

Executive Summary

Introduction

1. The Managing Authority of the Regional Operational Programme (MAROP) in Romania contracted East West Consulting to conduct an interim evaluation of the Regional Operational Programme (ROP) for the period from 1 January 2007 to 30 June 2009. The Interim Evaluation commenced in April 2009 and was completed by the end of October 2009.

Terms of Reference

2. There were six evaluation questions, divided in 17 areas of examination, in the Terms of Reference for the interim evaluation, as follows:
 - 1) To what extent the priorities and objectives defined in the ROP strategy keep their relevance in the context of the social and economic changes occurred as compared to the time of the programme drafting?
 - 2) Does the progress registered in the ROP implementation lead to the achievement of the programme objectives?
 - 3) What are the major external and internal factors that can influence or have influenced the performance of MAROP and IBROP in the programme management and implementation?
 - 4) Is the ROP implementation system appropriate for the selection, contracting and monitoring of the projects launched at the level of each development region and within each key area of intervention?
 - 5) How are the performances of the ROP implementation system reflected at the level of reimbursement claims?
 - 6) What is the ROP contribution during the evaluated period to the implementation and achievement of strategic objectives?
3. A table of the **key recommendations** is attached to this summary. The recommendations are cross-referenced to the paragraphs of this summary

Evaluation Conclusions

Evaluation Question 1. To what extent the priorities and objectives defined in the ROP strategy keep their relevance in the context of the social and economic changes occurred as compared to the time of the programme drafting

Analysis of the validity of the ROP strategy by examining the social and economic changes that occurred in Romania during the evaluated period of time

4. The main national socio economic indicators for economic performance, population changes, employment and unemployment, foreign direct investment (FDI), SME establishment and Tourism were all positive up to end of 2008 and even the first quarter of 2009. Programme monitoring is severely affected by a lack of timely socio-economic data.

5. The key socio economic changes up to the first quarter of 2009 are not large and do not materially distort the regional disparity compared to the situation in 2005. We therefore conclude:
- The analytical basis for this operational programme is still relevant to support the programmes' objectives;
 - The economic disparities between regions are maintained even if within the period 2005-2008 in all regions the socio-economic indicators have registered a positive evolution. The most competitive region in Romania is Bucharest-Ilfov (BI), followed by the West (W) and North-West (NW) region. The least competitive regions are South-East (SE), followed by South-West (SW) and North-East (NE). Although the economic disparity between regions is still maintained, the positive evolution of the indicators shows that the process of approximation of the region to the EU average is advancing in small steps;
 - The main changes to the socio-economic context started at the end of 2008 as a consequence of the economic crisis - all the socio-economic indicators registered an accelerated declining trend at the level of 2009: decrease in GDP growth rate, employment rate, number of SMEs, FDI inflows.

Identification of the Effects of the Change in the Social and Economical Context impacting the Achievement of the ROP Strategy, Presentation and Explanation of these Effects and of the Future Trends

6. The socio-economic changes have so far had little effect on the overall strategy or on the implementation approach for ROP. Apart from the tourism indicators, the change in disparity between regions has been small.
7. The main socio-economic effects triggered by the financial crisis (discussed in Chapter 1 of the report) are:
- **Access to funding:** freeze in the banking sector with direct effects on access to credits that severely affects the preparation and implementation co-financing capacity of ROP beneficiaries (both local public authorities and private sector, in particular for Key Areas of Intervention (KAIs) 4.3 and 5.2);
 - **Availability of public resources:** a deterioration in the public finances, leading to a higher public deficit that puts pressure of the ability of the Ministry of Public Finance to provide co-financing;
 - **Continuing relevance of employment targets and PA 4 interventions:** the decline of the industry sector and financial sector is leading to an increasing unemployment rate (effects on ROP job creation target -15,000 jobs) which may need a correction to the targets for job creation in the ROP;
 - **Macro economic factors:** For example, a decrease of FDI that has contributed to a contraction of GDP in 2009 and an expected fall in the number of foreign and domestic tourists which may have an effect on the performance of PA 5.

8. So far, the main effect of these factors is seen in the business support interventions foreseen by the ROP in particular the support to SMEs. The effects are visible through the limited progress to 30 June 2009 in Priority Axis (PA) 1 and KAI 4.1. Some difficulties are noted in KAI 4.3. Due to a combination of falling growth rates, an increase in the number of bankruptcies and the restricted access to credit, approximately 15% of successful applicants have withdrawn their projects and this number is continuing to rise. However, the potential achievement of the employment target for this KAI was not at risk at the cut-off date. For KAI 4.1 and KAI 5.2, technical documentation has been prepared but the project applications are held back due to a lack of matching funds as the State Aid rules require a high co-financing percentage.
9. There are visible signs that the availability of local authority co-financing will also become a key issue over the next 18 months. Even without the crisis, it was known that it would be difficult for local authorities to absorb the ROP assistance due to the high number of potential projects in their portfolios. The restriction on funding caused by the financial crisis has made the position even more difficult and some easing of the co-financing requirements may need to be considered. A further ad-hoc evaluation specifically on this issue in the spring of 2010 would be appropriate.

Examination of the relevance of ROP indicators in view of the achievement of the programme objectives in the context of the occurred social and economic changes.

10. The ROP indicators continue to be relevant. The MAROP, in co-operation with the Authority for the Co-ordination of Structural Instruments (ACIS) has updated the indicators which improves the alignment to the National Strategic Reference Framework (NSRF) and should be easier to monitor through the SMIS system. There is room for further alignment of the ROP indicators to the core indicators defined by DG Regio.
11. Some revisions of the indicator targets are desirable in view of the experience to date, especially for the result indicator for number of inhabitants that benefit from PA 1 and the output indicator for KAI 3.2. These were identified in the portfolio analysis.
12. Although the indicators remain appropriate to the ROP, existing issues of their measurability, especially for the results indicators, remains unsolved. The general arrangements for the collection and storing of data for results indicators need immediate further attention by the MAROP.

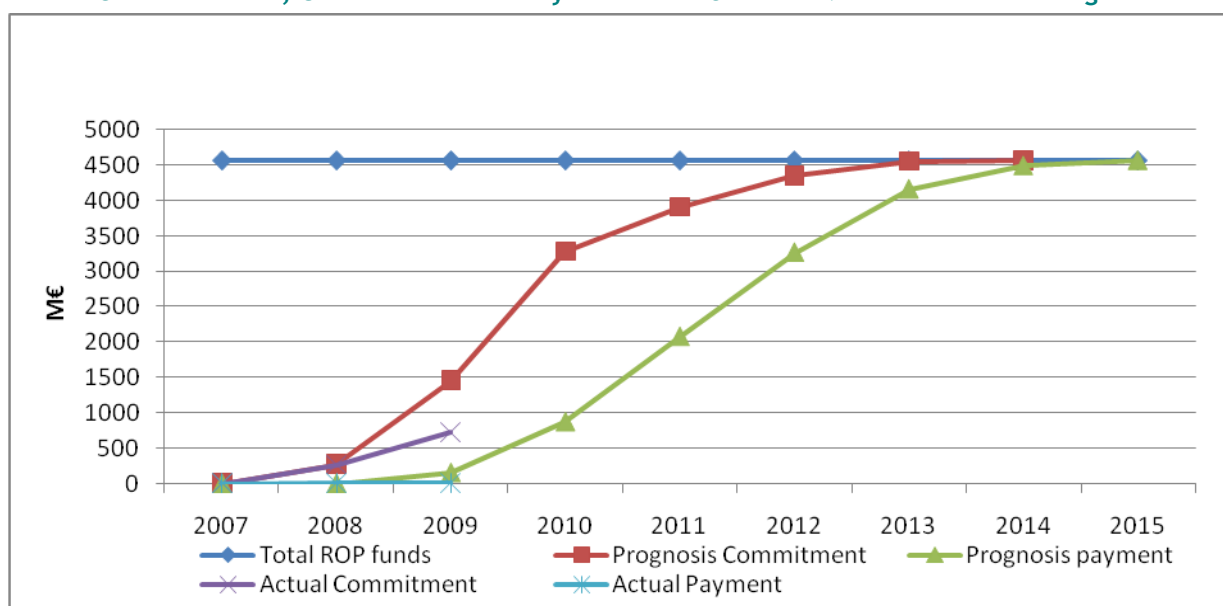
Evaluation Question 2. Does the progress registered in the ROP implementation lead to the achievement of the programme objectives?

Analysis of process effectiveness, starting with the submission of applications the signature of the financing contract and the implementation of the projects.

Analysis of the project portfolio within each Priority Axis and Key Area of Intervention in order to decide if the activities and indicators stipulated by the ROP shall be achieved. (current level of the indicators and prospects of achievement of ROP strategic objectives).

13. The evaluation report includes a detailed examination of the performance of each KAI from the dual aspects of process effectiveness (defined as the process for project applications, project acceptance; projects reaching more that the required minimum score to be accepted) and projects committed (projects where the financing agreement has been signed) and the prospects for achieving the strategic objectives. The prospects were considered by reference to a review of the project pipeline and to the assessment of the commitment and payment prognosis made by the MAROP.
14. The actual position at 30 June 009, in terms of committed funds and payment reimbursement is shown in the graph.

ROP - Allocation, Commitment and Payment at 30 June 2009 - Actual versus Prognosis

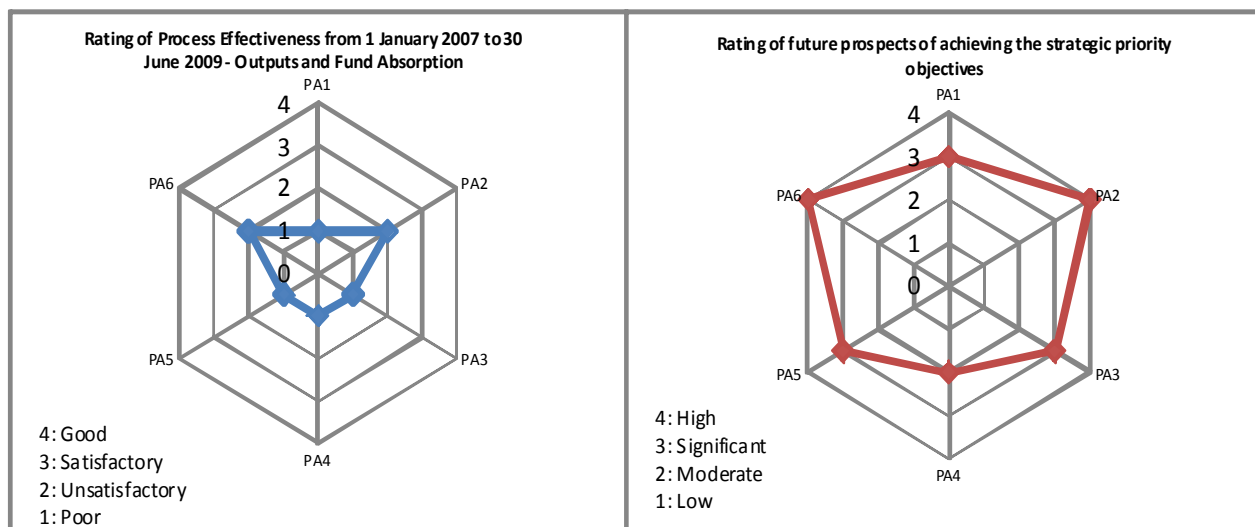


Source: MAROP Allocation, Commitment and Payment file - June 2009

15. Two simple four point scales are used to capture our conclusions for each PA for process effectiveness and for the future prospects of achieving the strategic objectives. The reference definitions for each point in the scales are given below.

Interpretation of scale point	Consideration of performance up to the cut-off date in terms of output and fund absorption	Prospects for reaching the priority objectives
The objectives/ target indicators are/ will be exceeded by a wide margin	Good	High
The objectives/ target indicators are/will be achieved by a small margin	Satisfactory	Significant
The objectives/target indicators are/will not be fully met	Unsatisfactory	Moderate
The performance is/ will be far short of the target	Poor	Low

16. The overall assessment by priority axis is shown below. The portfolio analysis also provides useful information on the rationale and history of each KAI, a regional perspective on performance issues and comments on the output and result indicators, in terms of actual achievement and the prospects for the future.



17. The rating of process effectiveness reflects the performance in terms of the actual programme outputs and results at 30 June 2009 and does not take account of the preparatory work and the volume of activity, especially for the selection and commitment of projects. The rating of future prospects for achieving the strategic priority objectives is a wider assessment that takes account of the project pipeline and portfolio, the state of readiness for monitoring implementation and processing payment reimbursements. Our overall assessment is that while the performance to date has been poor (as there are virtually no outputs or fund absorption) the overall prospects for achieving the strategic objectives were significant.

Priority Axis Review

18. No project applications had been received for the seven growth poles or thirteen urban development poles under **Priority Axis 1**. This PA is both significant and innovative in its approach supporting the intervention through consideration of integrated plans that contain a portfolio of projects. The commitment target is to achieve full commitment (31% of the total ROP fund) by the end of 2010. Given the high number of projects per plan, and the experience of project evaluation for other PAs, the chances that all the feasibility studies and technical plans will be prepared and approved by the end of 2010 to achieve the commitment target are quite low. However, the rating of the future prospects for achieving the strategic objectives is set to “significant” to recognise the applications in hand for urban centres, the progress in preparing the integrated plans for the growth poles and the urban development poles and the time remaining for the implementation of the plans.
19. **Priority Axis 2** - County roads, ring roads, urban streets is the most advanced PA with 22 signed works contracts by 30 June 2009, a further 45 under processing and one completed stretch of road (6 kilometres). The PA is closed to all regions except BI and is on track to achieve full commitment by the end of 2009. This is reflected in the highest evaluation scores in the diagram.
20. There is good cost effectiveness achieved in the public procurement so far which is reflected by average unit costs for county roads (based on total project cost) of less than € 500,000 per kilometre and average unit costs for urban streets of less than M€ 2 per kilometre. For county

roads (based on an analysis of 61 projects) the unit cost per kilometre was more than € 500,000 in the North West whereas for the other regions, the unit cost per kilometre was less than € 300,000. For urban streets and ring roads, the number of projects available for analysis is too small to draw meaningful conclusions. The high variations in unit cost are due to the relative complexity of the projects. Savings arising from public procurement in PA 2 are substantial and provide an opportunity to increase the overbooking rate up to around 130% of the allocation.

21. All KAIs for **Priority Axis 3** are affected by the slow speed of the contracting process. Two regions - South and Bucharest - Ilfov - are slow in submitting project applications for this Axis. There is some uncertainty about the eligibility of relevant administrative organisations in Bucharest to submit project applications under KAI 3.1 and KAI 3.4 which should be resolved as quickly as possible.
22. The limited co-operation with external institutions and unforeseen events have been a cause for delays that have affected KAI 3.1 and KAI 3.3. The unforeseen events included legal changes or unanticipated legal complexities, difficult co-operation between stakeholders, for example, reaching agreement between stakeholders in setting up the Intercommunity Development Agencies (ADI), and administrative difficulties (e.g. difficulties in transferring co-financing funds from the County Councils to the ADI). Some of the output indicators are not achievable (KAI 3.2 and the Centres for Continuous Vocational Training under KAI 3.4). The MAROP and its IBs propose to organise regular surveys to capture the data for results indicators and enter this information in the SMIS. There is a low level of readiness to collect data on the results indicators.
23. **Priority Axis 4** is not performing well. The overall prospects for achieving the Priority Axis strategic objectives are mixed, due mainly to the lack of progress under KAI 4.2 and slow progress in KAI 4.1. Job creation appears to be in a comfortable position due to KAI 4.3, but progress here is expected to be slower in the near future due to the economic crisis. The additional research to the ad-hoc evaluation realized by the MAROP for KAI 4.2 during the course of this evaluation has confirmed the main impediments identified to apply under the scheme and the absence of real prospects to receive any application. Under KAI 4.1, State aid rules are proving to be a major obstacle for the eligible public applicants that have submitted only a very limited number of project proposals. The private sector has been more active, but project submission is slow for the moment due to the economic crisis and future prospects are unknown. It is difficult to envisage the potential impact of KAI 4.1 intervention in the BI region where there is a strong presence of business support structures supplied already by the private sector. The first call for proposals under KAI 4.3 was quite successful in the end despite the too long duration of project selection and contracting. The MAROP has adopted several corrective measures with respect to the second call for proposals under KAI 4.3, expected to be launched in September 2009, based on the experienced difficulties within the first call. The changes proposed should prove effective but additional challenges are now arising due to the worsening credit and economic climate.
24. The evaluation has identified several areas where a change to the allocations should be made. These are:
 - Re-allocate unused KAI 4.1 funds in BI region
 - Re-allocate the KAI 4.2 allocation to other KAIs (PA 1 and PA 5)

25. Within **Priority Axis 5**, the current portfolio of accepted projects for KAI 5.1 is sufficient to meet and even exceed the total allocation. The chances to meet the commitment targets by 2009 are ambitious (16 projects to be committed until end of 2009) but not impossible. Special concern should be raised for BI region where the ownership issue coupled with poor interest of Bucharest municipality led to no projects being submitted at the cut-off date. For South region, although slow, there are chances to meet the allocation as some applications were reported to be underway.
26. There has been a high interest in KAI 5.2, especially for accommodation infrastructure but the rejection rate was also high. It is being proposed to eliminate this operation for the second call for proposals in order to enable the achievement of indicators. For four Regions (NE, SE, SW and Centre (C)), it appears that there will be extremely limited funding left for the second call, whilst for NW and W regions, 50% respectively 75% will be still available. Although technical documentation has been/is being prepared under GD 1424/2007, the State Aid rules discouraged the submission of applications by public authorities.
27. Under KAI 5.3 Operation B, the rejection rate was high and the interest from beneficiaries rather low as a result of an insufficient promotion campaign. The target for 2009 is unlikely to be achieved as the launching of the second call for proposal, is delayed. The indicators under Operation A are likely to be achieved.
28. Within **Priority Axis 6**, there were long delays in reimbursing the IBs under the first KAI 6.1 contract that ended in December 2008. These delays, which have a significant adverse impact on the work of the IBs are likely to continue for the second contracts where the pre-financing is not expected to be transferred until October 2009 at the earliest.
29. There is evidence that the funds allocated for KAI 6.2 will not be fully absorbed. Some reallocations to KAI 6.1 could be considered starting with the 2009- 2010 contracts taking into account the disbursement rate under both KAIs under the current contracts. The MAROP proposes to consider the situation after finishing in 2010 the second contracts under KAI 6.2 and after completing by end of 2010 of the contracts concluded under KAI 6.1 for 2009-2010.

Analysis of the effectiveness and impact of the ROP information and publicity system

30. The effectiveness of implementing the Communication Plans and Strategy is satisfactory. The communications activities meet the requirements of the implementing regulations. There is coherence between the regional Communication Plans with the National Communication Plan, even if this is not reflected well in the target indicators. The information and promotion measures are implemented differently by the IBs based on the specific regional particularities.
31. The annual Action Plans and reports on implementation of CPs are good tools for planning and monitoring the information and publicity activities. It was not possible to consider the impact of measures and actions at the regional level as the required information to do this was not collected by the IBs yet. There is no assessment of actions implemented in terms of resources allocated, time required and effects to support the process of prioritizing the actions needed at regional level although a national survey has been made. An annual evaluation of the impact of implemented measures would support the performance in implementing and planning further measures.

32. The implementation of the Communications Plans should ideally have a link to the number of applications received and committed but the actual situation does not reflect this. There are differences between regions in respect to the results. Evidence shows that both MAROP and IBROP in the RDAs play a significant role in supporting beneficiaries in the preparation and implementation stages of their applications, through sustained and diversified information and communication activities. The MAROP and regional websites are considered a valuable source of information by the beneficiaries.
33. A much more focused approach on specific target groups (potential applicants) might directly contribute to an increase in the number of applications and to an increased rate of absorption. For KAI 5.3, the relatively low rate of application in the first call is attributable to a poor visibility and promotion but also to lack of interest by potential beneficiaries in such a relatively small project.
34. It is difficult to analyse the information and publicity indicators at the MAROP level as there is no direct link between the activity indicators and the general and specific objectives of the Communication Plans.
35. The delay in processing the reimbursement claims under KAI 6.2 is affecting the implementation of the Communication Plans. As a result, it is likely that the budget allocated under the first contracts will be underspent. The network of multipliers is not yet operational due to lack of interest and unavailability of its potential members.

Evaluation Question 3. What are the major external and internal factors that can influence or have influenced the performance of MAROP and IBROP in the programme management and implementation?

External Factors

36. The main external factors affecting the implementation of the ROP, apart from the socio-economic changes and the effects of the financial and economic crisis, are:
 - the movement in the Euro:RON exchange rate,
 - a loss of effectiveness in the co-operation with external contributors,
 - the complexity of the external legal framework, including the time and cost involved to obtain permits in support of project applications and the frequency and number of amendments to guidance documents,
 - the public procurement law, in particular the appeals process, and
 - the application of the State Aid rules.
37. None of these external factors have had a severe effect on the implementation of ROP so far. The impact of the public procurement law is likely to be felt over the next 2 years. The effect of the State Aid rules needs to be kept under close review by the MAROP.

Internal factors

38. There is an overlap between this question and evaluation questions 4 and 5. The full list of of the main internal factors affecting the implementation of the ROP that were identified and examined in the report is shown below.

Internal factor	Comment
Duration of the selection processes	The overall duration is very long (over one year). Steps taken by the MAROP to cut the duration are working but the high level of control and problems with the availability of evaluators contribute to delays. (See also evaluation question 4)
Over commitment rates	The overcommitment rate for PA 2 could be increased to 130% of the allocation. The MAROP needs to carefully monitor the impact of the savings from public procurement on the potential need for overcommitment in order to full absorb the funds.
Availability of independent evaluators	There are many cases, across all regions where the lack of availability of independent evaluators has contributed to delays in the process. (See also evaluation question 4)
Scoring issues	The system where all projects achieving a threshold score are accepted has been appropriate up to now. For the remaining period (and for second and subsequent calls) a more strategic weighting needs to be introduced.
When eligible project applications subsequently become ineligible	In four cases in one region (SE), changes to the budget after the project was accepted caused the projects to become ineligible. The IB and beneficiary should have been aware of the rules to prevent this situation from occurring.
Definition of eligible expenses	There has been confusion in the interpretation by beneficiaries of the rules for eligible expenditure. The Ministerial Order provides a detailed list of eligible expenditure but there are inconsistencies and some lack of clarity in the interpretation of the list.
Role of CRESC	The removal of CRESC from the selection process weakens the consideration of regional impact of the project applications. This is not an issue for the present as the selection process is well advanced. For the remaining allocations, it is desirable to have an input to the selection process that considers regional strategic impact.
Transparency of Project Selection Procedures and Effectiveness of Communications with Applicants	The selection process is transparent. Beneficiaries are generally satisfied with the level of transparency.
Rates of rejection of projects	See evaluation question 4.

Evaluation Question 4. Is the ROP implementation system appropriate for the selection, contracting and monitoring of the projects launched at the level of each development region and within each key area of intervention?

Detailed analysis of the selection and contracting process carried out at the level of each development region and each key area of intervention, including:

- ***Analysis of the extent to which the system and duration of project evaluation and selection could influence the accomplishment of programme strategic objectives, potential changes / adjustments of the implementation system.***
 - ***Analysis of the way in which the selection criteria have been applied and of the main grounds for the rejection of projects.***
39. Overall, the system for project evaluation, selection and commitment is appropriate but not as efficient as desirable. The pro-active measures taken by MAROP starting with 2009 to speed up the project evaluation, selection and commitment process and shorten its duration are working in the early stages of the process but significant delays recorded in the technical and financial evaluation stage indicate that further improvement in this area is needed.
40. Significant delays were recorded in the deployment of independent evaluators in the regions, for several of the KAIs. This and other aspects of the project evaluation, selection and commitment process under the direct control of the MAROP should be accelerated by reviewing the workload and relaxing the control regime to release more MAROP staff for this stage of the work.
41. The rejection rates are generally within acceptable limits (7% to 32 %) for the administrative and eligibility check and (4% to 13%) under the technical and financial evaluation which indicates the system is operating satisfactorily. For KAI 5.3 Operation B, there was a higher rejection rate, which is attributable to inadequate programme promotion or lack of interest by beneficiaries.

At the level of each IB and MA, the analysis of the efficiency of the functioning of the project monitoring system and of the way in which it provides the necessary information for the monitoring of programme indicators

42. The project monitoring system is well established but is at an early stage of implementation. Duplication of procedures between project monitoring and verification is non-productive and contributes to delays in the MAROP inputs to the project acceptance and commitment processes. This duplication is consuming scarce resources in the IBROP and some rationalisation in the requirements will be required in the future, but only where justified by the maturation of the system.
43. The SMIS is currently geared to satisfying primarily the reporting requirements to the EC but does not fully serve the analytical and reporting needs of the MAROP. In particular, the decision support capabilities of the SMIS system are not yet fully developed. There is an over emphasis on data input but without the complementary controls over data integrity. Little use can be presently made of the data in the SMIS for analysis purposes. The reporting

capabilities, from a MAROP perspective, are currently quite limited but there are plans for ACIS to improve the analysis and decision support capabilities of the system within the near future. This is an emerging issue for the MAROP.

44. The MAROP and the IBs use excel spreadsheets as the primary software application for the transfer and analysis of routine management information and to prepare the prognosis forecasts. So far, the system is working well due to the skill, experience and dedication of the officers in the MAROP Directorates and in the IBs. This system is unlikely to be sustainable in the longer term as it will be susceptible to an increasing degradation of data quality. A greater effort is needed from the MAROP and the IBs to ensure correct and updated data is entered into SMIS. This effort needs to be complemented with further enhancements to the data interrogation, analysis and downloading facilities made available by ACIS to the MAROP and the IBs.
45. For Priority Axis 2, the system for preparing the payment prognosis is not adjusted for the savings achieved in the works contracts. The savings (difference between the actual price and the allocation) is kept, for the time being, as the last expected payment. The last expected payment is highly relevant for the n+3/n+2 position which may give a misleading indication of the true n+3/ n+2 position.
46. The monitoring of results is proposed mainly through surveys but a survey plan has not been made. An arrangement to enter the survey data into SMIS has not been finalised.

Evaluation Question 5. How are the performances of the ROP implementation system reflected at the level of reimbursement claims?

Analysis of the efficiency of the financial flow, including the current and forecasted financial situation in order to see to which extent the Managing Authority is able to meet the n+3 and n+2 rule

47. The payment reimbursement system is in its early stages of implementation. Confidence in the degree and accuracy of expenditure verification work is not yet confirmed and the level of checking is kept artificially high. This is an understandable approach. Some delays in processing the first claims for reimbursement have been experienced but improvements are expected. The payment prognosis for 2009 has been reduced from March to June 2009, and is likely to need further downward revision.
48. The current levels of expenditure verification at MAROP level, is leading to a serious work overload for key MAROP staff and consequently to delays in processing the reimbursement claims from beneficiaries. The 4 eyes principle applied to the expenditure verification, both at the level of the MAROP and IBROP, consisting of carrying out a double check of the reimbursement claims, initially 100% at both IBROP and MAROP levels, with the same checklist, is time and resources consuming and creates bottlenecks in processing the reimbursement claims received from the beneficiaries. Some rationalisation of the internal procedures requirements will be necessary in the near future in order to increase the performance and to speed up the reimbursement of the ROP beneficiaries.

49. The IBs have experienced serious cashflow difficulties due to delays in payments for their services from the MAROP through payment claims under KAI 6.1. This has affected their capacity to operate, specifically in the organization of information and publicity events. Two factors appear to contribute to the delay - the need to enter each supporting voucher details into the SMIS, and the double use of the “4-eyes” principle for checking the claims in the MAROP.
50. The payment prognosis analysis is, at best, a crude estimate and is likely to give misleading information if the savings on works contracts are not taken into account.

Analysis of the use of pre-financing funds for the reimbursement of expenditure under the priority axes, in correlation with the impact of the compliance with the n+3 and n+2 rule, including at the level of each development region

51. The use of pre-financing and the increased available rate of pre-financing are important incentives for project beneficiaries and encourage project applications. The practical effect of pre-financing on the n+3 rule is otherwise small.

Impact on the efficiency of the payment process and on the achievement of programme objectives of the State budget covering the VAT equivalent corresponding to eligible expenditure incurred with the financing contracts

52. The government decision on providing for VAT is working well. The VAT requirements are calculated as part of the budgeting and cashflow forecasting systems in the MAROP and the figures are transmitted to ACIS on a regular basis.

Evaluation Question 6. What is the ROP contribution during the evaluated period to the implementation and achievement of strategic objectives?

Analysis of the ROP contribution to:

- ***The implementation of the objectives of the cohesion policy as they are stipulated by the Treaty establishing the European Community;***
- ***Fulfillment of the ERDF tasks/mission stipulated by the Regulation 1083/2006***
- ***Implementation of the priorities detailed in the Community Strategic Guidelines for Cohesion Policy and specified within the priorities established by the National Strategic Reference Framework***
- ***Achievement of the objective of promoting competitiveness and employment leading to the fulfillment of the objectives stipulated by the Integrated Guidelines for Growth and Jobs (2005-2008)***

53. The design of the ROP responds directly and comprehensively to its envisaged role as described in the NSRF. While it is still too early to see its results and impact at the regional, national or EU level, the pre-requisites for successful achievement of the ROP objectives are in place - a portfolio of projects covering all of the ROP Priority Axis, proper mechanisms to support project application and project implementation.

54. A general assessment of the contribution to strategic objectives to date and the prospects for the remaining period is premature as there is insufficient progress in implementation. In terms of contribution to GDP growth, the impact will be indirect as a high proportion of the interventions refer to infrastructure development. The job creation targets (Priority Axis 1, 4 and 5) are modest and there are signs that they will be exceeded, even taking account of the effects of the economic crisis. For the convergence objective, the regional disparities have not materially changed since 2005 and the prospects of achieving the absorption in accordance with the established percentages are significant.

Identification of the achievements, opportunities and future prospects related to the strategy implementation.

55. The key challenges for the remaining implementation period concern both strategic and operational matters and aim to secure that the ROP reaches its strategic objective of reducing the regional disparities through supporting economic growth and employment.
56. The specific main challenges are:
- Closer monitoring of the effects of the financial and economic crisis on the implementation of the ROP;
 - Reducing the level of control to a normal level taking into account the capacity and competences of both MAROP and IBROP, in line with management (and Audit Authority) confidence that the system is operating effectively;
 - Improvement to the completeness and accuracy of monitoring data in the SMIS, completion of arrangements for collecting data to support the monitoring of results, including the organisation of surveys;
 - Short term improvement in the arrangements for data analysis in the MAROP through better use of the SMIS or alternative means;
 - Securing better and more timely access to socio economic data to monitor regional disparities and to support the next round of regional development strategies;
 - Adoption of specific measures to address the unique situation of Bucharest Ilfov so that it derives an appropriate benefit from participation in the ROP.
57. The BI region has consistently underperformed to date. This is due to a number of unique factors, both internal and external, including the delay in funding the RDA BI, the allocation in PA 1 of the entire regional allocation to Urban Centres, the possibility of deadweight in KAI 4.1, the reluctance of potential beneficiaries to avail of the opportunities presented by the ROP, the potential ineligibility of some targeted beneficiaries. The RDA BI cannot solve these problems on its own and needs more support from the MAROP, the MDRL and at the level of Government to resolve the issues that are preventing the BI region from deriving the intended benefits from the ROP.

Presentation of examples of best practices identified by the evaluator

58. Two consultations were made with the MAROP and the IBs to search for examples of best practice according to the guidelines for strategic reporting under Article 29 of the

implementing regulations. Many projects were identified with a high sustainable development character or with a strong use of partnership. Unfortunately, the plans for growth poles and urban development poles are not sufficiently advanced to be considered at this time (this is considered to be the most innovative part of the ROP). The following two case studies were selected as being indicative of the general standard of projects that have emerged so far.

Case Study 1:

PA 3	KAI 3.3
Total Project value	M€ 10.16
Of which ERDF	M€ 7.26
Project title	Provision of equipment for emergency situations in the Centre region
Reason for selection	The project is a major investment that addresses a need for equipment in the region to improve the response to emergency situations. The beneficiary organised an effective partnership within the regions to bring forward the project in an efficient manner. The project results will have a high social impact that has a wide effect on the inhabitants of the region.

Case Study 2:

PA 2	PA 2 Ring road
Total Project value	M€19. 48
Of which ERDF	M€ 4.68
Project title	Brasov Ring road Phase 1
Reason for selection	The project is a major investment in the road network at a busy part of the road network. The new road joins up two national routes (DN11 and DN13). The first part of the project (6km) is the first completed road project and has immediate results in terms of improved traffic flows and reduced congestion. The investment also supports the development of Brasov, which is a growth pole.

Key Recommendations

59. The draft key recommendations table for the evaluation is provided in the following pages. The recommendations are cross-referenced to the paragraphs in this executive summary.