

2 Appraisal of the socio-economic analysis and the relevance of the strategy to the needs identified

Appraisal presented in this section is based on the analysis sector analysis of ENV SOP, Environment Status Report in Romania (2004), SWOT analysis and Strategy development analysis as part of desk research exercise. During the course of interviews, this information was further supplemented with the views of stakeholders and members of SOP drafting team. No previous evaluation reports were made available to the Evaluator.

2.1 Assessment of environment sector analysis in Romania

The analysis of the current situation contains description of (1) general issues related to environment in Romania, (2) water sector and flood prevention, (3) waste management, (4) air quality protection and (5) nature protection and biodiversity conservation. Summary of the current state of environment list the following areas: water resources, wastewater, public drinking water supply network, water pollution, flood risk, soil quality, waste management, climate change and air quality, emissions of atmospheric pollutants, biodiversity and nature protection, natural habitats and coastal erosion.

Sector description contained in Chapter 1 of the SOP ENV, although very descriptive and at times lacking analytical features, generally provides a sufficient picture of environment sector in Romania and forms an informative basis for the SWOT analysis and strategy development. Description of the sector is supplemented with quantified data and sufficient measurable base line indicators. The statistical data used in the sector analysis are consistent with the data available in the Environmental Status Report and national statistics.

However, there are inconsistencies in measurement units of indicators throughout the text, which at times makes comparisons difficult. For example, indicators used in describing general issues related to the environment sector in Romania (1.1) contain square kilometres, while summary of the current state of the environment (1.6) territory is measured in hectares.

Also, there are cases when different indicators are used in different chapters related to the same topic, however, this does not affect the reliability of conclusions drawn.

In the course of ex-ante evaluation, recommendations regarding restructuring the Summary section, prioritisation of existing problems, editing and shortening individual parts, such as *Surface and ground water pollution with nitrates* and *Water management utilities*, while the need for more justification in other

sections was identified. The latest version of draft ENV SOP issued in January 2007 reflects the comments by the ex-ante evaluator made.

While the essential issues are resolved in the Sector description section, there remains the need for extensive editing. There are a number of grammar mistakes, measurement units are missing, sentences are sometimes not easy to read. Overall conclusions and recommendations

To summarise, the Sector analysis presented in Chapter 1 reflects the environmental status in Romania, the description is based on reliable statistical data and clearly leads to problem identification. The Summary of the current state of the environment follows the same structure as in the analysis itself. The summary clearly prioritises problems identified, analyses needs and potentials. It also leads to sufficient forecast of trends and future challenges, which all together provides the sufficient basis for proper SWOT analysis.

The main recommendations made in this report relate to unification of measurement units throughout the text and editing the text itself.

2.2 Assessment of SWOT analysis

The SWOT analysis, in the *strengths* part, identifies almost completed harmonisation of legislation with the environmental acquis, basic organisation structures and experience with pre-accession funds, availability of external technical assistance, variety and richness of nature, delimitation of protected areas and raised environmental awareness. The main *weaknesses* refer to poor infrastructure of water, waste water, waste collection and disposal, low quality of drinking water, high proportion of generated and landfilled waste, limited administrative capacity, low awareness of population, inefficient environmental management in almost all sub-sectors, lack of inter-sectoral communication. In the *opportunities* column, use of EU funds, private investment and commercial opportunities, development of a viable market of waste and raw materials and tourism potential. Besides that, there are a number of statements relating to reduction of differences between regions, implementation of legislation, decentralisation of management, application of partnership principle, development of investment plans, improvement of access to infrastructure, improvement of performance by public and private operators. In the *threats* column, limited capacity of beneficiaries, organisational, political and financial difficulties, high investment costs, increased pressure by growing economy, cooperation among various partners involved, availability of land, inappropriate use of EU funds are listed.

The SWOT analysis presented in Chapter 2 is structurally consistent with the sector analysis contained in Chapter 1. It is worth mentioning that Chapter 1 analyses the environment sector in Romania based on the information available for each of the listed thematic areas, like water, waste, floods, soil, air quality and climate change, biodiversity and nature protection, the same structure is followed in the SWOT analysis. From the contents point of view, the SWOT analysis can be regarded as a summary of the current situation analysis for the environment sector in Romania, as it covers all the topics concerned, clearly distinguishes between thematic areas and general issues pertaining the

environment sector as a whole and therefore provides the proper grounds for strategy development.

General strengths and weaknesses identified in the analysis are relevant to all the sub-sectors covered by the ENV SOP. There is one issue missing comparing to the previous versions of the draft SOP ENV, which is *land use management*, which, in the view of the evaluator, remains relevant for the entire environment sector requiring extensive infrastructure investments.

Statements listed in the 'strengths' and 'weaknesses' parts are internal to the sector, they derive from the sector analysis and are consistent with the latter. The 'threats' column and statements contained therein reflect external factors potentially influencing the sector. However, there are some contradictions in distinguishing strengths and opportunities. For example statements contained in the 'opportunities' part are internal to the sector. It is recommended either to delete or to move to the 'strengths' part the following statements:

- *Decentralisation in the management of environmental programmes;*
- *Full implementation of the partnership principle in decision making process in environmental protection sector.*

Also, in the 'strength' column, under the water and waste management components, one strength is identified for each of them respectively. It is believed that these two subheading can be supplemented with more strengths relevant to each of the sub-sectors.

Overall conclusions and recommendations

The SWOT analysis contained in the last version of the draft ENV SOP version dated January 2007 is regarded as a summary of the current situation analysis for the environment sector in Romania covering all the topics concerned, clearly distinguishing between thematic areas and prioritising problems according to their importance to the sector. SWOT variables contain measurable targets, which lays the ground for strategy development and measure planning.

As stated above, there remain several things to be resolved: the 'strength' part needs be supplemented with additional statements demonstrating additional strengths of the water and waste management sub-sectors, while the 'opportunities' part needs to be reduced by eliminating the listed statements which are internal to the sector. In addition, land use management needs to be added to the 'weaknesses' part, which was identified in the earlier versions of the draft ENV SOP, but omitted in the latest version of the document. And the 'Comments to SWOT Analysis' section needs to be adjusted accordingly.

2.3 Assessment of Relevance of the Strategy

The Strategy is designed to contribute to the achievement of the thematic priority *Develop Basic Infrastructure to European Standards*. It is stated that the ENV SOP strategy is based on the current situation analysis, national environmental strategies, and the NSRF. Overall strategy is designed to, first, support investments that improve accessibility to public utilities in Romania and create conditions for economic development in the region; and, second,

contribute to the improvement of the environmental protection as a pre-requisite for sustainable development. The Strategy identifies five specific objectives: (1) *Improvement of the quality and access to water and wastewater infrastructure;* (2) *Development of sustainable waste management system, by improving waste management services and reduction of historical contaminated sites in minimum 30 counties, in line with EU practices and policies by 2015;* (3) *Reduction of negative environmental impact caused by thermal plants in most polluted localities by 2015;* (4) *protection and improvement of biodiversity and of natural heritage;* and (5) *reduction of the incidence of natural disasters affecting the population.* There are five priority axes listed corresponding to these specific objective and one additional priority axis referring to Technical assistance.

Objectives of the strategy clearly derive from the analysis made in Section 1. The priority axes directly correspond with each of the strategic objectives stated, while the Technical Assistance priority axis is attributable to all five strategic objectives and five priority axes. Terms and definitions are clearly stated as compared to the earlier versions of the draft ENV SOP issued in April 2006 and October 2006 respectively.

It is important to note that strategic objectives fully cover the sector and, at the same time, emphasise the areas that need support most. The identified objectives are supported by measurable targets and set timeframe for achieving these objectives.

There were some uncertainties regarding defining objectives four and five, namely: *Protection and improvement of biodiversity and of the natural heritage by supporting the protected area management, including NATURA 2000 implementation and reduction of the incidence of natural disasters affecting the population, by implementing preventive measures in most vulnerable areas.* In the analysis part, marine and coastal environment is attributed to Nature protection area (1.5), while in the objectives section it listed under reduction of incidence objective. Similarly, in the analysis, floods management is part of the water management system, while in the strategy part it is translated into a separate objective. In the view of the evaluator, the issue still deserves attention and may be considered in the light of simplifying the programme implementation.

There remain several weaknesses relating to the programme design, mainly in identifying measurable indicators of achievement of these objectives. It has to be noted that programme level indicator *coverage of population* is too broad, not easily quantifiable and does not establish a timeframe for measurement.

Overall conclusions and recommendations

Overall, the proposed strategy, the set strategic objectives, which are based on proper SWOT analysis, does not cause any doubts about its relevance in relation to the identified problems, needs and potentials arising from the analysis contained in Section 1.

The main recommendation made in this section relates to setting objectively verifiable indicators as a means for improving programme design. This

recommendation is in more detail explained in the following sections of the ex-ante evaluation report.

2.4 Assessment of stakeholders' participation

Both the analysis and the strategy lack information about the stakeholders' participation at the SOP preparation stage, the consultations process is not sufficiently described in the SOP. Evidence provided during interviews suggests that there have been a number of formal events held on different occasions, during which the invited interested parties discussed decisions on priorities and weighting them.

However, not all the representatives from the NGO community interviewed by the evaluator were aware of significant change in funding mechanisms after Romania's accession to the EU in January 2007 and the increased need to secure their financial interests under the ENV SOP. Similarly, lack of information about funding opportunities under the SF was acknowledged by the interviewed representatives of business community.

So, it can be concluded that additional actions need to be taken at the level of SOP ENV to ensure more active involvement of social partners in the implementation of the SOP ENV by including them in the lists of potential beneficiaries.

3 Evaluation of the rationale of the strategy and its consistency

3.1 Introduction

Assessment of the consistency of the chosen strategy in this section is made at the level of global objectives based on evolving needs and key disparities (employment, income, horizontal issues, etc), as well as conformity to National and Community policies and priorities, it provides an appraisal of the consistency between the strategic and specific operational objectives and the available resources. However, due to the absence of sectoral programmes in a number of instances (eg SDS, ES), the analysis is made on a sector by sector basis corresponding to each of the identified priority axes, while overall consistency of the strategy is assessed in the section below under Appraisal of the coherence of the strategy with regional and national policies and the Community Strategic Guidelines.

The latest draft ENV SOP version dated January 2007 contains well designed justification for the selected priorities. Although the newly introduced section 'Rationale for selected priorities' requires editing, it establishes clear horizontal links among the priorities chosen. Further, it relates priorities with the identified problems both at the national, regional and local levels and, finally, deals with the need to comply with the Community requirements.

Assessment of priority axes

3.1.1 Extension and modernisation of water and waste water systems

The *Extension and modernisation of water and wastewater systems* Priority Axis aims at provision of adequate water and sewerage services at accessible tariffs; provision of adequate drinking water quality in all urban agglomerations, improvement in watercourses and improvement of the level of WWTP sludge management.

Indicative operations refer to the construction/modernisation of water sources intended for the drinking water abstraction, water treatment plants, water and sewerage networks, wastewater treatment plants, sludge treatment facilities as well as metering, laboratory equipment, leakage detection equipment. In terms of expected results, it is foreseen that the number of localities provided with EU compliant water facilities will grow from 0 to 250, the number of population connected to basic infrastructure will grow from 52% to 70%, the number of EU compliant wastewater treatment plants will reach 200, percentage of adequately treated waste water will grow from 35% to 60% by 2013. The water and waste water sector accounts for 58.5% of total SOP funding.

In the rationale, there are 263 agglomerations of more than 10 000 inhabitants equivalent and 2 346 agglomerations of 2 000-10 000 inhabitants equivalent

mentioned which need to comply with the EU Directive by 2015 and 2018 respectively. The projected scope of intervention is to cover half of urban territory approximately, if calculated by number of towns.

The description in the rationale suggests that there has been needs analysis carried out to allow for a quite realistic guess of what are the real needs of the regions in the water and waste water sectors and how are those needs balanced in the ENV SOP. During the course of interviews, it became clear that the needs analysis was carried out by the MA in response to the EU requirements.

Institutional context is also considered in the rationale: inappropriate maintenance and operating services; high volume of unpaid water caused by networks leakages and low level of payment collection from the consumers; lack of investments for rehabilitation/extension of water/wastewater infrastructure; lack of experienced staff for promoting, management and implementation of large scale investments; inefficient management of the operating, maintenance and personnel costs; unclear role and responsibilities of institutions/authorities involved in management of public utilities; inappropriate institutional framework.

From the institutional point of view, considerable attention is given to the regionalisation aspect and creation of association among local authorities. While new structures – Regional Operating Companies – will be new players lacking large scale project management experience, it is suggested that capacity building programmes implemented under the ISPA and Phare Programmes will help address this deficiency. It could be quite risky to leave central implementation function with the newly established bodies, especially reportedly contradictory experience under the ISPA measure.

Although not disputing the need for complex solutions at the regional level, the list of indicative operations, which is rather broad, includes measures which are not purely environmental by their nature and may be reconsidered. For example, operations referring to construction/modernisation of water sources intended for the drinking water abstraction and construction/rehabilitation of water treatment plants may be reconsidered in favour of broader territorial coverage.

The sector description given in Section 1 of the ENV SOP suggests that floods prevention is part of water and waste water systems management. Similarly, the management system within the MoEWM is created so that the same directorate is responsible both for water and waste water and floods management. Therefore, merging these two topics could be considered. However, this is not considered as crucial element affecting the implementation of the SOP ENV, therefore, is viewed as purely optional.

Overall conclusions and recommendations

There has been a dramatic qualitative change in improving the Rationale and Strategy parts of this Priority Axis. As compared to the initial versions of the draft ENV SOP dated April 2006 and October 2006, the *Rationale* part is now supplemented with new paragraphs dealing with surface water usage for drinking purposes and quality of the latter. Also, there have been efforts made to

improve the *Strategy* part. This part has been supplemented with additional information on regionalisation aspect of investments under the SOP ENV and complementarity of actions, which has brought additional value to the strategy development. The list of indicative operations has been supplemented with new item, namely, technical assistance for project preparation. In the latest version of the draft ENV SOP issued in January 2007, the rationale part is significantly improved by introducing better justification for scoping activities, territorial coverage, proving the need for certain actions, estimating financial needs and analysing institutional context.

However, in the event of number of changes, the text in the Rationale and Strategy parts became at times unnecessarily long and too descriptive. Therefore, it is recommended to edit and restructure description under the entire Priority Axis with the aim to shorten it and focusing on the essential issues listed above.

Also, merging floods prevention and water and waste water management under one Priority Axis could be considered, as it could help simplify programme implementation.

And finally, list of indicative measures may be reviewed if it appears that financial reallocation is necessary.

3.1.2 Development of integrated waste management systems and reduction of historical contaminated sites

The objectives under this priority axis deal with the increase the connection rate to public sanitation services of adequate quality and at affordable tariffs; reduction in the quality of waste deposited in the landfills; increase in the quantity of recycled and reused waste and reduction of the number of old ecological burdens.

These objectives are to be met through the construction of new municipal waste disposal facilities and transfer stations; construction of sorting, recycling and composting facilities; acquisition and installation of selective collection systems; acquisition of waste transport vehicles, construction of adequate facilities for municipal hazardous waste and other specific waste streams under key are of intervention named *Development of integrated waste management systems and extension of waste management infrastructure*. The Priority axis accounts for 19.7% of SOP funding.

It is stated in the rationale that 177 municipal landfills in area of 490 ha must cease during 2007-2013 and in 101 non-compliant landfills gradual reduction of waste land-filled to meet 2.2 million tones a year should take place.

The need for this intervention is well justified in the rationale, the strategy development follows priorities established in the sector strategies and public needs for awareness raising are properly addressed. There are clear priorities set in the strategy and, in general, the strategy provides a good basis for future programming. Further improvements are visible in the draft ENV SOP version dated October 2006 in clarifying the objectives, improving justification and

strategy development. The list of indicative operations was replaced with the list of activities, in which technical assistance for project preparation, management and supervision is included, as well as for publicity and awareness campaigns. In the draft ENV SOP version dated January 2007, there are further improvements in clarifying terms and including references to other Priority Axes, which increases both vertical and horizontal consistency of the document.

However, there is one substantial issue remaining in the relating to this priority axis. It is evident from the statements contained in section 3.2.2 of the ENV SOP that the scope under the '*Development of integrated waste management systems and reduction of old ecological burdens*' priority axis is similar to the scope under the Priority axis 1 '*Extension and modernisation of water and waste water systems*', however, allocated funds differ almost three times. In the absence of cost benefit analysis at the SOP level, it is difficult to judge on concrete proportion, but it is suggested that there is a need for better balance of allocations between the relevant priority axes.

Overall conclusions and recommendations

The Development of integrated waste management systems and reduction of historical contaminated sites Priority Axis is well designed, consistent, clearly related to the Sector analysis given and SWOT analysis. Strategic objective formulated is in compliance with the EU and national policies, rationale provides sufficient justification for intervention, there are clear priorities chosen and justified. Measures chosen under the Priority Axis are considered as efficient and well suited to achieve the set objectives. However, it is advised to consider inclusion of environmental education activities in the list of activities, especially in the area of waste sorting in the urban areas.

And there remains one doubt regarding sufficiency of allocation. It is recommended to consider increase financing for this specific Priority Axis.

3.1.3 Reduction of pollution from district heating systems in selected priority areas

The third priority axis aims at reduction of pollutant emissions from district heating plants, amelioration of ground level concentrations of pollutants in the localities concerned and improvement in the health condition of the population in the localities concerned.

Indicative operations refer to rehabilitation of boiler and turbines rehabilitation of boilers and turbines, introduction of BAT (best available technique) for SO₂, NO_x and dust reduction, introduction of metering, rehabilitation of non-compliant slag and ash landfills and rehabilitation of hot water and heating distribution networks.

Rationale for this priority axis describes links between the energy and environment sectors in Romania, and provides certain justification for investments under the ENV SOP. Strategy for this priority axis follows similar approach – it focuses on inter-linkages between the energy efficiency issues referring to the restructuring of the centralised system of thermal energy

production and distribution to meet at least 80% efficiency by eliminating the losses from transport and interior networks for hot water and heating supply and by introduction of metering to apartment building and thermal centres and describes environmental impacts as an indirect effect.

Indeed, objectives of the Strategy aim at reduction of SO_x and NO_x, however, the chosen measures do not always indicate technological change leading to visible positive environmental effects. For example, rehabilitation of boilers and turbines without description of technologies to be used cannot be immediately regarded as an environmental measure. Interview evidence suggests that no technological change is planned, as both before and after modernisation dark coal of different calorific capacity will be used with a positive energy efficiency effect at the end. More justification is needed that rehabilitation of boilers and turbines will be funded under the ENV SOP only when technology shift from the existing fuel to cleaner one is demonstrated. Although it is evident that solutions will need to be found on a case by case basis, additional justification is needed that installation of environmental measures directly aiming at reducing air pollution (eg installation of filters) will be given the highest priority.

Further, including operation *introduction of metering* in the list of indicative operations is not well enough justified. It is regarded as an energy efficiency measure having only very limited indirect environmental benefit. Therefore, focus needs to be put on more efficient measures to improve air quality in the selected areas.

As a result of improvements of the rationale and the strategy development under the Reduction of pollution from district heating systems in selected priority areas Priority Axis in the draft version of ENV SOP as of January 2007, the strategic objective now meets the EU and national priorities and environmental indicator is included, but still needs to be quantified.

A separate indicative operation for public awareness raising and assistance in measuring impact is needed under this specific priority axis. It is described in the rationale part, but not yet included in the list of operations.

Just an observation, the third objective under this priority axis deals with improvement in the health condition of the population in the localities concerned. In the view of the evaluator, this sounds slightly overambitious, as there are no measures dedicated for achieving this objectives and there are no supporting indicators to measure improvements in public health sector. It is therefore suggested to exclude this objective.

Overall conclusions and recommendations

There has been visible improvement in designing air quality component in the draft ENV SOP version issued in January 2007. The strategic objective is now in full compliance with the EU and national policy documents, priority axis derives from the objectives formulated, rationale part contains justification for intervention under the chosen priority axis and strategy identifies one priority and contains the list of measures, which still deserves certain consideration.

There several issues which need to be addressed in relation to this priority axis:

- Objective relating to public health improvements under the Priority axis needs to be either supported by measurable indicators to measure its achievement or eliminated from the text;
- It is recommended to include references to other OP (Transport in this specific case) to demonstrate how air pollution from road services accounting for 31% of released pollutants is addressed;
- It is rightly stated in the rationale and strategy part that the energy efficiency sector is able to attract more private funding than the environment sector. Therefore, to use public funding in the most efficient manner, it is also recommended to assess effectiveness of measures chosen in terms of environmental impact and amend the list of indicative operations accordingly. More specifically, it is suggested that with regard to the rehabilitation of boilers and turbines conditionality for technology change from coal to cleaner type of fuel is included. If such change cannot be realised it is suggested to include installation of filters to reduce air pollution from the LCPs instead or in combination with rehabilitation of boilers and turbines. In both cases, emphasis should be put and priorities given to environmental measures;
- It is advised to reconsider inclusion of installation of metering measure, as having very limited indirect environmental impact;
- The indicators table still needs to be supplemented with measurable targets to measure environmental impact. It is suggested to include NOx reduction in the list of indicators;
- And finally, the text under this Priority Axis needs to be edited.

3.1.4 Implementation of adequate management systems for nature protection

This priority axis identified two main objectives: (1) conservation of biological diversity, of natural habitats, wild species of fauna and flora; and (2) ensuring efficient management of protected areas.

One key area of intervention is envisaged, namely, *development of infrastructure and management plans to protect biodiversity and Natura 2000*. Indicative operations refer to capacity building for the management bodies, elaboration of scientific studies, inventories, monitoring, mapping, and development and implementation of management plans for the protected areas and Natura 2000 sites. In the later version of SOP ENV these have been merged under one key area of intervention aiming at development of infrastructure and development of management plans to protect biodiversity and NATURA 2000 areas.

Despite general nature of justification provided in the rationale part, this priority axis is quite well designed in terms of how objectives relate to areas of intervention and how operation derive from the former. However, there is no base line indicator to measure the result achieved. Certain indicators can be taken from the sector analysis in Section 1 and used in this priority axis.

And most important comment in this priority axis is that the list of eligible applicants is not clear. Statement that administrators of protected areas and national Agency for Protected Areas and Biodiversity Conservation may benefit of

this priority axis is not sufficient. It is important to note that NGOs and other public interest entities are included in the list of eligible applicants, as this component of the programme deals with public awareness, information campaigns and local communities.

Overall conclusions and recommendations

The evaluator does not have specific observations in relation to the Priority axis.

One thing can be recommended to improve quality of programming of the nature protection component, namely inclusion of base line indicator to facilitate measurement of objectives to be achieved.

3.1.5 Implementation of adequate infrastructure of natural risk prevention in most vulnerable areas

This priority axis aims at contribution to a sustainable flood management in most vulnerable areas and Black Sea shore protection and rehabilitation. Similarly, two areas of intervention echo the same topics: protection against floods and reduction of coastal erosion. Indicative operations deal with construction works for flood prevention and reduction of the destructive consequences of floods, and development of hazard and flood risk maps and rehabilitation of Black Sea shore affected by erosion. The draft ENV SOP version issued in October contains one change under this priority axis – includes TA for project preparation, management, supervision and publicity.

This priority axis contains reference to the EU water Framework Directive and National Floods management programme. During the interviews, both the MA and Water Directorate representatives, responsible for floods management, reported that *Implementation of adequate infrastructure of natural risk prevention in most vulnerable areas* was separated to comply with the EU policy documents and their requirements. From management point of view, it is dealt with under auspices of water management directorate.

In general, this priority axis is properly structured. The rationale lacks more specific features for justification, but there are clear programming trends, projects are being prepared with external support. However, there are no indicators to measure outputs and results under this priority axis for floods prevention component.

Initially, it was suggested that priority axis *Implementation of adequate infrastructure of natural risk prevention in most vulnerable areas* is dealt with under the Extension and Modernisation of Water and Waste Water Systems Priority axis. However, to respond to the EU policies identifying it as a separate objective, the decision was taken to leave it as a separate item.

Overall conclusions and recommendations

This Priority axis is also well designed and properly structures. No need for major changes was identified by the evaluator during the course of ex-ante evaluation.

Just one issue which was identified earlier in the process, it remains valid also for the draft ENV SOP version dated January 2007 is the absence of objectively verifiable indicators for measurement of output and results under *Protection against floods* key area of intervention. It is necessary to identify and include the mentioned indicators.

3.1.6 Technical assistance

This priority axis is designed to ensure an efficient implementation of the entire SOP ENV, to contribute to increase of absorption capacity of EU funds by supporting project identification, strengthening the MA and IBs, financing the monitoring, evaluation and control activities. Indicative operations described in the text of SOP are divided into three lots: (1) support for SOP management and evaluation; (2) support for information and publicity; and (3) strengthening the administrative capacity of the institutions responsible for monitoring, enforcement, control of environmental legislation.

Under the first lot, *support for SOP management and evaluation*, future activities refer to general support to Monitoring Committees, preparation of strategies, missions, studies, while setting up mechanisms for project preparation, appraisal and contract management are not sufficiently covered by the TA component. TA for final beneficiaries is included in the individual priority axes, and this activity will mainly cover preparation of projects and compilation of project documents. There are also training activities for final beneficiaries foreseen under the TA priority axis. General impression is that the range of actions proposed cover the needs of the players involved in the SF programming, management and implementation. Maybe more focus needs to be put on training activities for the IBs and final Beneficiaries. Also, it is difficult to assess what share of support under this Priority axis will be dedicated to the MA and to the IBs respectively.

Under the third lot of indicative operations, namely '*Strengthening the administrative capacity of the institutions responsible for monitoring, enforcement, control of environmental legislation*' there are no activities listed. It is therefore suggested to supplement the heading with a list of activities, as it is the case under the (a) and (b) lots, or to remove (c) lot from the text.

As regards the indicators, it is not clear which indicator relates to which of key areas of intervention, as it is done under other priority axes. Also, the base line value column needs to be filled in to provide the basis to objectively measure the listed outputs. And finally, the results part is missing in the *Indicators* table. These issues remain to be addressed.

Overall conclusions and recommendations

The TA priority axis is sufficiently designed to address the needs of the parties involved in the programming, management and implementation of the ENV SOP. Also, this priority axis has been improved in the course of ex-ante evaluation in terms of broadening scope of operations and broadening audience.

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There are still issues to be considered that would help improve structuring this Priority Axis:

- It is recommended to separate the list of activities under (a) lot to demonstrate better which share of assistance will be given to the MA, the IBS and the final Beneficiaries;
- It is recommended to supplement (c) heading with the list of proposed activities;
- It is recommended to include measure targeting land use planning;
- It is recommended to include references to HRD OP to demonstrate that there is no overlap in the implementation of the proposed activities;
- There is still the need to complete the table of indicators to provide the basis for measurement of effectiveness of the actions proposed under the TA Priority Axis.

4 Appraisal of the coherence of the strategy with regional and national policies and the Community Strategic Guidelines

Analysis in this section deals with the relation between the policy objectives of the programmes with other national, regional as well as the EU policy objectives (horizontal and cohesion objectives). For the analysis purposes the review of the European Sustainable Development Strategy, the 6th EU Action Programme, the National Development Plan (NDP), Ex-ante Evaluation Report of the ND, the draft National Strategic Reference Framework (NSRF) 2007-2013, the Complementary Position Paper of Romania Chapter 22 – Environment, also EU policy documents on Employment and Equal Opportunities, have been reviewed. The desk research of the above-mentioned documents was followed by the course of interviews with relevant task managers within the Ministry of Environment and Water Management (MEWM) and members of SOP drafting team. And finally, the information obtained was fine tuned with the evaluators of other OPs to ensure internal consistency of the evaluation exercise.

4.1 External assessment of the coherence with EU policies

The overall aim of the renewed **EU SDS** is to identify and develop actions to enable the EU to achieve continuous improvement of quality of life both for current and for future generations, through the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion. Specifically to environmental protection, the EU SDS aims at safeguarding the earth's capacity to support life in all its diversity, respect the limits of the planet's natural resources and ensure a high level of protection and improvement of the quality of the environment, also to prevent and reduce environmental pollution and promote sustainable consumption and production to break the link between economic growth and environmental degradation.

The **EU Strategic Guidelines 2007-2013 for Cohesion Policy in Support of Growth and Jobs (SGCP)** overall aims at increasing growth potential and productivity and strengthen social cohesion, placing the main emphasis on knowledge, innovation and the optimisation of human capital. To achieve this objective, the SGCP focuses on strengthening the synergies between environmental protection and growth through (1) ensuring the long term sustainability of economic growth; (2) decreasing external environmental costs to the economy (e.g. health costs, clean-up costs or damage recovery); and (3) stimulate innovation and job creation. Recommended guidelines for action deal with **infrastructure investment** to comply with environmental legislation in the fields of water, waste, air, and nature and species protection; **promotion of land use planning** clearly linking the investments to the development of

innovative and job-creating business; **promoting sustainable use of energy**; and undertaking **risk prevention** measures through improved management of natural resources and more innovative public management policies. The SGCP distinguishes between the Cohesion Fund focusing generally on infrastructure investments in water, waste and air pollution, while the Structural funds should in general support the promotion of environmental management systems, dissemination of clean technologies and the rehabilitation of contaminated sites.

The 6th EU Action Programme deals with enhanced implementation of environmental legislation, integration of environmental concerns into other policies, working with the market and individual citizens to promote good environmental performance and promotion of land use planning and timely decision making. It identifies four main objectives: (1) to stabilise the atmospheric concentrations of greenhouse gases at a level that will not cause unnatural variations of the earth's climate; (2) to protect and restore the functioning of natural systems and halt the loss of biodiversity in the EU and globally; (3) to achieve a quality of the environment where the levels of man-made contaminants do not give rise to significant impacts on risks to human health; and (4) to ensure the consumption of renewable and non-renewable resources does not exceed the carrying capacity of the environment. It also states that the implementation of the Programme will be undertaken in a context of an enlarged EU ensuring broad involvement of stakeholders.

In this respect, the ENV SOP is compliant with the above described documents, however, promotion of land use planning and promotion of sustainable use of energy need to be given more attention in the text of SOP.

4.2 Assessment of the compliance with the NSRF, national and regional policies

The NDP for Romania has the overall objective ***the rapid reduction of the social and economic development disparities between Romania and the EU member states***. Protecting and improving the quality of the environment is identified as one of the sixth national development priorities. It states that Romania still has to significantly invest in the environment infrastructure, especially in the water, solid waste and air quality sub-sectors. In addition, Romania has to invest in the development of efficient environment management systems, especially in the water and solid waste sub-sectors. General objective of the NDP directly linked with the environment sector is *the protection of the environment quality, in accordance with Romania's social and economic needs, thus leading to the significant improvement of the quality of life by encouraging the sustainable development*. Specific objectives refer to: (1) improvement of life standards by providing public utilities services at the requested quality and quantity standards, for the water and waste water sector; (2) improvement of environmental quality, focused on conforming at relevant Directives of European Union through improvement of water quality; soil quality, air quality and improved natural resources management. However, the Ex-ante evaluation report of the NDP concluded that *environment was treated as a subset of infrastructure without an adequate analysis of the wider environmental issues. The key issue, in the view of the Evaluators, may have been those requiring immediate attention, but no justification was given for their prioritisation. In*

addition, environmental impacts of oil and gas extraction, contaminated land and significance of mountains was not properly covered, and the final issue of biodiversity not adequately covered.

Although the CGCP should form the basis for preparing **NSRF for Romania**, the latter contains only indirect linkage to the environment sector. According to the NSRF, the global objectives of the Structural Instruments are: *to reduce the social and economic development disparities between Romania and the EU Member States, and to reduce the disparities with the EU by generating an additional 10% increase in Romania's GDP by 2015.* In order to achieve these overall objectives, Romania intends to follow **four thematic priorities** with clear indicative financial weighting:

- Develop basic infrastructure to European standards (60%);
- Increase the long-term competitiveness of Romanian economy (15%);
- Development and more efficient use of Romania's human capital (20%);
- Building an effective administrative capacity (5%).

The SWOT analysis of the NSRF points out just one strength for the environment sector, under general infrastructure heading, namely *rich natural resources. Identification of weaknesses refers to the underdeveloped basic facilities in the water, sewerage and waste disposal areas, poor environmental management and low environmental awareness.* The strategy for the NSRF identifies the following priority areas:

- Extension and modernization of water and wastewater infrastructure;
- Improved waste management;
- Improved air quality;
- Nature protection;
- Risk prevention.

Although the NSRF is not subject of this Ex-ante evaluation, its design supports the external evaluators' for the NDP view that environment is treated as a part of infrastructure investment, and environmental management and environmental awareness are not adequately addressed in the NSRF itself. Similarly, the ENV SOP deals mainly with the infrastructure investment.

The Romanian Sustainable Development Strategy (RSDS) and the Romanian Environmental Strategy (RES) appear to be outdated and therefore could not be used for the purpose of this ex-ante evaluation. These strategic documents have been replaced with a set of statements containing references to individual sectors, but due to its limited scope and reference, this has not been used in the course of evaluation.

4.3 Compliance with the EU cross-cutting issues

The proposed strategy, its priorities and the operational objectives in general terms coincide with the so-called cross cutting themes of the European Union on employment, equal opportunities, information and environment.

Although it is envisaged that the measures to be taken will create new and better jobs, the ENV SOP does not indicate or quantify the level of expected improvements. The proposed actions will expectedly contribute to the EU

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objectives for equal opportunities between women and men and for social cohesion. And finally, the proposed actions will respect the EU principle and rules for the environment.

Compliance of the ENV SOP with the EU and national policies on Public Procurement cannot be assessed, as the preparation of the proposed Public Procurement Mechanism was about to be finalised at the cut-off date of the evaluation report.

4.4 Results of Strategic Environmental Assessment (SEA)

Strategic Environmental Assessment was carried out in accordance with the requirements of the European Council Directive on assessment of the effects of certain plans and programmes on the environment (2001/42/EC) and Romania Governmental Decision No.1076/8.07.2004 for setting up the environmental assessment procedure of certain plans and programmes (Of.J.no.707/5.08.2004). Full SEA report is annexed to this Ex-ante evaluation report (Annex 1).

The SEA report found that the ENV SOP that the programme itself and the key areas of intervention were likely to have significant positive effects, with exception for the construction activities where they were foreseen. Comparison of both ENV SOP versions issued in April and October 2006 respectively led to the conclusion that the latest version as of October 2006 would have more positive environmental effect as well as regards the transparency and sustainability, since it separated two distinct environmental objectives, sought to improve the overall balance of positive and adverse environmental impacts of the ENV SOP and better correspond to the priorities provided in the guidelines for SF. The ex-ante evaluation report expressed the need for more environmental management measures to complement infrastructure investment to maximize environmental effects.

The SEA Report proposed to reorganize the *analysis of the current situation* by merging chapters 1.6 with 1.1 in order to give a better overview of overall situation in environmental sector in Romania, to supplement the SWOT analysis with environmental issues, to complement and modify the global and specific objectives of the programme, to modify formulation of some of the key areas of intervention in order to strengthen the environmental effects of the actions envisioned under them and complement with the conditions of the implementation. Similar conclusions and recommendations, however, with more emphasis on the socio-economic factors, were drawn also in the ex-ante evaluation report.

The SEA team recommended alternative formulations of the general objective, additional recommendations for alternatives were proposed for the strategic objectives. The SEA report also contained the proposal for monitoring of environmental effects during the programme implementation through setting environmental criteria to help evaluate environmental performance of projects proposed for funding within the ENV SOP. Also, this was the subject of the ex-ante evaluation report, which found the lack of environmental monitoring criteria and addressed the need to include such criteria in the ENV SOP.

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Priority Axes *Setting up of adequate management systems for nature protection and flood risk prevention in selected priority area* were considered by the SEA report as likely to have most significant positive environmental effects. This complemented the ex-ante evaluation report which presented similar conclusions in this respect.

In the analysis of the priority axes, in the SEA report, recommendations were provided for each of the key areas of intervention. Several suggestions for possible alternatives and modifications of Priority Axes were provided, with the major one being to include the industrial disasters into the priority axis 5. The ex-ante evaluator did not have such observations.

Several issues, such as the need to monitor the environmental norms while designing and constructing water and wastewater installations, waste sorting and selective collection systems were emphasised in the SEA report. Recommendations were also made to use the recovered old dumping sites for afforestation and for utilization of the reusable materials recovered during the rehabilitation of the old ecological burdens. The need to involve the public and NGOs as well as the need for their capacity development was addressed. Public debates as a means to increase ownership of protected areas was suggested. Besides that, training for stakeholders and public awareness campaign for each biodiversity projects were recommended. The main concerns shared in the SEA report were related to the construction and rehabilitation works of concrete barriers, which should not be supported. EIA was recommended as a tool to help find the best alternatives. There was a risk named, more specifically, relating to insufficient analysis and weak coastal erosion management plans that could lead to wrong decision and measures that would increase the coastal erosion, therefore the need to apply impact assessment methods, expertise and assessment tools on a case by case basis was identified. The ex-ante evaluation report partly addressed the findings contained in the SEA report. Main concerns raised in the ex-ante evaluation report, as compared to the SEA report, dealt with involvement of wider public and including environmental education measures under a number of priority axes.

To ensure proper monitoring of environmental effects of the programme a set of environmental indicators was proposed. The indicators were coordinated with those used in the national environmental monitoring system and well as the indicators applied by the EEA indicators. The SEA aimed at the establishment of indicators to monitor effects for each of the environmental objectives. In order to ensure proper monitoring, the SEA report recommended to incorporate the environmental indicators into the overall system of monitoring the ENV SOP implementation impacts; to integrate the environmental indicators into the project selection and evaluation system and also use them for the monitoring project implementation; to integrate project implementation system into overall programme implementation monitoring system as regards environmental performance, to make the results of environmental monitoring public regularly, to ensure sufficient personnel and professional capacities for environmental monitoring; to raise environmental awareness among future applicants and beneficiaries and, finally, to include environmental NGOs into the monitoring committees to be established. In this respect, the SEA and the ex-ante

evaluation reports supplement each other. The same issues were raised in both reports and assessed from various perspectives. On the other hand, the ex-ante evaluation report used the indicators proposed in the SEA report as means for future measuring of environment effects and, thus, impact of the Programme.

The key conditions and mitigation measures proposed in the SEA report included SEA and/or EIA processes under each of the priority axes. In this respect, the ex-ante evaluation did not make similar observations, but rather focused on socio-economic aspects of the future performance of the programme as well as environmental impact measurement. However, the need to include environmental management and monitoring tools was also observed in the ex-ante evaluation report.

During the assessment, as a means to prevent or reduce adverse effects on the environment, a system for environmental evaluation was proposed. The system for environmental evaluation was designed in two stages: for pre-project environmental evaluation and formal environmental evaluation during the process of formal project appraisal and selection. A draft recommended form for project proposal evaluation from the point of view of possible environmental impact was elaborated. More specifically, the SEA report recommended to incorporate measures that should be taken to minimise, reduce or offset the likely significant environmental effects in the areas of interventions, to incorporate the proposed environmental evaluation of project applications into the overall system of project appraisal and selection, to ensure sufficient personnel and professional capacities for environmental areas within the project evaluation, to ensure that the applicants are informed sufficiently about environmental issues and about possible links of the draft projects to the environment. Similar observations were made in the ex-ante evaluation report, however, the latter addressed broader scope of project selection criteria.

To conclude, the SEA report and the ex-ante evaluation report focused on similar topics and assessed them both from the socio-economic and the environmental point of views. The proposed environmental monitoring system, the proposed environmental measures and environmental indicators elaborated during the SEA process were used in the evaluation of the overall future performance of the ENV SOP.

4.5 Overall conclusions and recommendations

The ENV SOP generally is in compliance with the EU strategic documents.

Both the NDP and the NSRF contain little linkages to the environment sector in Romania, which limits the evaluator's capacity to assess their compliance.

The Romanian SDS and ES are far outdated and have no role in relation to evaluation of this ENV SOP, therefore, no assessment is made in this respect.

General conclusion is that, in the main, the ENV SOP identifies the main problems of the Romanian environment sector, prioritises them according to their importance and addresses to the level possible. However, as stated in the

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NDP, also Romania has to invest in the development of efficient environment management systems, especially in the water and solid waste sub-sectors.

The proposed SOP, its priorities and the operational objectives also coincide with the so-called cross cutting themes of the European Union on employment, equal opportunities, environment and information society. More emphasis needs to be put on job creation issue in the ENV SOP, possibly, through inclusion of relevant indicators.

5 Evaluation of the expected Results and Impacts

5.1 Quantification of objectives at programme and priority level

The ENV SOP identifies two strategic trends and five programme level objectives. There is one programme level indicator, namely coverage of population benefiting from improved environmental services. However, this indicator is quite difficult to use for measurement, as it is rather general.

There are no objective specific indicators of achievement attributable to strategic objectives at the SOP. It is recommended to add objectively verifiable indicators to support measurement the achievement of the identified strategic objectives.

5.2 Evaluation of expected results

In the water and waste water sector, it is expected to connect 18% of population to basic water services and treat 25% of waste water with support provided under the ENV SOP. In the waste sector, it is expected that 8 million inhabitant will benefit from strategic projects for waste management. There are no results foreseen to be achieved under the waste management component. In the air quality sector, it is expected that the support will result in 8 rehabilitated LCPs, however, it is not stated how this will result in changes in air quality. In the nature protection sector, it is not possible to judge the potential result, as there is no base line value given to allow comparison of situation before and after support to be provided under the ENV SOP. In the risk management sector, there are no results indicated as a result from floods prevention measures, while for coastal zone rehabilitation the indication of 10 km rehabilitation is given. And finally, there are no results expected from the technical assistance component.

So, in many instances, weaknesses relating to design of programme relate to absence of objective specific, measurable and objectively verifiable indicators of achievement. In all the listed cases, the indicators need to be reviewed and adjusted to facilitate measurement of stated objectives.

5.3 Overall conclusions and recommendations

The programme design proposed in the draft ENV SOP is generally of satisfactory quality. The relevance of objectives is ensured, the main problems are identified and prioritised, and subsequently addressed by appropriate measures.

The main deficiency relating to programme design is the absence of objectively verifiable indicators of achievement. Revisiting of relevant sections containing indicators of achievement is necessary to provide the basis on which programme results can be measured. A list of proposed indicators to measure achievements

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at the programme, priority and output level is annexed to this ex-ante evaluation report.

6 Appraisal of the proposed implementation systems

6.1 Introduction

As stated in the ENV SOP, the establishment of the implementation system is still in its finalisation phase. It is assumed in the draft ENV SOP that the implementation of the Programme will be gradually decentralised, will build on the pre-accession experience and will seek to maximise the impact and provide for sufficient coordination.

6.2 Management

The Certifying Authority (CA), established at the Ministry of Public Finance (MPF), will provide reimbursement of eligible expenditures to final beneficiaries. The SOP ENV will be managed by the Managing Authority (MA), a dedicated structure within the MEWM created for managing the SF in the environment sector. The MA ENV comprises four directorates altogether reporting to the Vice-Minister of MEWM. There are eight Intermediary Bodies (IBs) established within the eight Regional Environmental Protection Agencies (REPAs) and led by Deputy Directors of the REPAs. Although the IBs are integral structures of the REPAs, there are subordinated to the MA within the MEWM. There are no Monitoring and Technical Committees set at the date of the ex-ante evaluation.

There has been a considerable progress in describing implementation arrangements in the draft ENV SOP January 2006, as compared to the previous version issued in April 2006. However, as the creation of the system is not finalised, there remain unresolved issues in the text of SOP that need further clarification.

There are formal structures created and described in the ENV SOP which provide a clear picture on allocation of functions to individual structures. First, division of functions between the MA and the IBs is generally described in the text of SOP ENV. It is also stated that the implementation and financing mechanism for each approved measure under SOP ENV will be governed by a written agreement signed by the MA and Beneficiary. This is expected to allow for flexibility as the implementation progresses. Second, the management and control functions are not sufficiently separated in the proposed system. However, there is no project administration function assigned either to the MA or the IBs, which may become an unexpected administrative burden and the implementation proceeds. Therefore, it is extremely important to acknowledge at this stage and to allocate the necessary resources so that this function is subsequently properly fulfilled. So, it is recommended to supplement the list of responsibilities attributable to the MA with this specific function. It is also advisable to review the allocation of TA to ensure that proper training is provided in contract management to the body having this responsibility.

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In the draft agreement between the IBs and the MA, the responsibilities of the MA include drawing procedures manuals, performing analysis and approval of organizational set-up of the IBs, supporting and strengthening the IBs, informing them about changes in the procedures, EU Commission opinion and other EU and national decisions affecting SOP ENV implementation, while the responsibilities of the IBs include amending their organisational structures, providing information to the MA, maintaining databases and complying with all procedure manuals for the performance of the delegated tasks, which include information and publicity, preparing project portfolio, carrying out administrative checks for submitted applications, monitoring, reporting, verification of reimbursement claims, carrying out on the spot checks, maintaining the SMIS database, ensuring adequate audit trail, managing human resource programmes, including IB personnel training.

This appears to be a reasonable share of responsibilities, at least at this stage. As mentioned above, when the implementation progresses, the bilateral agreements between the MA and the IBs allows for redistribution of responsibilities, if such need is identified in the process. On the other hand, the process of shifting functions may be treated as an additional administrative burden itself. It is just important to have in mind that delegation of functions from the MA to the IBs needs to be adequately reflected in the re-distribution of planned financial or human resources under the TA Priority Axis.

There have been a number of detailed recommendations made in the course of ex-ante evaluation specifically dealing with the responsibility for project selection, compliance with public procurement rules, contract and financial management, administrative function for contract between MA and Beneficiaries processing and allocation of adequate financial and human resources based on splitting the functions.

As a general observation, it is advisable to restructure this part to reflect the following responsibilities of the MA: general coordination and programme management, project management, financial management, information management, compliance with national and EU policies, and reporting. Also, it is advisable, in this section, to include other players and list their responsibilities, for example bodies responsible for compliance with the public procurement rules.

It needs to be noted that a number of recommendations addressed the future functioning of the IBs, namely, clarification of carrying out formal evaluation and administrative check; specification of data for monitoring and evaluation as well documents for the annual and final reports of the SOP ENV; and clarification of the irregularity reporting system.

Similarly, the relationship between IBs and the bodies responsible for the compliance with the public procurement procedures has been clarified in due course. Just one issue relating to monthly reporting, in the view of evaluator, needs to be considered. As reporting involves a substantial amount of work, monthly reports could be too heavy burden for Beneficiaries. Therefore, quarterly reporting could be imposed instead.

There are several observations arising from the analysis of implementation arrangements. First, although it is stated in the SOP that the Certifying Authority (CA), established at the Ministry of Public Finance (MPF), will provide reimbursement of eligible expenditures to final Beneficiaries, it is not included in the list of management structures. In fact, the CA will hold the responsibility for financial management of the programme (as described under *Financial management and control* heading in 5.3), however, it does not appear in the description of management structures. It is recommended to include the CA in the description of management structures and list its responsibilities in brief in relation to programme implementation. Otherwise, this section gives the impression that the MA is fully responsible for ENV SOP implementation.

Second, if there are other bodies that will be involved, even though partially, in the implementations of the programme, for example, public procurement or state aid, they need to be listed in this sections, their responsibilities clearly defined and relationship with the MA, IBs and Beneficiaries established.

Fourth, it is the impression of the evaluator that time needed for completion of certain operations and capacities of the institutions involved are not realistically assessed. For example, check of claims for reimbursement in various forms is foreseen at four levels – Beneficiaries, IB, MA and CA. In the view of evaluator, this needs to be simplified where possible by excluding at least one party from the chain.

The general description of project selection criteria and procedures provides the basis on which detailed selection criteria can be elaborated and presented for the Monitoring Committee approval.

6.3 Financial management

General financial management procedures are well described and clear. However, there are several issues which require explanation. In the description of MA functions, more specifically, the *Managing Authority will work closely with the designated Certifying and Paying Authority in fulfilling the responsibilities of financial management and control to ensure that (...)* contracting is within budget, procurement of goods and services under projects financed conforms to EU and MS rules, represents value for money, payments to Beneficiaries are made regularly and without undue delay or deductions, co-financing resources are provided as planned, payments are properly accounted for, any sums wrongly paid are recovered swiftly and in full. These are responsibilities need to be attributable to the CA and in some cases to Beneficiaries; or wording in the introductory paragraph needs to be changed into *Managing Authority will **assist** the designated Certifying and Paying Authority in fulfilling the responsibilities of financial management and control **in carrying out the following functions**.*

6.4 Overall conclusions and recommendations

As a result of analysis of three draft versions of the ENV SOP of Romania, one of them being issued in April and the second in October 2006, while the third dated January 2007, it is possible to conclude that there is a significant move from

purely large scale investment exercise towards a more environmentally and civil society development oriented programme. Although the main focus remains on infrastructure investment, the need for environment management measures is recognised in the last draft version of the ENV SOP, and which is already partly addressed.

The draft ENV SOP under evaluation identifies the main problems of the Romanian environment sector, prioritises them according to their importance and addresses them adequately. The Sector analysis presented in Chapter 1 reflects the environmental status in Romania, the description is based on reliable statistical data and clearly leads to problem identification. The Summary of the current state of the environment follows the same structure as in the analysis itself. The summary clearly prioritises problems identified, analyses needs and potentials. It also leads to sufficient forecast of trends and future challenges, which all together provides the sufficient basis for proper SWOT analysis.

Overall, the proposed strategy, the set strategic objectives, which are based on proper SWOT analysis, does not cause any doubts about its relevance in relation to the identified problems, needs and potentials arising from the analysis contained in Section 1.

Strategic objectives are consistent and fully correspond to the priorities identified in the socio-economic description and do not differ from priorities set in the national policy documents. Complementarity and synergy between the priority axes is also ensured. The shares and weights of the proposed priority axes are more or less balanced, maybe just allocation for the Priority axis 2 is underestimated.

The ENV SOP generally is in compliance with the EU strategic documents. As both the NDP and the NSRF contain little linkages to the environment sector in Romania, it limits the evaluator's capacity to assess their compliance. The Romanian SDS and ES are far outdated and have no role in relation to evaluation of this ENV SOP and, thus, no assessment is made in this respect.

The proposed ENV SOP, its priorities and the operational objectives also coincide with the so-called cross cutting themes of the European Union on employment, equal opportunities, environment and information society. More emphasis needs to be put on job creation issue in the ENV SOP, possibly, through inclusion of relevant indicators.

Justification provided in the rationale for strategy development is based on the priorities stated in the EU policy documents and sectoral needs analyses. In the priority axes, such as water and waste water, waste and air, economic assessment could be supplemented with financial data to provide better justification for distribution of costs. There remain certain difficulties in justifying environmental effectiveness of the chosen measures in the air quality Priority Axis.

The main weakness in the programme design is attributable to the lack or even absence of objectively verifiable indicators.

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supporting each of the identified strategic objectives. This area still needs considerable attention but in terms in selecting relevant indicators and quantifying them.

And finally, in addition to the above stated general conclusions and recommendations, the following general issued need to be addressed:

- Land use planning is eliminated from the SWOT analysis of the draft ENV SOP version issued in January 2007, while it was identified as a weakness in the previous versions of the SOP. It is recommended to include it in the current version of the draft SOP and address it accordingly under the TA Priority Axis as creating favourable prerequisites for large scale infrastructure foreseen in the ENV SOP;
- Lists of eligible applicants need to be supplemented with *NGOs and public entities* at least under priority axes 2, 3 and 4 to ensure compliance with partnership principle and better contribution to civil society development;
- Environmental education is not made part of the environmental SOP, but references need to be added under individual priority axes how this is addressed in other programming documents on a sector by sector basis.

Specific recommendations are dealt with under each of the relevant section.