energy, Oil and Gas, from within the Ministry of Economy – Intermediate Body for Energy – is responsible for implementing PA4: Increasing Energy Efficiency and Security of Supply, in the Context of Combating Climate Change

The functions allocated to each National Intermediate Body are very similar, being put in force by the means of individual delegation agreements (signed in 2008), valid for the entire validity period of the Programme and supplemented by an additional 3 years period (in accordance with Art. 89 of the EC Regulation no. 1083/2006):

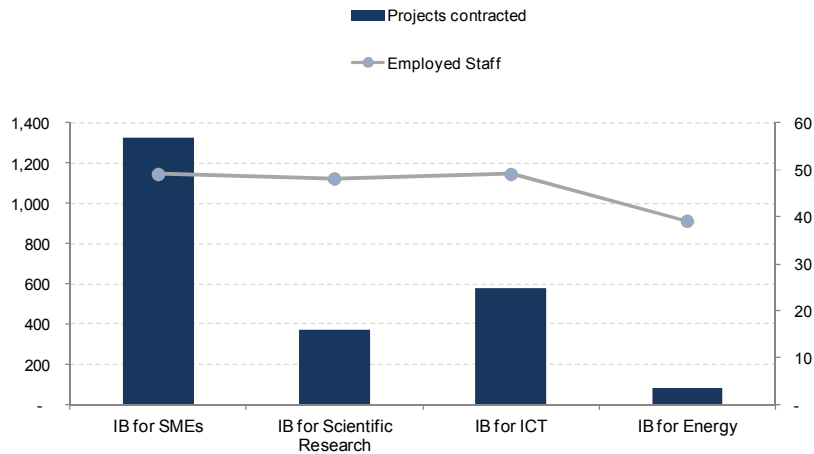
- ▶ **Information and publicity:** IBs must assist the MA in implementing the Communication Plan; IBs must ensure the availability and dissemination of information regarding the financing opportunities and the implementation of projects for potential beneficiaries;
- ▶ **Launching the calls and selecting the projects:** IBs must elaborate the selection criteria and the beneficiary guide; IBs must launch the calls for proposals; IBs must perform the selection of projects; IBs must assist the MA in designing the state aid schemes;
- ▶ **Contracting:** IBs must sign the financing contract with beneficiary;
- ▶ **Monitoring:** IBs must collect the necessary data and prepare the annual implementation reports; IBs must monitor the implemented projects and the state aid schemes;
- ▶ **Financial management and control:** IBs must perform 100% administrative verifications and on-the-spot checks; IBs must ensure the proper audit trail at the level of IB and at the level of beneficiary; IBs must ensure that beneficiaries keep an accurate accounting system, with distinct analytical accounts, for each project; IBs must provide financial data to the MA;
- ▶ **Irregularities:** IBs must detect irregularities at the level of beneficiary, communicate them to the MA and correct them at the level of beneficiary.

Efficiency

In terms of efficiency, there are significant differences between IBs, with regard to the number of applications submitted and projects contracted for each of them. As expected, the highest number of applications submitted and projects contracted correspond to the IB for SMEs with 7,838 applications and 1,323 projects contracted respectively, while the lowest number corresponds to the IB for Energy, with 605 applications and 84 projects contracted.

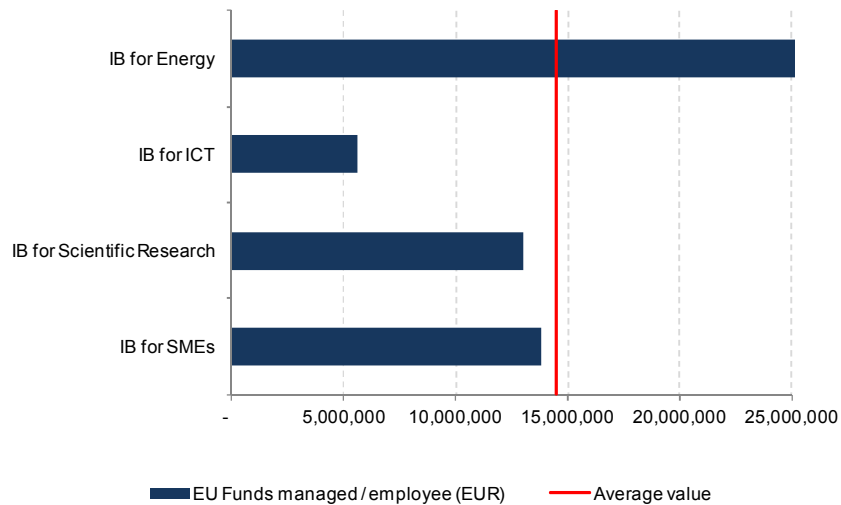
Even though there are significant differences amongst the IBs regarding the number of submitted applications and respectively the number of contracted projects, inducing significant variation in workload, when comparing the staff employed at the level of each IB, there are no notable differences. Thus, the IBs for SMEs, Scientific Research and ICT employ around 50 employees and IB for Energy around 40.

An overview of the number of projects contracted per IB and the employed staff highlights the existing differences: **the IB for SMEs has to manage more than 3 times as many projects as the IB for Scientific Research, while having the same number of employees.**

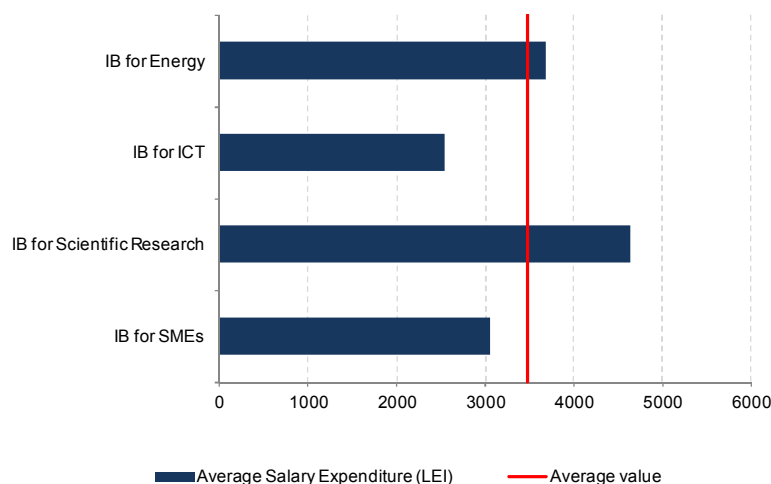


With regard to the EU funding managed at IB level, correlated with the number of employees, the highest values are encountered in the case of the IB for Energy, with approximately EUR 25m per employee. IB for Scientific Research and IB for SMEs indicate a value of approximately EUR 13m per employee, while the IB for ICT registers only EUR 5.6m per employee.

Given the above, we can expect significant variation of efficiency, between the IBs of SOP IEC, explained when considering the types and value of projects financed: while the IB for SMEs must manage a relatively high number of low-value projects, the IB for Energy is responsible for coordinating a relatively low number of complex and high-value projects.



With regard to monthly salary expenditure, we observed significant variation between IBs: IB for ICT exhibiting the lowest values in terms of average salaries – 2,535 LEI (lowest value compared to all IBs of all OPs), while IB for Scientific Research showcases the highest average amount of 4,640 LEI:



Performance issues highlighted through evaluation at OP level

As in the case of the other Operational Programmes, following the analysis we have performed on the available Evaluation Reports, we have collected findings related to performance issues affecting Intermediate Bodies, which we have presented in the below paragraphs

► Functional subordination between the MA and IBs

The status of the Intermediate Bodies under SOP IEC presents a unique characteristic in the Romanian Funds Implementation System, since IBs are general directorates / institutions under the coordination of different line ministries, under functional subordination to the MA. This relationship has sparked issues in implementation, due to the fact that the MA has no effective means of controlling and increasing the responsibility of the IBs – being at the same time solely responsible for the implementation of the programme.²¹

► Separation of tasks between IBs and MA and the 4 eyes principle

The most significant aspect regarding the *functioning* of the institutions involved in the management of SOP IEC derives from **the Managing Authority's decision** - taken as a result of audit findings on all Priority Axes - **to engage in 100% verifications of Reimbursement Claims submitted by beneficiaries and processed by Intermediate Bodies**. This procedure was subsequently reduced to 70%, 30% and 15% but increased again, in the case of IB for SMEs to 100% due to "connivance suspicions"²²

This issue raises questions on the current capacity of (at least some) IBs to successfully perform the delegated functions, and moreover, on the long-term process of institutional capacity building of IBs, as the Managing Authority acts as a "safety net" and there is no clear transfer of expertise between the two entities.²³

► Effectiveness

The First Interim Evaluation of SOP IEC (2009) revealed disfunctionalities in the implementation of the programme, which was being affected by delays in launching calls, evaluation and selection of applications, contracting and payments. From observations of the evaluation team and consultations with stakeholders, the main causes of delays are also related to the Intermediate Bodies, being linked to the low capacity of some IBs to perform delegated tasks

²¹ 2009 Interim Evaluation of SOP IEC, Evaluation Report Vol. I, 2010, p. 48

²² 2013 Interim Evaluation of SOP IEC, Preliminary Evaluation Report, 2013, p. 85

²³ 2009 Interim Evaluation of SOP IEC, Evaluation Report Vol. I, 2010, p. 86

and improper collaboration between the MA / IB and directions ministries with support functions (legal, economic, public procurement).²⁴

The Second Interim Evaluation of the Programme highlights certain improvements that have been implemented in the 2009-2013 period, with the scope of increasing the operational effectiveness of the MA and IBs of SOP IEC.

However, a general conclusion presented by the 2013 Report²⁵ links gaps in performance of the Programme with internal factors such as: administrative overload of the IBs' personnel due to excessive bureaucracy (e.g. long approval chain for approving financing contracts), differences in salary expenditure for employees performing similar tasks (which led both to general discontent among employees and people leaving the system).

Perhaps one of the most important negative internal factors is represented by the "weak management relationship"²⁶ between the MA and IBs since there is no direct subordination relationship (both MA and IBs are structures within different ministries).

5.4 Sectoral Operational Programme Human Resources Development

The financial allocation for SOP Human Resources Development during 2007-2013 is of EUR 3.47 billion, ranking the programme 4th in terms of largest financial allocation. The implementation of the Programme is achieved by means of 3 National Intermediate Bodies and 8 Regional Intermediate Bodies, under the coordination of the Management Authority set up within the Ministry of Labour, Family, Social Protection and Elderly.

Organization

The implementation arrangements of the SOP HRD is by far the most complex of all Operational Programmes implemented in Romania, due to the number (11 Intermediate Bodies – the greatest number of IBs) and different nature of the institutions (both regional and national IBs):

- ▶ **The 3 National IBs** are the following:
 - ▶ The National Agency for Employment, responsible for the implementation of the Priority Axis 4 "*Modernization of Public Employment Service*"
 - ▶ The National Centre for Technical and Vocational Education Development (CNDIPT), responsible for the implementation Priority Axis 2 "*Linking life-long learning and labor market*", KAI 2.1 "*Transition from school to active life*" and KAI 2.3 "*Access and participation in continuous vocation training*"
 - ▶ The Ministry of Education, Research, Youth and Sports, responsible for the implementation of the entire Priority Axis 1 "*Education and training in support of growth and development of the knowledge based society*" and of the Key Area of Intervention 2 "*Preventing and correcting early school leaving*" of the Priority Axis 2 "*Linking life-long learning and labor market*"
- ▶ **The 8 Regional IBs are responsible for the implementation of:**
 - ▶ Priority Axis 3 "*Increasing adaptability of workers and enterprises*", Key Areas of Intervention 3.1 "*Promoting entrepreneurial culture*" and 3.2 "*Training and support for enterprises and employees in order to promote adaptability*";

²⁴ *ibid.*, p. 77

²⁵ 2013 Interim Evaluation of SOP IEC, Preliminary Evaluation Report, 2013, p. 26

²⁶ *ibid.*

- ▶ Priority Axis 5 “*Promoting active employment measures*”, Key Area of Intervention 5.1 “*Developing and implementing active employment measures*” and Key Area of Intervention 5.2 “*Promoting long term sustainability of rural areas in terms of human resources development and employment*”,
- ▶ Priority Axis 6 “*Promoting social inclusion*”, Key Areas of Intervention 6.1 “*Developing Social Economy*”, 6.2 “*Improving the access and participation of vulnerable groups to the labour market*” and 6.3 “*Promoting equal opportunities on the labour market*”.

The functions allocated to each National and Regional Intermediate Body are identical, put in force by means of individual delegation agreements, valid for the entire validity period of the Programme and supplemented by an additional 3 years period.

The delegated functions from the Managing Authority to the National Intermediary Bodies are clearly described in the delegation agreements and are summarized below:

- ▶ **Programming:** IBs must collaborate with the MA for designing and amending the SOPHRD and the Implementation Framework Document; IBs must collaborate with the MA for designing the evaluation and selection criteria for the submitted projects; IBs must collaborate with the MA for designing the beneficiary guide; IBs must collaborate with the MA for designing the annual working plans and the state aid schemes;
- ▶ **Evaluations at programme level:** IBs must provide to the MA the necessary information for the evaluations at programme level;
- ▶ **Monitoring and reporting at programme level:** IBs must participate in the Monitoring Committees; IBs must prepare the semester implementation reports; IBs must provide to the MA the necessary information for analyzing the state of implementation for SOP HRD;
- ▶ **Information and publicity:** IBs must assist the MA in designing and implementing the Communication Plan; IBs must assist the MA in performing the annual evaluation regarding the impact of the information campaigns; IBs must develop and update the internet page of the IB with relevant information regarding the implementation of SOP HRD;
- ▶ **Launching the calls for proposals:** IBs must launch the calls for proposals;
- ▶ **Helpdesk:** IBs must ensure the availability and dissemination of information regarding the project implementation;
- ▶ **Projects evaluation and selection:** IBs must nominate the members of the Committees for Appeals, organized at MA level;
- ▶ **Monitoring the project:** IBs must ensure the technical and financial monitoring of contracted projects and verify the technical-financial report elaborated by the beneficiary; IBs must perform on-the-spot checks, elaborate the monitoring report and monitor the corrective measures taken by the beneficiary after the monitoring visit;
- ▶ **Financial management:** IBs must collaborate with the MA for the financial planning; IBs must verify the pre-financing request and the reimbursement requests received from the beneficiary and must transmit to the MA the centralized information; IBs must perform on-the-spot checks and must ensure that beneficiaries keep an accurate accounting system, with distinct analytical accounts, for each project; IBs must archive the relevant information into SMIS and other IT systems;
- ▶ **Antifraud control:** IBs must perform specific activities of antifraud control and communicate the results to the MA, and, in case of frauds, to DLAF
- ▶ **Management of irregularities:** IBs must perform specific activities for detection and prevention of irregularities; IBs must elaborate the report of irregularities and to communicate the detected irregularities to the MA;

- ▶ **Public tenders:** IBs must communicate to the MA the list of public tenders planned by the beneficiaries through the financing contract; IBs must verify, on sample basis, the documentation transmitted by the beneficiary for the public tender;
- ▶ **Ex-ante verifications:** IBs must perform the ex-ante verifications of documents elaborated by IBs
- ▶ **IT:** IBs must ensure the protection and integrity of data, the proper registration of data in SMIS and the maintenance of the IBs websites;
- ▶ **Risk management:** IBs must inform the MA regarding the identified risks and the corrective measures for risk mitigation.
- ▶ **Specific functions related to the management of grant projects and strategic projects**

As regards the legal status of the Intermediate Bodies, the situation resembles that of SOP Environment and SOP IEC: the regional IBs represent functional structures – public institutions under the authority of the Ministry of Labor, while national IBs are General Directorates within the implementing institutions respectively, Ministry of Education, National Centre for Technical and Vocational Education Development and National Agency for Employment (CNDIPT).

A particularity of the implementation system is that the national IBs also have regional branches: in the case of IB Ministry of Education – 8 Regional Units, within Regional Education Inspectorates, and for the National Centre for Technical and Vocational Education Development, through 8 regional branches.

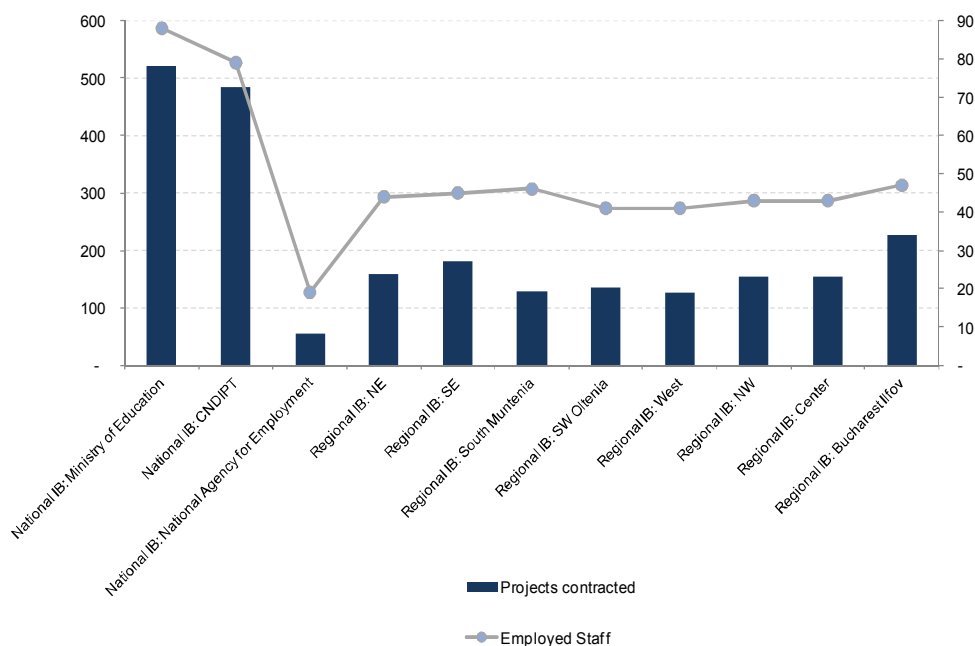
Efficiency

In terms of efficiency, there are significant differences between IBs with regard to the number of applications submitted and projects contracted for each of them. The highest number of applications received was recorded however, by the Managing Authority²⁷, 6,756 projects, followed by RDA N-W with 1,074 projects, while the largest number of contracted projects corresponds to the national IB Ministry of Education, Research, Youth and Sport, with 522 projects. The smallest number of project proposals was submitted and contracted by the National Agency for Employment, with 122 and 54 projects, respectively.

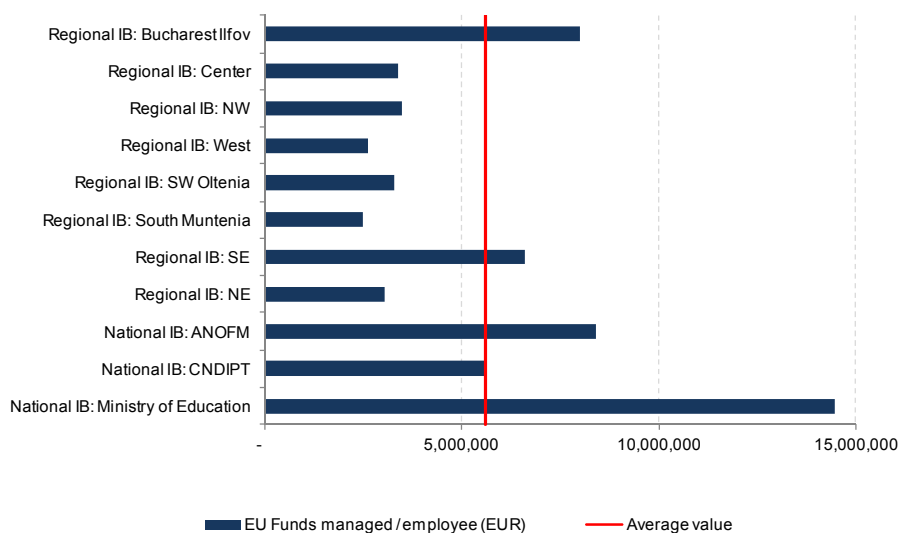
With regard to the number of employees, figures vary significantly across IBs: from 41 in regional IB South-West Oltenia and IB West to a more than double value, reaching 88 employees in the Ministry of Education, Research, Youth and Sport.

However, when considering the indicator “Number of projects in implementation, per employee”, we notice that the staff in Regional IBs must manage on average between 3 and 5 projects, per employee. The same indicator applied to National IBs highlights almost double values in the case of IB CNDIPT and Ministry of Education – 6 projects per employee and also the lowest value in the case of the, IB National Agency for Employment, with an average of 2.8 projects per employee,

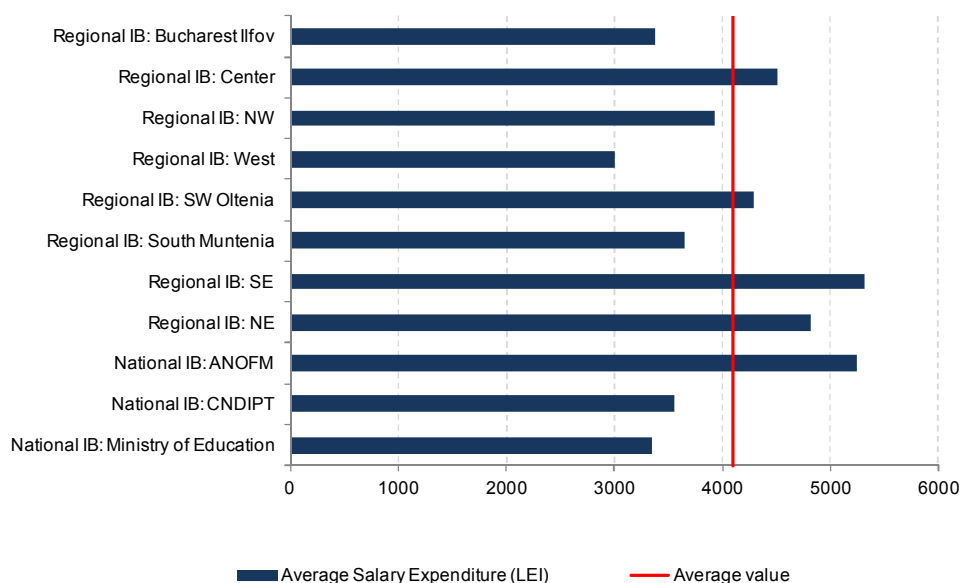
²⁷ In April 2012- through common directive of the Ministers of Labor and European Funds no. 654/311/23.04.2012- strategic initiatives and state aid financed projects (KAIs 5.2 and 6.1) were transferred from the MA to Regional Intermediate Bodies



With regard to the EU funding managed at IB level, correlated with the number of employees, the highest value is encountered in the case of the national IB Ministry of Education, Research, Youth and Sport, with approximately EUR 14m per employee. The Regional IB South-Muntenia of SOP HRD has the least amount of EU funding per employee, with a value of approximately EUR 2.5m per employee. Other values of the indicator range from approx. EUR 3.5m (for Regional IBs North-East, South West Oltenia, North-West and Centre), EUR 6.5m (for Regional IB South East) and EUR 8m (for IB Bucharest-Ilfov or the National Agency for Employment).



In terms of monthly salary expenditure (as a motivating factor for IBs' staff, with possible impact in terms of efficiency), we observed significant variation between IBs (regardless of their type regional/national): lowest monthly salaries are present in the case of Regional IB West, with 3,000 LEI, and highest in the case of Regional IB SE – 5,311 LEI, as can be observed from the below diagram:



Performance issues highlighted through evaluation at OP level

As in the case of the other Operational Programmes, following the analysis we have performed on Evaluation Reports, we have collected findings related to performance issues affecting Intermediate Bodies, which we have presented in the below paragraphs:

► Separation of tasks between IBs and MA

The conclusions of the First Interim Evaluation of SOP HRD highlights a significant level of disregard for the separation of tasks established through the Delegation of Tasks Agreements signed between the MA and the IBs e.g., the evaluation of grant projects submitted following Calls 17-54 was managed for the third bulk of projects at the MA level and not at IB level as foreseen by the Manual of Procedure.²⁸

As noted in the Commission System Audit conducted during 2009, the MA “decides at random to suspend” some of the tasks of the IBs, drawing greater and greater levels of work onto itself, duplicating work already done and overall engaging in what may be referred to as a sort of “control fixation”. In not using the resources available to it throughout the system and in duplicating what certain of those resources had already done, the MA appears to have semi-paralyzed the momentum of the programme over the period in question.

Over time, a range of difficulties (e.g., delays in processing, lack of communication with applicants for long periods during the process) negatively impacted on the system. These difficulties appear to be associated with a range of factors (e.g., staff shortages at the MA and the fact that two IBs that were to be put in place through public tender were never secured) but more particularly with the fact that the MA chose to pull almost all decision-making onto itself and, in certain instances, duplicating tasks already carried out by the IBs.²⁹

MA took upon itself an inordinate number of low-level control tasks (many of which were duplicating tasks already carried out down through the system chain). The MA then claimed to have too few staff to carry out the tasks that it had taken upon itself despite the fact that it had, for example, eight under-utilised RIBs and three National IBs at its disposal. Rather than acting as the manager of a system, the MA got itself directly involved in tasks at every level resulting,

²⁸ First Interim Evaluation of SOP HRD, Final Report, June 2011, p. 89

²⁹ *ibid.*, p. 111

inevitably, in delays in the system, policies being changed mid-stream (e.g. the responsibilities of the RIBs which have changed again more recently although in this instance the MA has once again devolved significant autonomy to the IBs), corrigenda issuing at the last moment and so on.³⁰

The overlapping and duplication of checks between the MAs and IBs in respect of reimbursement claims is another example of intense bureaucratization that results, for example, in delays in the processing of payments and impacts on implementation at project level. This example also highlights the lack of trust within the system itself, let alone in respect of project promoters, and this is commented on below.

► **Communication between IBs and MA**

The Interim Evaluation highlights the fact that communication within and across the programme is inadequate. This manifested itself in a number of ways that include, for example, in relation to the clarity and utility of advice on issues arising for project promoters and on the precise roles to be played by the MA and the IBs.³¹

6. Efficiency Indices for Intermediate Bodies

In order to highlight the variations in efficiency of Intermediate Bodies, while taking into account their staff capacity and workload differences between them, we have used a “Efficiency Index” – as common indicator to compare the efficiency of individual IBs.

Methodology

The indicator was designed as a single reference number (scored from 1 to 100), that would allow for a direct and quick estimator of IB efficiency.

The variables taken into consideration for calculating the “Efficiency Index” are the following: number of submitted projects, number of projects in implementation, number of employed staff, number of financial corrections and cancelled projects, payments to beneficiaries (as percentage of contracted amounts) at IB level, and absorption degree at OP level.

In this respect, we have made the following assumptions, which we consider relevant:

- The **number of submitted projects** is relevant when measuring efficiency, since it represents an indicator of the perceived degree of attractiveness of the programme; being also in direct connection with the information and publicity measures implemented, a function delegated by the MA at IB level.

Direct **conclusions are however more relevant in the case of IBs** of the same Operational Programme, the preconditions (ex-ante situation) being mostly equal for all IBs, differences being linked to publicity and support measures for applicants – under the presumption that all other external factors (e.g. different economic downturn at regional level) are frozen under a *ceteris paribus* clause. Comparing the number of submitted projects at the level of IBs under different Operational Programmes, is not entirely relevant, since project generation is primarily linked, however to the specificity of the financed intervention. For example, under SOP Environment one can observe the submission of a limited number of project applications of significant value and complexity, while under SOP IEC, the number of project application submitted is significantly higher, while their value and complexity is generally lower.

- The **number of projects in implementation** is not relevant *per se* but only when compared against the **number of employed staff** of the respective IB – the result being the “Load Factor in

³⁰ *ibid.*, p. 229

³¹ *ibid.*, p. 155

terms of number of projects”. Similarly, the **value of projects in implementation**, at IB level, is benchmarked against the staffing levels, in order to obtain the “Load Factor in terms of EU funding managed”.

A similar importance was granted in the calculation of the Efficiency Index to both “Load Factor in terms of number of projects” and “Load Factor in terms of EU funding managed” considering the fact that these aspects are of equal importance in relation to overall performance of IBs, the first one having the potential to determine the **level of administrative strain on the personnel of the IBs which in terms translates into a varying level of efficiency across IBs**, while the latter determines **the risk level associated with managing high value and complex projects translating into a varying level of effectiveness**.

- ▶ Since IBs are also involved in the monitoring of project implementation, their role in the prevention of irregularities (which in turn span to financial corrections) is significant, therefore the number and value of both **financial corrections** and **cancelled projects** may have been influenced (to some extent) by the capacity of IBs to issue early warning signs, acting towards preventing occurrence of irregularities and providing support to beneficiaries during project implementation, through guidelines and awareness initiatives.
- ▶ The last variable taken into consideration was **payments to beneficiaries at IB level as percentage of contracted amounts**, a discrete instrument for measuring efficiency of Intermediate Bodies against targeted expenditure (following contracting).

As for the weight of each variable, we have considered the following split, based on the perceived level of impact for each area, and its connection (direct or indirect) to the performance of the Intermediate Body:

- ▶ The weight of the Number of submitted projects, Number of cancelled projects per contracted projects, Value of financial corrections and Payments to beneficiaries per contracted amounts were considered 10% each;
- ▶ The total load factor (composed of the “Load Factor in terms of number of projects” and “Load Factor in terms of EU funding managed”) multiplied with the Performance Ratio of the Programme (calculated as function of the absorption rate) and given the weight of 60% – and is considered as being the most relevant performance indicator – split equally between its components 30%/30%.

Data used and cut-off of the analysis

The performance index was calculated at 31 December 2012 (cut-off date of the analysis), based on a set of data provided by different sources, as outlined below:

- ▶ Number of submitted projects, Number and value of contracted projects, Payments to beneficiaries, Number of Cancelled Projects and Value of Financial Corrections - data was provided by the Managing Authorities of the OPs and by the Ministry of European Funds (SMIS Extractions),
- ▶ Absorption rate at Programme Level according to publicly available data published by the Ministry of European Funds
- ▶ Number of Employed Staff per Intermediate Body – data was provided by the Ministry of European Funds,
- ▶ Value of salary expenditure of Intermediate Body staff – data was provided by MAs of relevant OPs.

Limitations

The index represents a computation of IB performance at cut off date of the analysis according to the methodology presented above. However, the methodology used does not include “intangible” or “unquantifiable” factors such as:

- ▶ The varying level of administrative burden of the management and control systems in place at the level of each of the analyzed OPs,
- ▶ The appropriateness of coordination and communication systems within the MCS at OP and NSRF level,
- ▶ The lifecycle (including the cycle of expenditure) of specific projects financed under the analysed OPs,
- ▶ Systemic errors or irregularities detected at the level of the analysed OPs that lead to temporary suspension of the Programme or flat financial corrections,
- ▶ Fluctuation of personnel at the level of IBs and appropriateness of skills and competences available,
- ▶ Since data regarding the number of employees of each IB was collected as “total value”, from the MAs, it is possible that part of the employees working within Intermediate Bodies are not fully engaged in managing Structural Instruments, thus decreasing artificially the workload factor

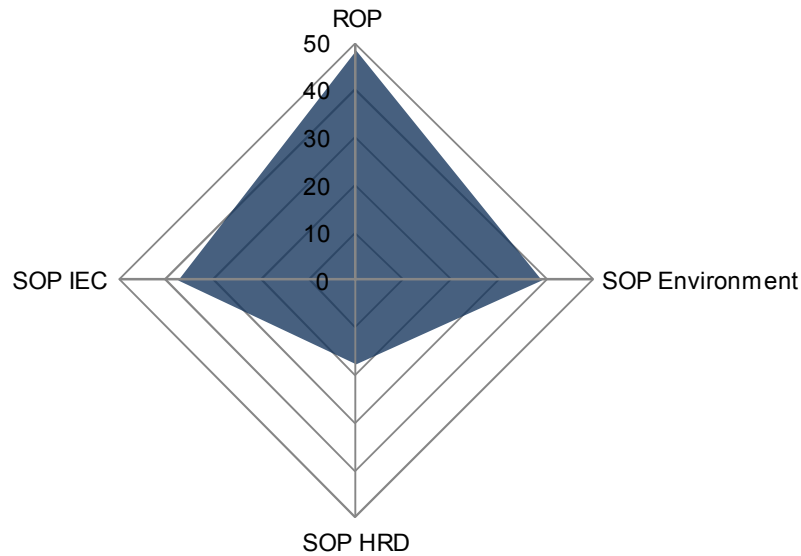
In addition to the above, the Efficiency Index was computed based on data made available by different sources as described above and thus, all inconsistencies and lack of data, may impact the results computed. Such a limitation occurs in the following cases:

- ▶ Intermediate Body for SMEs – no data were provided regarding the Value of financial corrections at IB level. For calculation purposes we have used as an indicative value for financial corrections - the average values encountered in the case of SOP HRD due to the similar problems perceived in the case of SOP HRD. Even so, the Efficiency Index resulted in a higher level in the case of this IB, which does not reflect reality³².
- ▶ In the case of IBs of SOP HRD – no data was provided regarding the level of Payments to beneficiaries at IB level. However, this information was provided as lump sum at the level of the operational programme. In order to apply the formulae, we have equally split the cumulated value to each of the eleven IBs, thus cancelling the impact of this factor, especially when comparing performance of IBs within the Programme.

Results

By applying the above methodology (and formulae described in Annex 1), we have firstly cumulated the Efficiency Indices of IBs at Operational Programme Level, indicating the strongest level of performance in the case of ROP, followed by SOP IEC and SOP Environment, which showcase somewhat similar characteristics and SOP HRD with the lowest Efficiency Index.

³² The Intermediate Body for SMEs was suspended in December 2012 due to “improper management actions” (Declaration of Minister L. Orban, December 2012) and its functions were reallocated to the Regional Development Agencies during April 2013.

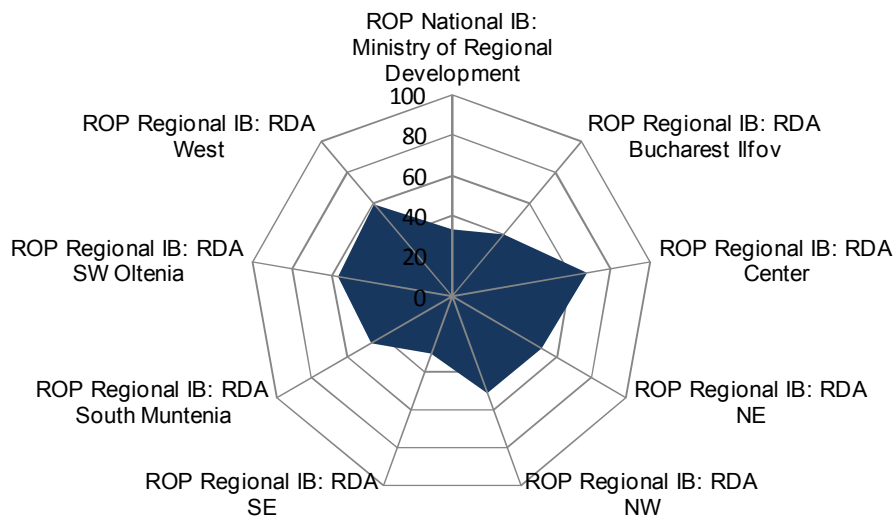


Differences in performance, when analyzing IBs at Operational Programme level are marginal: all Regional Development Agencies, under ROP, Regional IBs for SOP HRD and SOP ENV behave in a similar manner, encountering little variation as regards the EI values.

Regional Operational Programme

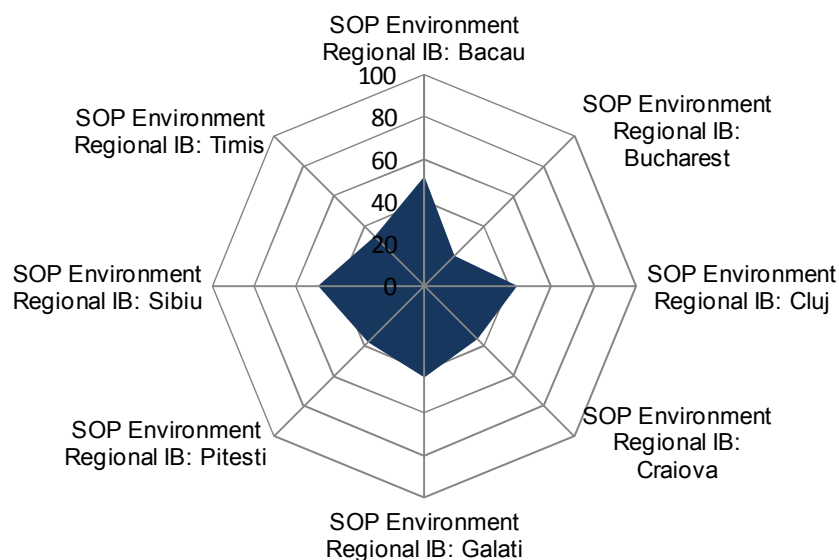
In the case of the **Regional Operational Programme** the differences between the calculated performance of Intermediate Bodies relate to factors such as Load Factors in terms of Number of contracted projects per employed staff (which vary from 6.4 points out of 30 in the case of RDA SE to 15.4 points in the case of RDA Center), Load Factors in terms of Value of EU funds managed per employed staff (varying from 2.8 points in the case of the National Authority for Tourism and 17 points in the case of RDA Center out of the 30 maximum available) and value of financial corrections (EUR 41,000 in the case of the National Authority for Tourism, approximately EUR 20m for RDA SW Oltenia, RDA NW and RDA Center, and highest value corresponding to RDA South-Muntenia with EUR 30m).

The below diagram highlights the differences in performance between the Intermediate Bodies under ROP:



Sectoral Operational Programme Environment

The analysis of IB efficiency in the case of **SOP Environment** reveals minor variations between IBs. The highest values of the Efficiency Index can be found in the case of Regional IB Bacău (a fact which can be traced to the highest Load Factor in terms of EU funds managed per employee and a high number of projects in implementation). In terms of financial corrections, the differences between IBs are significant: although the number of corrections is not linked to the actual values corrected – i.e. the IB Sibiu has the lowest number of corrections³³ (12), however they amount to EUR 36m, which is by far the largest amount corrected in the case of SOP Environment. Concomitantly, IB Craiova showcases the highest number of corrections (94), which in absolute terms, have a moderate financial impact of only EUR 4m.



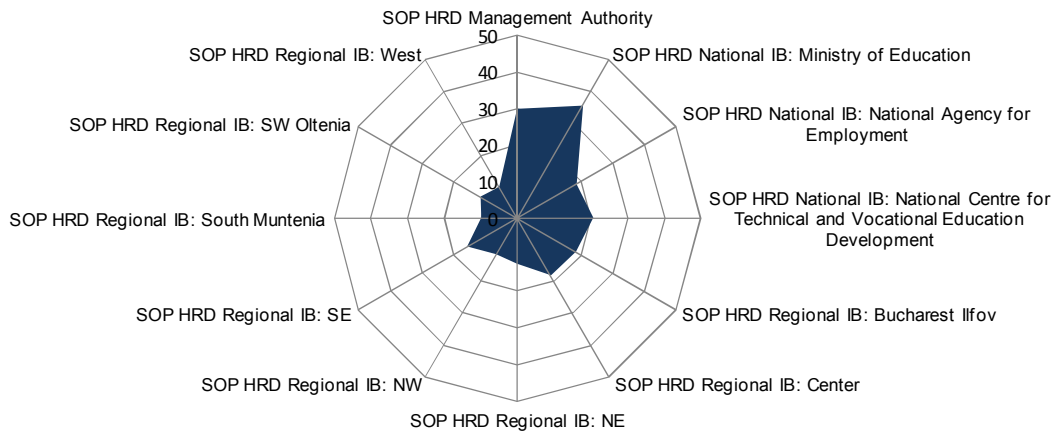
Sectoral Operational Programme Human Resources Development

The results of the analysis, in the case of **SOP Human Resources Development**, highlight significant differences in efficiency with regard to National IBs, when compared to Regional IBs.

The load factors for National IBs (although low when compared to the ones for RDAs for example) are much higher than those of Regional IBs. These results can be explained through the fact that at regional level the number of projects in implementation is on average almost 4 times lower and the number of employed staff is only half fold compared to national level.

Adding to this, the number of financial corrections at IB level (with the exception of IB South Muntenia and Center) is at least double, when compared with the lowest performing National IB. In terms of value of corrections, the amounts subject to adjustments are low, when compared to other OPs: Regional IB Center exhibits only EUR 30,000, while the highest values are encountered in the case of Regional IB Bucharest-Ilfov and Regional IB SE, with EUR 330,000 and EUR 440,000 respectively.

³³ Generally, the number of financial corrections is not related their value



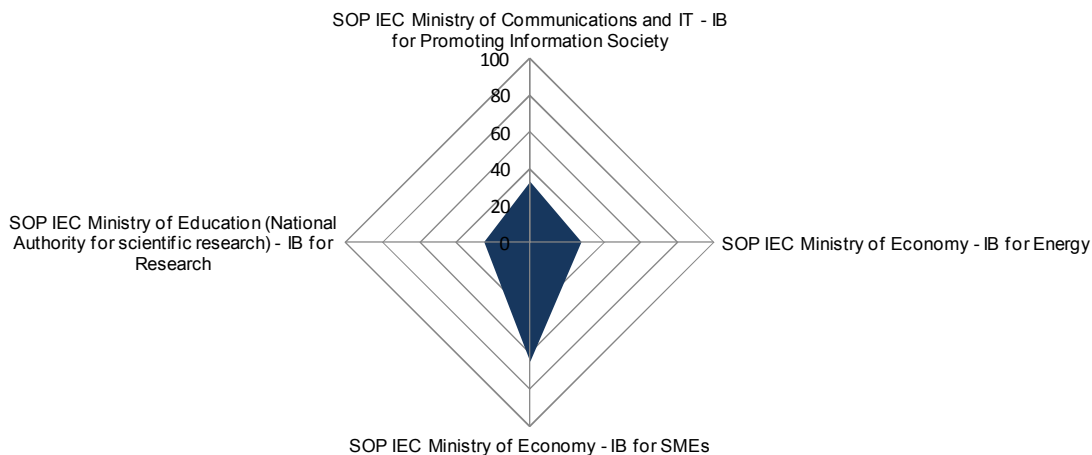
Sectoral Operational Programme Increase of Economic Competitiveness

All Intermediate Bodies under SOP IEC exhibit large variations in all indicators, taken into consideration while calculating the Efficiency Index:

- ▶ Contracted projects vary from 84 in the case of IB for Energy, to 370 and 580 for IB for Research and IB for Information Society respectively, peaking at 1,323 in the case of IB for SMEs;
- ▶ In terms of Load Factors, the IB for Energy showcases 2.15 projects/employee, while the IB for SMEs exhibits the highest values thereof – 27 projects/employee – by far the highest of all IBs of all OPs (average value for all IBs is 5.28);
- ▶ With regard to EU funds managed / Employed staff, the indicators vary from EUR 24m, in the case of IB for Information Society, to EUR 112m, in the case of IB for Energy;
- ▶ Values of financial corrections at IB level exhibit values from EUR 600,000 in the case of IB for Energy, EUR 2.6m for IB for Information Society and EUR 8.3m for IB for Scientific Research.

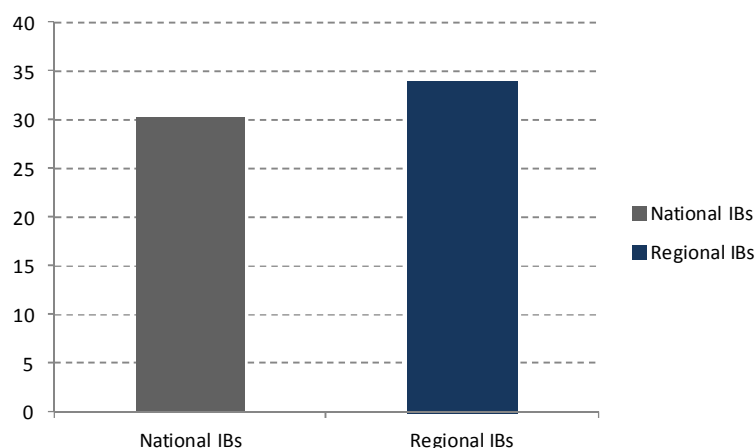
However, it is to be noted, that regarding the Load factors in terms number of projects managed per employed staff, the IB for SMEs showcases by far the highest values (27 projects managed / employee), even compared to IBs of other OPs.

The IB for Research, IB for Information Society and IB for Energy showcase similar values in terms of efficiency in ranges similar to national IBs under other Operational Programmes. IB for SMEs showcases a higher rating which is linked to the fact that values of financial corrections considered in the case of this IB (average values of those of SOP HRD), artificially increasing its Efficiency Index, as it can be seen from the below picture:



Transversal Analysis

When comparing **National IBs** with **Regional IBs** in terms of efficiency, we have noticed only marginally higher values of the Efficiency Index in the case of Regional IBs (10%), as resulting from the below diagram:



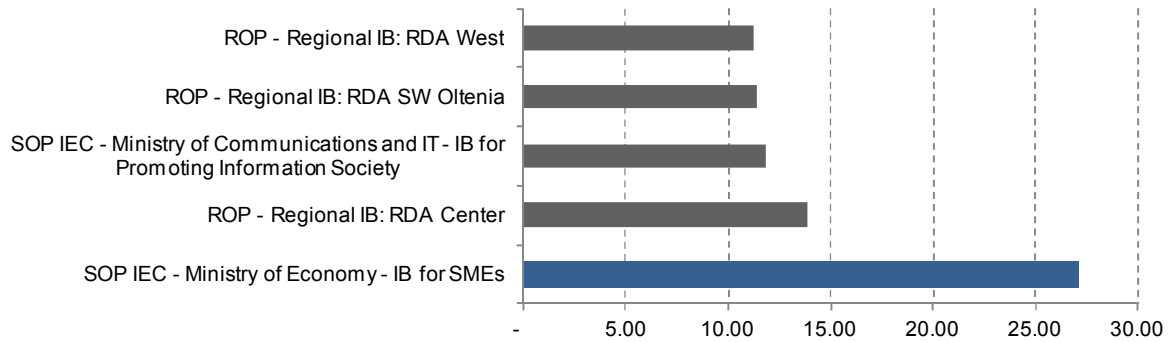
As regards a transversal analysis, comparing the performance of all IBs, under all Operational Programmes, the Intermediate Body with the highest efficiency – therefore with the highest Efficiency Index – is the **Regional IB: RDA Center**.

As regards **Load Factors regarding the Number of contracted projects per employee**, the following IBs display large values thereof, which in terms is a single indicator of efficiency: Regional IB: RDA Center, Regional IB: RDA West and Regional IB: RDA SW Oltenia.

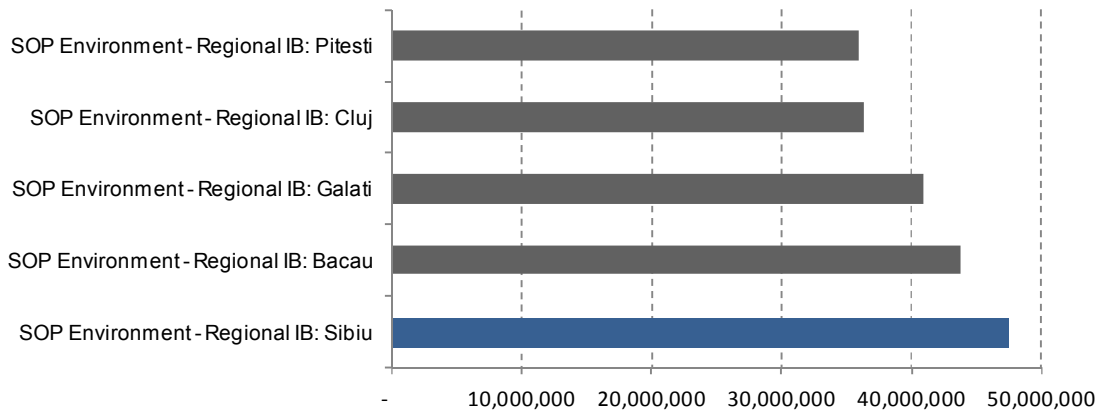
An interesting aspect refers to the distribution of Load Factors, which showcases significant differences between (what in our opinion proves to be) the most efficient IB – RDA Center, under ROP, and the least efficient – Regional IB South Muntenia, under SOP HRD.

The following diagrams showcase the Top 5, best performing IBs in terms of **projects contracted per employed staff** and **EU funds managed per employed staff**.

TOP 5 IBs, considering projects contracted per employed staff



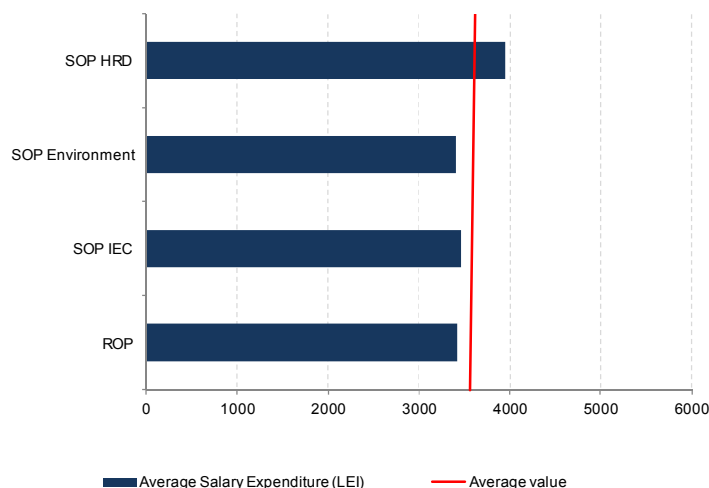
TOP 5 IBs, considering EU funds managed per employed staff (EUR)



A detailed overview of the calculations and interim indices is annexed to this report, for all Intermediate Bodies.

In terms of salary expenditure, we decided not to include the salary expenditures in the Efficiency Index, since the link between salary expenditure and increased efficiency of the institution is debatable and unquantifiable, since efficiency is influenced by an entire array of factors other than staff salaries. However, we have computed an analysis of the monthly salary levels at OP level (by conglomerating IB data).

ROP, SOP Environment and SOP IEC exhibit similar values in terms of monthly salaries (3,450 LEI +/- 2%), while SOP HRD exhibits higher monthly wages for employees in the IBs, with an average value of 3,945 LEI:



7. Outlook on the 2014-2020 Programming Period - Implementation alternatives

Having already the experience of one programming period, the Romanian Government currently investigates the possibility of enhancing the way in which Structural Funds are delivered in Romania, by seeking various implementation arrangements, which would better address the needs of the various target groups.

Some of the main aspects to be considered when setting-up the involvement of Intermediate Bodies in the next programming period are:

National vs. Regional Intermediate Bodies

Sectoral OPs are mostly implemented through national, very specialized IBs, which dispose of the necessary experience in a particular (and usually very narrow) area, linked to the specificity of the intervention. This fact ensures “added value” in implementation, more than a non-specialized or non-sector specific body (e.g. Department/Agency from within the Ministry of Education to coordinate operations in relation to CVT).

Regional Operational Programmes, on the other hand, are typically implemented through regional IBs, spread all over the eligible area of the intervention – at regional level – being responsible with the implementation of the policy in a specific geographical boundary. The added value brought by regional IBs consists in the fact that such bodies are closer to applicants and beneficiaries, being more familiar with their needs and characteristics, a fact which contributes to smoothness in implementation.

An alternative arrangement would consist of a mix between the two types of IBs presented above, i.e. multi-level IBs, which could be used, depending on the type of intervention, in the following ways:

- ▶ A first arrangement would imply the delegation of tasks from the MA to national IBs (depending on sector expertise), that would further delegate some functions (especially those related to dealing with final Beneficiaries) to *second level regional IBs*, which, depending on the intervention specificity, would have varying degrees of sectoral expertise but ensure local presence in the territory covered by the intervention. This arrangement would **combine sectoral expertise of a national structure with local presence of regional bodies**.
- ▶ The second structure type would make use of regional IBs, responsible with implementation of multiple PAs from within one or multiple Operational Programmes. Depending on the operations to be financed, the national IBs would then delegate a specific number of functions to *specialized second-level IBs* present at regional level. This arrangement would ensure a **regionally managed intervention, which would make best use of sector-specific expertise**.

Private vs. Public Intermediate Bodies

One initiative expressed in March 2012 by the Ministry of European Funds, highlights the importance of complementing the “traditional” implementing structures of SF with **Private Intermediate Bodies**, together with an enhanced presence of the banking sector in this area, aimed at better managing and controlling the funds. The selection of these Intermediate Bodies will follow standard tendering procedures, adequate levels of performance and control being put in force through delegation agreements to be concluded between them and Managing Authorities.

Private Intermediate Bodies have the potential of mainstreaming the delivery of funds, since a private entity (NGO or even LLC) is generally focused in meeting contractual performance, linked to the execution of the contract between the IB and MA.

However, this approach also comes at a cost: the monitoring and control system put in place by the MAs in the case of private IBs must be more thorough, and subsequently more mature, in order to assure the desired results from the intervention.

Such good practice examples, in which private bodies have taken over the management of specific KAIs of Operational Programmes, can be found in other MS.

Learning Week – Regione Lombardia, Italy

Entertraining is a consortium composed of three private companies, selected to operate as private IB in order to manage the Learning Week Global Grant, funded by the ESF ROP Lombardy 2007-2013, PA 4 "Human Capital".

The Learning Week Global Grant offers students aged 16-18 attending formal schools (level ISCED3) and students aged over 16 attending regional training programs, the opportunity to attend week-long full-immersion training sessions on specific contents, founded on lab-based and experiential learning (so called "Learning Weeks").

The contract for private management was awarded through standard bid procedures, for a period of 40 months, subsequently extended for a further 8 months. Funds at the disposal of the IB, initially amounting to EUR 23.5m, have been increased to EUR 26.5m in 2012, in order to support additional projects.

The MA delegated to the IB the implementation of the "Learning Weeks", consisting in the following activities:

- ▶ *definition of a framework of operational procedures for the overall global grant management;*
- ▶ *set-up of the "Learning Week" catalogue through the preparation of calls for proposals addressed to partnerships including accredited VET centres and schools (the beneficiaries), evaluation and selection of submitted proposals;*
- ▶ *preparation of the calls for participation addressed to the students (the final recipients), selection of participants;*
- ▶ *support to both the beneficiaries and the recipients in all phases of implementation;*
- ▶ *verification of payment requests, through desk based / on the spot checks;*
- ▶ *management of information and communication flows with the MA.*

Moreover, the MA delegated to the IB the implementation of complementary activities (i.e. study, design and testing activities, communication and territorial animation activities, monitoring and control of the global grant).

From 2008 to 2012, the IB:

- ▶ *coordinated a stable network composed of 80 accredited VET (Vocation, Education and Training) centres and 691 schools (either private or state-owned), while engaging various stakeholders (private companies, universities, public administrations, etc.) in specific activities;*
- ▶ *implemented 1.133 "Learning Weeks", involving 26.421 students (the average cost for each "Learning Week" is approximately EUR 20,000);*
- ▶ *implemented 14 systemic actions, involving 23 accredited VET centres (the average cost for each action is approximately EUR 215,000).*

Research and development Aid Schemes – Sicilia Region, Italy

The Intermediate body. Banca Nuova – part of the Banca Popolare di Vicenza Group – is a bank operating above all in Southern Italy (where the Convergence Regions are settled) which has been selected by the Managing Authority of the ROP Sicily ERDF 2007/2013 to operate as private Intermediate Body in order to manage the Research and Development aid schemes for SME's³⁴, part-funded by the ERDF ROP Sicily 2007-2013, PA 4 ""Research, Innovation and Information Society.

The Intermediate body was selected through a standard bid procedure, for a period of 60 months.

Fees structure. The total maximum amount fixed for the budget for the services of the IB is up to 2.6 Meuro. As per the particular fees structure, the IB receives a percentage of the investment proposed (or granted) according to:

- ▶ the “number of investment proposals evaluated” by the bank (fixed amount), in percentage of the amount of the investment proposed when the proposal is positively evaluated:
 - ▶ 0,4% of the investment proposed for investments up to to 1,5 Meuro;
 - ▶ 0,15 % of the investment proposed where the investment amount is between 1,5 and 10 Meuro;
 - ▶ 0,0 5% for of the investment proposed for investments exceeding 10 Meuro.
- ▶ the “amount of investment granted” (during the period of realization in relation with the managing and control activity implemented by the Bank):
 - ▶ 0,75 % of the investment granted for investments of a value up to 1,5 Meuro;
 - ▶ 0,2 % of the investment granted where the part of the investment is between 1,5 and 10 Meuro;
 - ▶ 0,08 % of the investment granted for the investments exceeding 10 Meuro.

Activities delegated to the Intermediate body. The Bank evaluates investment proposals submitted by SME's for each call and ranks them on their right to access to the aid. The Bank notices Sicilia Region about the exact amount of aid due to each investor, so the amount of aid approved by the Bank is transferred from Regione Sicilia to the Bank(so that the Bank could transfer money to each investors) in three steps: 1) advanced payment 2) when investment realization reach 50% of what planned, 3) when investment is completely realized.

The Bank transfers money to investors according to the three steps above mentioned, just after having implemented the due checks and evaluations on the reporting submitted by the investor.

The MA has delegated to the IB the implementation of the “Research and development aid scheme for SME's”, consisting of the following activities:

- ▶ evaluation and selection of submitted investment proposals;
- ▶ supporting SMEs in reviewing investment proposal in order to respect appropriately aid schemes and EU Regulations;
- ▶ verification of payment requests, through desk based / on the spot checks;
- ▶ arranging and managing an appropriate control system according to the Art. 58 of general regulation and acting as a Managing Authority as stated by Art.. 60 of general regulation;
- ▶ management of information and communication flows with the MA.

Moreover, the MA has delegated to the IB the implementation of complementary activities (i.e., communication and territorial animation activities).

³⁴ Research and development aid schemes for SME's is set on the basis of Articles 30 – 31 of GBER and on Reg. 1998/2006 (de minimis).

First results. From 2011 to 2013, the IB:

- ▶ has managed three calls for investment proposals, two of them for Research and Development investment promoted by SMEs (most of the times in cooperation with Research Centres or Universities), and another one for Process and Organisational Innovation (in this case aid is “de minimis”);
- ▶ has approved more than 260 investment proposals whose value reaches 200 Meuro; is granting aid to SME (approximately 100 Meuro);
- ▶ has arranged territorial and web based animation activities: the retail structure of the Bank in the territory of Sicilia Region has arranged dedicated offices for promoting the aid schemes and offer consulting services about the implementing and structuring of investment proposals. Periodical meetings are also held by the Bank for advising investors in managing procedures related to the appropriate reporting and control system of the ROP Sicily ERDF 2007/2013.

With regard to **Public Intermediate Bodies**, the results of the analysis highlight the fact that Regional Development Agencies tend to have the edge over other IBs in terms of efficiency, a fact which may be directly linked to the contractual relationship between the MA ROP and RDAs, which is based on Performance Indicators. The efficiency degree of IBs, in the next programming period, may therefore increase, should a mechanism be developed, which would **link performance levels with an incentive system**.

One important aspect that also needs to be taken into consideration is the **institutional capacity which should be correlated with workload and required expertise** throughout the lifecycle of Programme implementation. Whereas potential private IBs have the liberty to adjust the number of employees and their profile to the actual workloads in different periods of implementation (e.g. if number of projects doubles over the course of 2 years, the IB can simply hire more personnel to deal with the extra workload), public bodies face administrative difficulties when encountering similar challenges, which however, could be countered by the use of technical assistance funds made available to them.

This conclusion is backed by the significant differences in terms of workload, between IBs (both when comparing IBs within one OP, but mostly when performing a transversal analysis), which translates in different degrees of performance. Thus, an aspect which could be improved in the next programming period would be the enablement of such a mechanism which would allow IBs to promptly adjust capacity (in terms of number of personnel and expertise) depending on the load variation through time.

Need for further studies

Further studies (preferably at OP level) should take place, as to confirm the structure of the implementation level and types of IBs to be involved in the implementation of each Operational Programme.

Such studies may point out the need to deliver EU funding through (one or multiple layers of) IBs in OPs which during the current programming period did not make use of such institutions (SOP Transport, OPTA and OP DAC) or oppositely, or that there is no need to use IBs for OPs which currently have them (SOP HRD, SOP Environment, ROP and SOP IEC).

8. Annexes

8.1 Logical framework for calculating the Efficiency Index

The Efficiency Index is calculated for each Intermediate Body, by using the following formula:

$$EI_{OI} = W_{SP} + L_{TOTAL} + W_{CP} + W_{FC} + P$$

where:

► **Weighted Factor of Submitted Projects:**

$$W_{SP} = \frac{N_{SPi}}{\text{Max}(N_{SP})} \times \frac{1}{10},$$

where N_{SPi} is the number of submitted projects for the analyzed Intermediate Body, and $\text{Max}(N_{SP})$ represents the maximum number of submitted projects, for all IBs.

► **Total Load Factor:**

$$L_{TOTAL} = \frac{L_P + L_V}{PI} \times \frac{1}{100},$$

where L_P is the “Load Factor of Projects”, L_V is the “Load Factor of EU funds managed” and PI is the Efficiency Index of the Programme, under which the IB functions. The 3 components are calculated as follows:

$$L_P = \frac{N_{MPI}}{\text{Max}(N_{MP})} \times \frac{1}{30},$$

where N_{MPI} is the number of financed projects for the analyzed Intermediate Body, divided by personnel employed, and $\text{Max}(N_{MP})$ represents the maximum number of financed projects, divided by personnel employed, for all IBs.

$$L_V = \frac{V_i}{\text{Max}(V)} \times \frac{1}{30},$$

where V_i is the total amount in LEI, of the funds managed, for the analyzed Intermediate Body, divided by personnel employed, and $\text{Max}(V)$ represents the maximum amount of funds managed, divided by personnel employed, for all IBs.

$$P = \frac{A_i}{\text{Max}(A)} \times \frac{1}{100},$$

where A_i is the absorption rate of the Operational Programme, under which the IB functions, and $\text{Max}(A)$ represents the maximum absorption rate, of all OPs.

► **Weighted Factor of Cancelled Projects:**

$$W_{CP} = \frac{\text{Min}(N_{CP})}{N_{CPi}} \times \frac{1}{10},$$

where N_{CPI} is the number of canceled projects, as percentage of the total number of projects managed, for the analyzed Intermediate Body, and $Min(N_{CP})$ represents the minimum number of canceled projects, as percentage of the total number of projects, for all IBs.

► **Weighted Factor of Financial Corrections:**

$$W_{FC} = \frac{Min(V_{FC})}{V_{FCi}} \times \frac{1}{10},$$

where V_{FC} is the value of financial corrections for the analyzed Intermediate Body, and $Min(V_{FC})$ represents the minimum value of financial corrections, for all IBs.

► **Weighted Factor of Payments:**

$$P = \frac{P_i}{Max(P)} \times \frac{1}{100}$$

where, P_i is the value of payments per contracted amounts, for the analyzed Intermediate Body, and $Max(P)$ represents the maximum value of payments per contracted projects, for all IBs.

8.2 Intermediary Indicators used in computing EI values

Operational Programme	Intermediate Body	Contracted Projects	Projects contracted / Employed staff	EU funds contracted (LEI) / Employed staff	Number of cancelled projects / Total number of projects contracted x 100	Value of financial corrections (LEI)	Payments / Contracted	N _{PD}	L _P	L _V	L _{TOTA} _L	N _A	V _C	Programme Performance ratio	P	IB Efficiency Index
SOP IEC	Ministry of Economy - IB for SMEs	1,323	27.00	60,903,001	18.5	823,815	0.3	10	30.0	8.8	10.6	0.5	1.8	27	3.1	62
SOP IEC	Ministry of Education (National Authority for scientific research) - IB for Research	370	7.71	57,260,641	14.6	36,876,904	0.4	2	8.6	8.2	4.6	0.7	0.0	27	3.8	24
SOP IEC	Ministry of Communications and IT - IB for Promoting Information Society	580	11.84	24,845,916	11.6	11,522,163	0.2	6	13.2	3.6	4.6	0.9	0.1	27	1.7	29
SOP IEC	Ministry of Economy - IB for Energy	84	2.15	112,102,639	6.0	2,674,551	0.1	1	2.4	16.1	5.1	1.7	0.6	27	0.6	27
ROP	Regional IB: RDA NE	441	9.59	91,155,000	10.0	62,730,000	0.1	1	10.7	13.1	23.8	1.0	0.0	100	0.6	50
ROP	Regional IB: RDA SE	384	5.73	43,658,955	5.7	55,890,000	0.3	1	6.4	6.3	12.7	1.7	0.0	100	3.1	28
ROP	Regional IB: RDA South Muntenia	434	9.43	73,093,696	6.7	135,740,000	0.3	1	10.5	10.5	21.0	1.5	0.0	100	3.1	45
ROP	Regional IB: RDA SW Oltenia	410	11.39	96,080,278	6.1	98,930,000	0.3	1	12.7	13.8	26.5	1.6	0.0	100	2.6	56
ROP	Regional IB: RDA West	292	11.23	108,168,077	6.8	26,980,000	0.3	1	12.5	15.6	28.0	1.5	0.1	100	2.9	58
ROP	Regional IB: RDA NW	395	10.97	78,441,944	8.6	101,990,000	0.2	1	12.2	11.3	23.5	1.2	0.0	100	2.2	50
ROP	Regional IB: RDA Center	333	13.88	118,052,500	11.4	89,780,000	0.3	1	15.4	17.0	32.4	0.9	0.0	100	2.6	67
ROP	Regional IB: RDA Bucharest Ilfov	254	7.94	65,424,063	8.3	43,990,000	0.3	1	8.8	9.4	18.2	1.2	0.0	100	2.7	39
ROP	National Authority for Tourism	350	9.72	19,238,333	5.4	180,000	0.1	2	10.8	2.8	13.6	1.8	8.3	100	1.3	39
SOP HRD	National IB: Ministry of Education	522	5.93	63,672,411	1.7	444,455	0.8	1	6.6	9.2	8.8	5.8	3.4	56	-	35
SOP HRD	National IB: National Centre for Technical and Vocational Education Development	485	6.14	24,619,108	8.5	525,237	0.1	1	6.8	3.5	5.8	1.2	2.9	56	0.8	22
SOP HRD	National IB: National Agency for Employment	54	2.84	36,985,671	1.0	257,882	0.2	0.2	3.2	5.3	4.7		5.8	56	2.4	19
SOP HRD	Regional IB: NE	159	3.61	13,439,669	5.0	1,029,655	0.6	0.2	4.0	1.9	3.3	2.0	1.5	56	6.7	13
SOP HRD	Regional IB: SE	180	4.00	29,134,871	8.3	1,937,605	0.8	0.2	4.4	4.2	4.8	1.2	0.8	56	8.0	16
SOP HRD	Regional IB: South Muntenia	129	2.80	10,907,268	13.2	332,861	0.3	0.2	3.1	1.6	2.6	0.8	4.5	56	3.6	13
SOP HRD	Regional IB: SW Oltenia	135	3.29	14,525,041	7.4	1,835,611	0.9	0.2	3.7	2.1	3.2	1.4	0.8	56	9.5	11

Operational Programme	Intermediate Body	Contracted Projects	Projects contracted / Employed staff	EU funds contracted (LEI) / Employed staff	Number of cancelled projects / Total number of projects contracted x 100	Value of financial corrections (LEI)	Payments / Contracted	N _{PD}	L _P	L _V	L _{TOTAL}	N _A	V _C	Programme Performance ratio	P	IB Efficiency Index
SOP HRD	Regional IB: West	127	3.10	11,564,968	11.0	746,485	0.8	0.3	3.4	1.7	2.9	0.9	2.0	56	8.0	11
SOP HRD	Regional IB: NW	154	3.58	15,444,255	11.0	326,471	1.0	0.3	4.0	2.2	3.5	0.9	4.6	56	10.0	15
SOP HRD	Regional IB: Center	154	3.58	14,982,261	4.5	149,795	0.7	0.2	4.0	2.2	3.4	2.2	10.0	56	7.1	22
SOP HRD	Regional IB: Bucharest Ilfov	227	4.83	35,224,904	8.8	1,475,906	0.7	0.2	5.4	5.1	5.8	1.1	1.0	56	7.4	19
SOP Environment	Regional IB: Bacau	38	1.73	192,302,513	2.6	42,799,537	0.3	0.1	1.9	27.7	12.3	3.8	0.0	42	2.9	46
SOP Environment	Regional IB: Bucharest	14	0.82	80,876,386	1.0	13,400,705	0.1	0.0	0.9	11.6	5.2	10.0	0.1	42	1.2	28
SOP Environment	Regional IB: Cluj	36	1.71	159,973,278	2.8	67,850,730	0.2	0.1	1.9	23.0	10.4	3.6	0.0	42	2.6	39
SOP Environment	Regional IB: Craiova	35	1.75	139,179,599	8.6	18,050,317	0.2	0.1	1.9	20.0	9.2	1.2	0.1	42	2.5	32
SOP Environment	Regional IB: Galati	40	1.90	179,832,719	1.0	53,018,764	0.1	0.1	2.1	25.9	11.7	10.0	0.0	42	1.0	50
SOP Environment	Regional IB: Pitesti	24	1.33	158,119,816	1.0	37,357,493	0.2	0.1	1.5	22.8	10.1	10.0	0.0	42	1.9	44
SOP Environment	Regional IB: Sibiu	34	1.79	208,456,410	1.0	159,749,809	0.1	0.1	2.0	30.0	13.3	10.0	0.0	42	0.9	55
SOP Environment	Regional IB: Timis	21	1.11	133,284,540	9.5	14,511,490	0.0	0.1	1.2	19.2	8.5	1.1	0.1	42	0.5	30

8.3 Differences between IB responsibilities, according to Delegation Contracts

	SOP IEC				ROP								SOP HRD										SOP Environment										
	IB for SMEs	IB for Scientific Research	IB for ICT	IB for Energy	RDA NE	RDA SE	RDA South Muntenia	RDA SW Oltenia	RDA West	RDA NW	RDA Center	RDA Bucharest Ilfov	National Authority for Tourism	National IB: Ministry of Education	National IB: CNDIPT	National IB: ANOFM	Regional IB: NE	Regional IB: SE	Regional IB: South Muntenia	Regional IB: SW Oltenia	Regional IB: West	Regional IB: NW	Regional IB: Center	Regional IB: Bucharest Ilfov	Regional IB: Bacau	Regional IB: Bucuresti	Regional IB: Cluj	Regional IB: Craiova	Regional IB: Galati	Regional IB: Pitesti	Regional IB: Sibiu	Regional IB: Timis	
Requirements regarding information and publicity	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Projects selection for financing	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●									
Preparation and signing of the Financing Contract	●	●	●	●																													
Development (assistance to the MA with the development) of related state-aid schemes	●	●	●	●									●	●	●	●	●	●	●	●	●	●	●										
Ensuring compliance of projects under implementation with relevant national and EU legislation					●	●	●	●	●	●	●	●													●	●	●	●	●	●	●	●	●
Verification the actual execution / delivery / provision of works / services / goods					●	●	●	●	●	●	●	●													●	●	●	●	●	●	●	●	●
Verification of actual expenditure and compliance with national legal stipulations					●	●	●	●	●	●	●	●													●	●	●	●	●	●	●	●	●
Appropriate collection of necessary data and information for financial management, monitoring, verification, audit and evaluation and their introduction into SMIS / SUIM	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Ensuring that beneficiaries keep accounting records with distinct analytical accounts for each project	●	●	●	●	●	●	●	●	●	●	●	●													●	●	●	●	●	●	●	●	●
Ensuring that documentation that guarantee the audit trail is keptd for 5 years after the closing of the OP	●	●	●	●	●	●	●	●	●	●	●	●																					
Ensuring the presence of independent external evaluators in the assessment process and monitoring their activity					●	●	●	●	●	●	●	●																					
Supporting the MA with carrying out the responsibilities which have not been delegated, by providing the needed information, data and documents, as well as					●	●	●	●	●	●	●	●																					

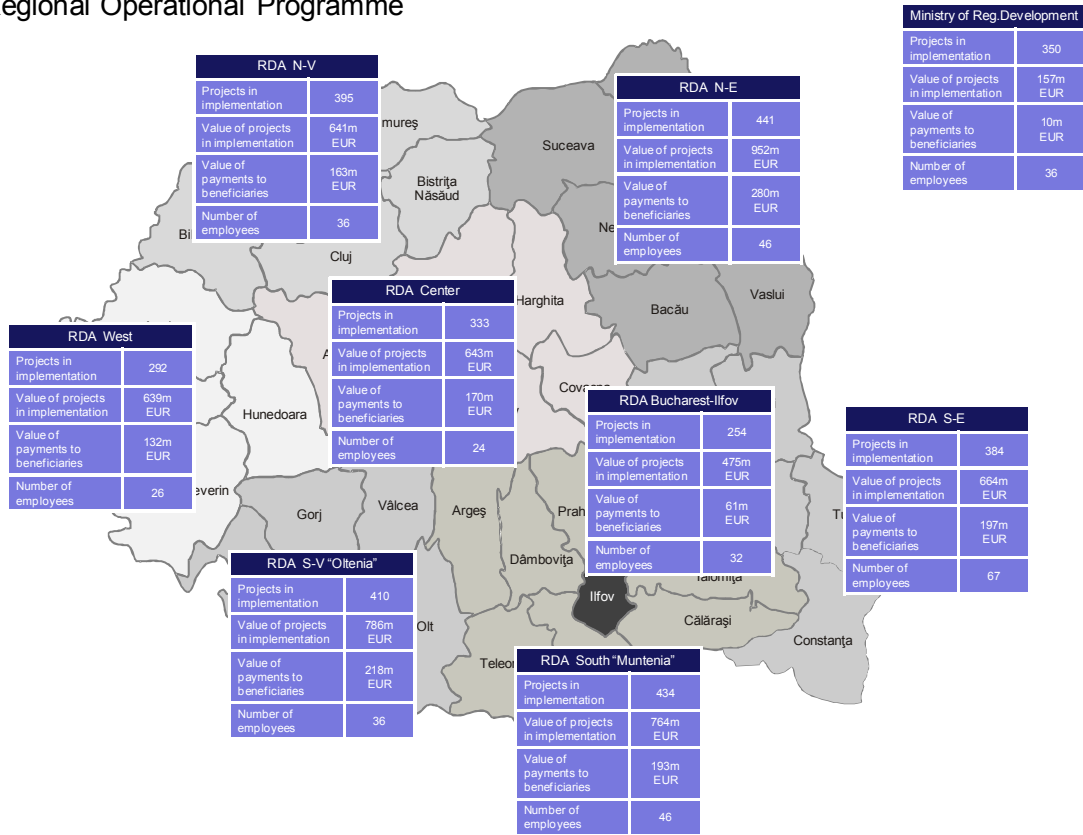
	SOP IEC				ROP								SOP HRD										SOP Environment											
	IB for SMEs	IB for Scientific Research	IB for ICT	IB for Energy	RDA NE	RDA SE	RDA South Muntenia	RDA SW Oltenia	RDA West	RDA NW	RDA Center	RDA Bucharest Ilfov	National Authority for Tourism	National IB: Ministry of Education	National IB: CNDIPT	National IB: ANOFM	Regional IB: NE	Regional IB: SE	Regional IB: South Muntenia	Regional IB: SW Oltenia	Regional IB: West	Regional IB: NW	Regional IB: Center	Regional IB: Bucharest Ilfov	Regional IB: Bacau	Regional IB: Bucuresti	Regional IB: Cluj	Regional IB: Craiova	Regional IB: Galati	Regional IB: Pitesti	Regional IB: Sibiu	Regional IB: Timis		
staff availability																																		
Developing, modifying and completing the procedures manuals for carrying out own attributions	●	●	●	●								●	●	●	●	●	●	●	●	●	●	●	●											
Receives and records the applications and support documents submitted by applicants in order to obtain funding	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●										
Initiating calls for proposals	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●										
Development and implementation of Communication Plan	●	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●										
Participates to the development of procedures and project eligibility and evaluation criteria, to the development of tender guidelines and calendar of activities	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Organizing and ensuring a good progress of the technical and financial evaluation sessions of applications and support documents					●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Receiving and checking requests for reimbursement and progress reports of beneficiaries												●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Verification of support documentation accompanying the reimbursement requests					●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Providing specialized assistance to beneficiaries throughout the implementation of funded projects					●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●										
Taking the necessary measures to prevent / combat irregularities / frauds and announcing the MA regarding suspected irregularities / fraud	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Providing support to potential beneficiaries through information campaigns	●	●	●	●								●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Monitoring and reporting at Programme level													●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

	SOP IEC				ROP									SOP HRD										SOP Environment											
	IB for SMEs	IB for Scientific Research	IB for ICT	IB for Energy	RDA NE	RDA SE	RDA South Muntenia	RDA SW Oltenia	RDA West	RDA NW	RDA Center	RDA Bucharest Ilfov	National Authority for Tourism	National IB: Ministry of Education	National IB: CNDIPT	National IB: ANOFM	Regional IB: NE	Regional IB: SE	Regional IB: South Muntenia	Regional IB: SW Oltenia	Regional IB: West	Regional IB: NW	Regional IB: Center	Regional IB: Bucharest Ilfov	Regional IB: Bacau	Regional IB: Bucuresti	Regional IB: Cluj	Regional IB: Craiova	Regional IB: Galati	Regional IB: Pitesti	Regional IB: Sibiu	Regional IB: Timis			
Conducting field verification of data and information compliance from each application and preparing the site visit report	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
Conducting an (annual and multiannual) analysis of the needed Technical Assistance	●	●	●	●																					●	●	●	●	●	●	●	●	●	●	
Keeping a record of and preserving data, reports, correspondence and documents relating to each stage of the implementation process	●	●	●	●																					●	●	●	●	●	●	●	●	●	●	
Taking the necessary actions to expedite the implementation of the projects approved for financing	●	●	●	●									●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
Informing beneficiaries / institutions about their obligation to preserve documents under the national and Community legislation in force	●	●	●	●																															
Elaborating reports on the technical / financial implementation	●	●	●	●									●	●	●	●	●	●	●	●	●	●	●	●											
Creating a work-plan for the following year	●	●	●	●																															
Elaborating quarterly or monthly forecasts on contractings and payments	●	●	●	●																															
Elaborating a financial table for the managed Priority Axis in order to reflect the domestic value of the financial table covering the EUR allocations	●	●	●	●																															
Elaborating and amending the Operational Programme and the Implementation Framework Document													●	●	●	●	●	●	●	●	●	●	●	●											
Collaborating with the MA in order to execute the working-plan													●	●	●	●	●	●	●	●	●	●	●	●											
Sending the MA the annual plans and lists of procurements to be made by beneficiaries													●	●	●	●	●	●	●	●	●	●	●	●											
Ensuring data integrity and protection by implementing IT security policy at the level of the IB and ensuring efficient													●	●	●	●	●	●	●	●	●	●	●	●											

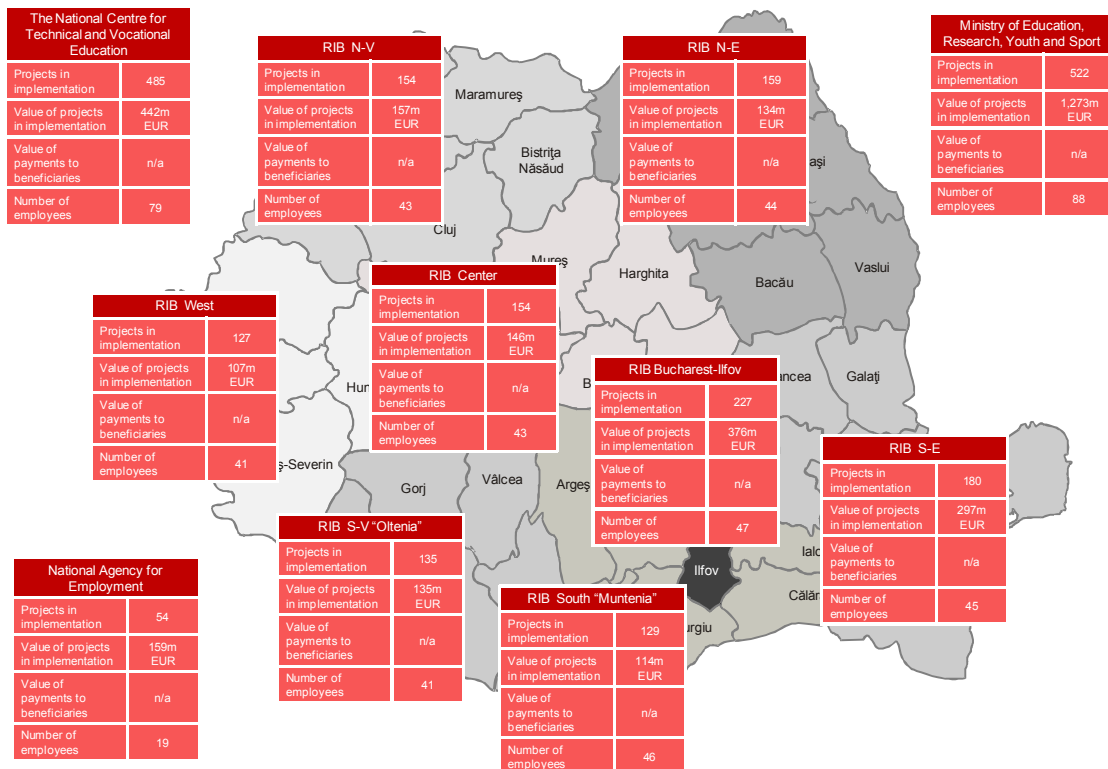
	SOP IEC				ROP									SOP HRD										SOP Environment										
	IB for SMEs	IB for Scientific Research	IB for ICT	IB for Energy	RDA NE	RDA SE	RDA South Muntenia	RDA SW Oltenia	RDA West	RDA NW	RDA Center	RDA Bucharest Ilfov	National Authority for Tourism	National IB: Ministry of Education	National IB: CNDIPT	National IB: ANOFM	Regional IB: NE	Regional IB: SE	Regional IB: South Muntenia	Regional IB: SW Oltenia	Regional IB: West	Regional IB: NW	Regional IB: Center	Regional IB: Bucharest Ilfov	Regional IB: Bacau	Regional IB: Bucuresti	Regional IB: Cluj	Regional IB: Craiova	Regional IB: Galati	Regional IB: Pitesti	Regional IB: Sibiu	Regional IB: Timis		
functioning of the applications																																		
Establishment and operation of the Risk Management Group at the IB level														●	●	●	●	●	●	●	●	●	●	●										
Archiving and safekeeping of documents and computerized data														●	●	●	●	●	●	●	●	●	●	●										
Implementation of the Human Resources Strategy, the Professional Training Strategy and the Professional Training and Development Annual Plan																									●	●	●	●	●	●	●	●	●	

8.4 Intermediate Bodies Fiches

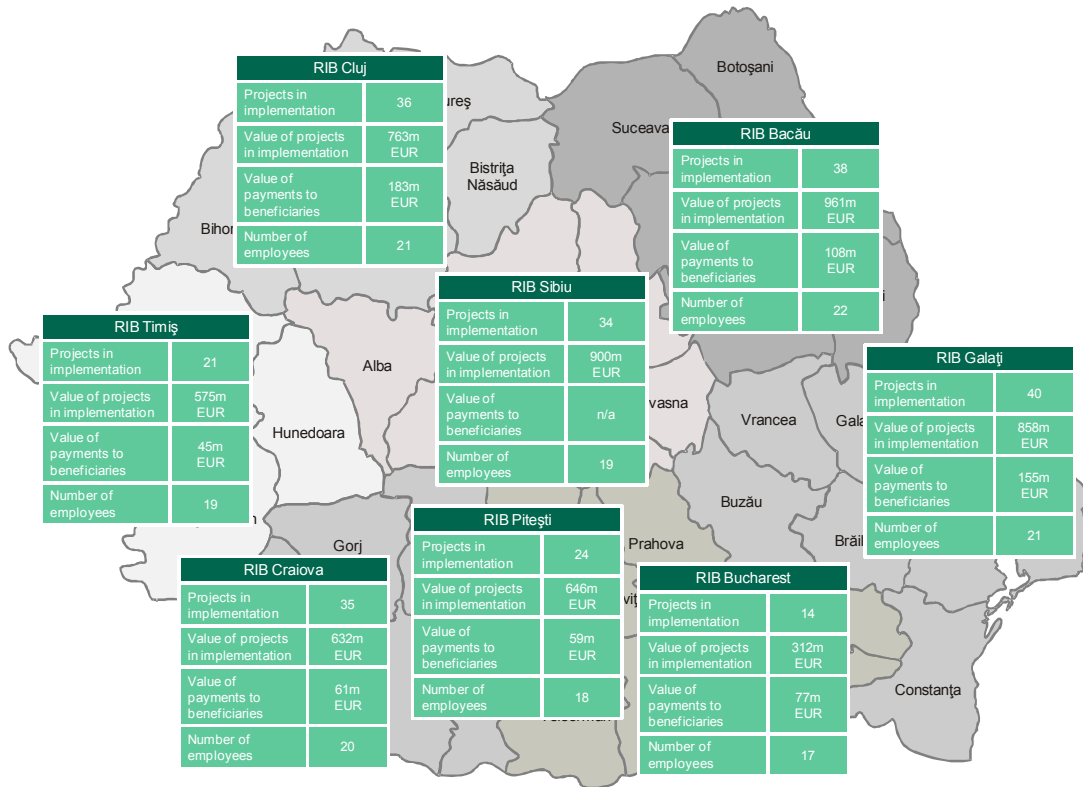
Regional Operational Programme



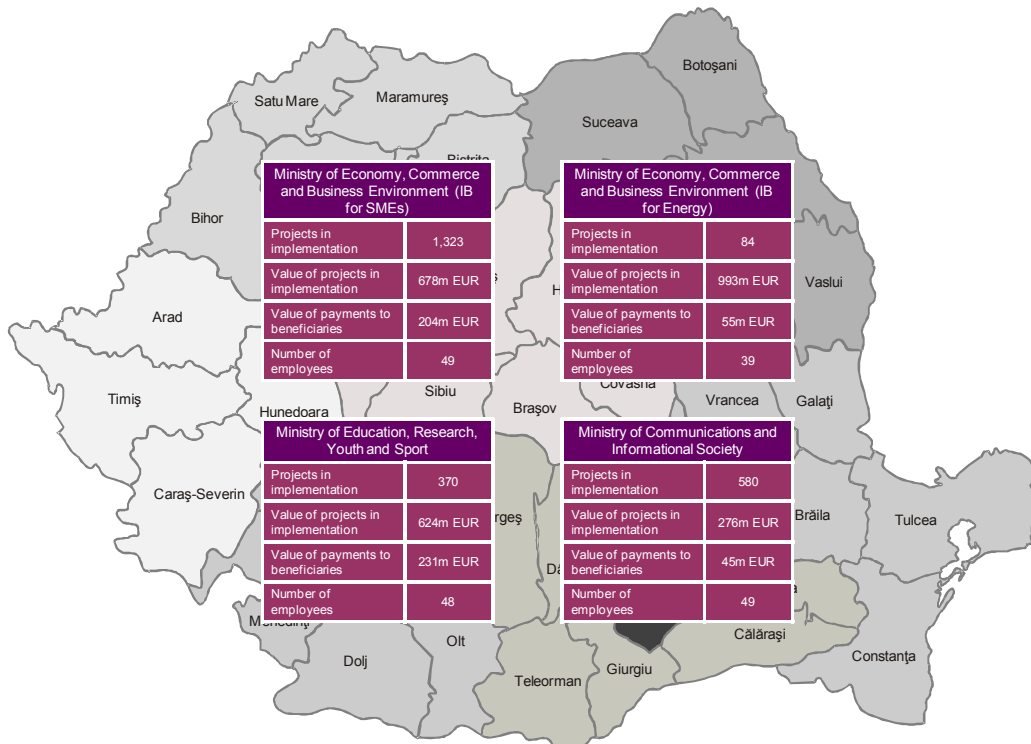
Sectoral Operational Programme Human Resources Development



Sectoral Operational Programme Environment



Sectoral Operational Programme Increase of Economic Competitiveness



8.5 Entry data used

		Number of projects submitted	Total value of projects submitted (LEI)	Number of projects contracted	Total value of projects contracted (LEI)	Value of payments to beneficiaries (LEI)	Number of cancelled projects	Total value of cancelled projects (LEI)	Number of financial corrections	Value of financial corrections (LEI)	Value of salary expenditure (Nov. 2012)	Number of employed staff
SOP IEC	IB for SMEs	7,838	23.119.931.963	1,323	2,984,247,057	901,526,812	245	328,286,071			149,756	49
	IB for Scientific Research	1,200	13.979.743.256	370	2,748,510,770	1,017,183,242	54	269,312,357	2,009	36.876.903,87	222,713	48
	IB for ICT	4,993	6.284.791.247	580	1,217,449,865	198,155,785	67	327,337,795	33	11.522.162,80	124,209	49
	IB for Energy	605	21.709.801.609	84	4,372,002,905	244,072,443	5	225,976,770	19	2.674.550,54	143,801	39
ROP	RDA NE	1,070	5.333,110,000	441	4,193,130,000	1,232,770,000	44	218,130,000	83	62,730,000	163,720	46
	RDA SE	864	3,610,130,000	384	2,925,150,000	870,950,000	22	41,170,000	35	55,890,000	192,714	67
	RDA South Muntenia	827	4,567,080,000	434	3,362,310,000	852,030,000	29	23,790,000	61	135,740,000	146,220	46
	RDA SW Oltenia	825	4,092,430,000	410	3,458,890,000	960,860,000	25	114,670,000	66	98,930,000	106,423	36
	RDA West	668	3,991,550,000	292	2,812,370,000	582,260,000	20	12,220,000	30	26,980,000	82,280	26
	RDA NW	1,074	3,824,490,000	395	2,823,910,000	719,780,000	34	19,690,000	54	101,990,000	124,759	36
	RDA Center	919	4,028,960,000	333	2,833,260,000	748,000,000	38	32,610,000	118	89,780,000	76,810	24
	RDA Bucharest Ilfov	703	3,525,750,000	254	2,093,570,000	268,970,000	21	101,660,000	17	43,990,000	118,086	32
	National Authority for Tourism	1,223	6,501,700,000	350	692,580,000	46,440,000	19	18,310,000	8	180,000	183,447	36
SOP HRD	National IB: Ministry of Education	754	1,703,920.556	522	5,603,172,164	456,589,122	9	93,440,396	12	444,455	294,647	88
	National IB: CNDIPT	1,132	1,794,157.766	485	1,944,909,541	456,589,122	41	70,545,431	25	525,237	280,529	79
	National IB: ANOFM	122	1,314,455,300	54	702,727,743	456,589,122	-	-	2	257,882	99,783	19
	Regional IB: NE	170	258,997,676	159	591,345,420	456,589,122	8	53,048,860	125	1,029,655	211,994	44
	Regional IB: SE	177	310,938,540	180	1,311,069,212	456,589,122	15	86,327,977	69	1,937,605	238,992	45

	Regional IB: South Muntenia	162	284,104,891	129	501,734,307	456,589,122	17	24,073,955	9	332,861	168,226	46
	Regional IB: SW Oltenia	190	300,392,055	135	595,526,697	456,589,122	10	28,964,222	48	1,835,611	175,712	41
	Regional IB: West	210	357,162,734	127	474,163,670	456,589,122	14	24,804,467	68	746,485	123,310	41
	Regional IB: NW	227	332,900,596	154	664,102,956	456,589,122	17	38,022,031	79	326,471	169,145	43
	Regional IB: Center	146	230,640,625	154	644,237,233	456,589,122	7	31,390,999	2	149,795	194,120	43
	Regional IB: Bucharest Ilfov	194	296,139,531	227	1,655,570,505	456,589,122	20	126,106,111	111	1,475,906	158,540	47
SOP ENV	Regional IB: Bacau	70	5,579,556,256	38	4,230,655,280	478,722,008	1	563,736	24	42,799,537	71,181	22
	Regional IB: Bucuresti	26	2,376,024,278	14	1,374,898,554	342,098,195	-	-	12	13,400,705	59,243	17
	Regional IB: Cluj	71	4,369,589,223	36	3,359,438,840	805,607,930	1	962,741	40	67,850,730	68,711	21
	Regional IB: Craiova	40	165,334,711	35	2,783,591,984	270,387,101	3	3,578,856	94	18,050,317	74,234	20
	Regional IB: Galati	63	5,358,845,767	40	3,776,487,107	682,849,362	-	-	35	53,018,764	81,806	21
	Regional IB: Pitesti	58	3,517,906,409	24	2,846,156,681	259,981,548	-	-	32	37,357,493	61,873	18
	Regional IB: Sibiu	78	4,388,802,900	34	3,960,671,783		-	-	12	159,749,809	59,667	19
	Regional IB: Timis	54	3,727,392,569	21	2,532,406,267	200,103,110	2	1,594,119	66	14,511,490	58,522	19

8.6 Glossary

Term	Definition
C&MS	Non-Governmental Organization Control and Management System
CNDIPT	National Centre for Technical and Vocational Education Development
CVT	Continuous Vocational Training
EC	European Commission
EU	European Union
EI	Efficiency Index
IB	Intermediate Body
IB	Intermediate Body
IRB	Intermediate Regional Body
NGO	Non-Governmental Organization
NSRF	National Strategic Reference Framework
OP	Operational Programme
PI	Performance Index of an Operational Programme
ROP	Regional Operational Programme
SI	Structural instruments
SOP Environment	Sectoral Operational Programme Environment
SOP IEC	Sectoral Operational Programme Increase of Economic Competitiveness
SMEs	Small and Medium Sized Enterprises
SMISROP	Single Management Information System Regional Operational Programme
SOP HRD	Sectoral Operational Programme Human Resources Development
LLC	Limited Liability Company



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Subsequent Contract no.2 – Improve the use of evaluation in the policy-making and decision-making process in the field of structural instruments in Romania, SMIS 41649

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