



Ministry of Public Finance  
Authority for Coordination of Structural Instruments (ACIS)

***Conducting Evaluations for the Period 2009-10***

**A Formative Evaluation of Structural Instruments in  
Romania**

**Final Report**

*Contract: 13/02.10.2009 – Carrying out Evaluations during the Implementation  
of the National Strategic Reference Framework (NSRF) and the Operational  
Programme Technical Assistance (OPTA)*

July 2010

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## **DISCLAIMER**

This report is the outcome of an independent evaluation by a consortium of KPMG Romania, GEA S&C and Pluriconsult, under contract with the Authority for Coordination of Structural Instruments.

The views expressed are the consortium's and do not necessarily reflect those of the Contracting Authority, the Ministry of Public Finance, Authority for the Coordination of Structural Instruments, Evaluation Central Unit ([ecu@mfinante.ro](mailto:ecu@mfinante.ro)).

# TABLE OF CONTENTS

|   |           |
|---|-----------|
| LIST OF ACRONYMS.....                                     | 6         |
| TABLE OF FIGURES.....                                     | 8         |
| PREAMBLE.....   | 11        |
| EXECUTIVE SUMMARY.....                                    | 12        |
| <b>1. INTRODUCTION.....</b>                               | <b>19</b> |
| <b>1.1 Project Overview .....</b>                         | <b>19</b> |
| <b>1.2 Component ToR.....</b>                             | <b>20</b> |
| <b>1.3 Approach .....</b>                                 | <b>20</b> |
| 1.3.1 Main Evaluation Questions .....                     | 20        |
| 1.3.2 Methodology .....                                   | 21        |
| 1.3.3 Data Sources .....                                  | 22        |
| 1.3.4 Assumptions.....                                    | 23        |
| 1.3.5 Technical Issues .....                              | 24        |
| <b>1.4 The National Strategic Framework.....</b>          | <b>25</b> |
| 1.4.1 NSRF Function .....                                 | 25        |
| 1.4.2 NSRF Structure .....                                | 26        |
| 1.4.3 NSRF Institutional System.....                      | 28        |
| <b>2. PERFORMANCE OF THE STRUCTURAL INSTRUMENTS .....</b> | <b>29</b> |
| <b>2.1 NSRF-Level .....</b>                               | <b>29</b> |
| 2.1.1 Introduction.....                                   | 29        |
| 2.1.2 Allocation.....                                     | 30        |
| 2.1.3 Progress.....                                       | 31        |
| 2.1.4 Project Portfolio .....                             | 38        |
| 2.1.5 International Comparison.....                       | 40        |
| 2.1.6 Priority Comparison .....                           | 41        |
| <b>2.2 Progress by OP.....</b>                            | <b>42</b> |
| 2.2.1 Regional OP .....                                   | 42        |
| 2.2.2 SOP Environment.....                                | 44        |
| 2.2.3 SOP Transport.....                                  | 46        |
| 2.2.4 SOP Increasing Economic Competitiveness .....       | 48        |
| 2.2.5 SOP Human Resources Development.....                | 51        |
| 2.2.6 OP Development of Administrative Capacity.....      | 53        |
| 2.2.7 OP Technical Assistance.....                        | 55        |
| 2.2.8 ETC Romania-Bulgaria.....                           | 56        |
| 2.2.8 ETC Black Sea .....                                 | 58        |
| 2.2.9 ETC Romania-Ukraine-Moldova.....                    | 59        |
| 2.2.10 ETC Romania-Serbia .....                           | 60        |
| <b>3. EXTERNAL FACTORS .....</b>                          | <b>62</b> |
| <b>3.1 NSRF Level.....</b>                                | <b>62</b> |
| 3.1.1 Political Factors.....                              | 62        |
| 3.1.2 Economic Factors.....                               | 65        |
| 3.1.3 Regulatory Factors .....                            | 69        |
| 3.1.4 Capabilities of Beneficiaries .....                 | 73        |

|            |  |            |
|------------|--|------------|
| 3.1.5      | Other Factors .....  | 75         |
| <b>3.2</b> | <b>OP-Level .....</b>  | <b>75</b>  |
| 3.2.1      | Regional Operational Programme .....                                     | 75         |
| 3.2.2      | SOP Environment.....   | 76         |
| 3.2.3      | SOP Transport.....   | 77         |
| 3.2.4      | SOP Increase of Economic Competitiveness .....                           | 77         |
| 3.2.5      | SOP Human Resources Development .....                                    | 78         |
| 3.2.6      | OP Development of Administrative Capacity .....                          | 78         |
| 3.2.7      | OP Technical Assistance.....   | 79         |
| 3.2.8      | ETC Romania-Bulgaria.....  | 79         |
| 3.2.9      | Black Sea Basin JOP .....  | 79         |
| 3.2.10     | Romania-Ukraine-Moldova JOP.....   | 80         |
| 3.2.11     | Romania-Serbia IPA CBC Programme .....                                   | 80         |
| <b>4.</b>  | <b>ADVERTISEMENT AND AWARENESS .....</b>                                 | <b>81</b>  |
| <b>4.1</b> | <b>National Communication Strategy and Communication Plans.....</b>      | <b>82</b>  |
| <b>4.2</b> | <b>Management and Coordination of Communication Activities .....</b>     | <b>84</b>  |
| <b>4.3</b> | <b>Progress of I&amp;P Measures at NSRF level.....</b>                   | <b>85</b>  |
| <b>4.4</b> | <b>Progress of I&amp;P Measures at OP level.....</b>                     | <b>87</b>  |
| 4.4.1      | Regional Operational Programme .....                                     | 87         |
| 4.4.2      | SOP Environment.....   | 90         |
| 4.4.3      | SOP Transport.....   | 94         |
| 4.4.4      | SOP Increase of Economic Competitiveness .....                           | 97         |
| 4.4.5      | SOP Human Resources Development .....                                    | 100        |
| 4.4.6      | OP Administrative Capacity Development .....                             | 103        |
| 4.4.7      | OP Technical Assistance.....   | 105        |
| 4.4.8      | ETC Romania-Bulgaria.....  | 107        |
| 4.4.9      | Black Sea Basin JOP .....  | 109        |
| 4.4.10     | Romania-Ukraine-Moldova JOP.....   | 111        |
| 4.4.11     | Romania-Serbia IPA CBC Programme .....                                   | 112        |
| <b>4.5</b> | <b>Synergies and Overlaps.....</b>                                       | <b>113</b> |
| <b>4.6</b> | <b>Examples of Good Practice .....</b>                                   | <b>114</b> |
| <b>5.</b>  | <b>INTERNAL FACTORS .....</b>  | <b>117</b> |
| <b>5.1</b> | <b>Appropriateness of the Programme.....</b>                             | <b>117</b> |
| <b>5.2</b> | <b>Capacity and Quality of Management and Implementation .....</b>       | <b>118</b> |
| 5.2.1      | Institutional Structure.....   | 119        |
| 5.2.2      | Operation of the Institutional System.....                               | 121        |
| 5.2.3      | Feedback on Implementation from Beneficiaries.....                       | 123        |
| 5.2.4      | Capacity .....   | 124        |
| 5.2.5      | Capability .....   | 127        |
| 5.2.6      | Suggestions from Beneficiaries to Improve the Implementation System..... | 128        |
| <b>5.3</b> | <b>Appropriateness of Project Pipeline and Selection.....</b>            | <b>130</b> |
| 5.3.1      | Introduction .....   | 130        |
| 5.3.2      | Preparatory Assessment .....   | 131        |
| 5.3.3      | Evaluation by Selected Operations.....                                   | 132        |
| 5.3.4      | Findings.....  | 141        |
| 5.3.5      | Good Practice on Effectiveness Reflected in the Selection Criteria.....  | 142        |
| 5.3.6      | Beneficiary Perception .....   | 144        |
| <b>5.4</b> | <b>TA support to Management and Implementation .....</b>                 | <b>144</b> |

|                     |  |            |
|---------------------|--|------------|
| 5.4.1               | Progress to Date .....   | 144        |
| 5.4.2               | Evaluation Issues.....   | 146        |
| 5.4.3               | Examples of Good Practice .....                                    | 148        |
| <b>6.</b>           | <b>CONCLUSIONS .....</b>   | <b>150</b> |
| 6.1                 | General Conclusions.....   | 150        |
| 6.2                 | Main Evaluation Question 1a – Progress.....                        | 151        |
| 6.3                 | Main Evaluation Question 1b – Capacity and Capability .....        | 152        |
| 6.4                 | Main Evaluation Question 2a – External Factors.....                | 153        |
| 6.5                 | Main Evaluation Question 2b – Internal Factors .....               | 154        |
| 6.6                 | Main Evaluation Question 3 – TA Support.....                       | 155        |
| 6.7                 | Main Evaluation Question 4 – Information and Publicity .....       | 156        |
| 6.8                 | Main Evaluation Question 5 – Project Portfolio and Selection ..... | 156        |
| <b>7.</b>           | <b>RECOMMENDATIONS.....</b>  | <b>158</b> |
| 7.1                 | General Recommendations .....                                      | 158        |
| 7.2                 | Main Evaluation Question 1a – Progress.....                        | 158        |
| 7.3                 | Main Evaluation Question 1b – Capacity and Capability .....        | 159        |
| 7.4                 | Main Evaluation Question 2a – External Factors.....                | 159        |
| 7.5                 | Main Evaluation Question 2b – Internal Factors .....               | 159        |
| 7.6                 | Main Evaluation Question 3 – TA Support.....                       | 160        |
| 7.7                 | Main Evaluation Question 4 – Information and Publicity .....       | 160        |
| 7.8                 | Main Evaluation Question 5 – Project Portfolio and Selection ..... | 161        |
| <b>ANNEXES.....</b> |  | <b>162</b> |
| Annex 1             | – Basic Progress Table.....  | 162        |
| Annex 2             | – DCA: Basic Table by OP Priority Axis .....                       | 163        |
| Annex 3             | – Categorisation of Beneficiaries .....                            | 164        |
| Annex 4             | – NSRF Call for Proposals: Schedule.....                           | 165        |
| Annex 5             | – Projects Financed Through the TA Priority Axis of each OP .....  | 165        |
| Annex 6             | – Project Selection Criteria: Methodological Tools Applied.....    | 167        |
| Annex 7             | – Project Selection Criteria: Efficiency & Effectiveness .....     | 169        |
| Annex 8             | – List of Literature Consulted to Answer to Q5.....                | 170        |
| Annex 9             | – List of interviews and meetings.....                             | 172        |

## LIST OF ACRONYMS

|         |  |
|---------|--|
| ACIS    | Authority for Coordination of Structural Instruments           |
| BEUR    | Billion Euros  |
| CF      | Cohesion Fund  |
| CP      | Communication Plan   |
| DAC     | (OP) Administrative Capacity Development                       |
| ECU     | Evaluation Central Unit  |
| ENPI    | European Neighbourhood and Partnership Instrument              |
| ENV     | (SOP) Environment  |
| ERDF    | European Regional Development Fund                             |
| ESC     | Evaluation Steering Committee                                  |
| ESF     | European Social Fund   |
| ETC     | European Territorial Cooperation                               |
| EU      | European Union   |
| EUR     | Euro   |
| FID     | Framework Implementation Document                              |
| GD      | Government Decision  |
| GEO     | Government Emergency Ordinance                                 |
| HRD     | Human Resources Development                                    |
| IB      | Intermediate Body  |
| IE      | Interim Evaluation   |
| IEC     | (SOP) Increase of Economic Competitiveness                     |
| I&P     | Information and Publicity                                      |
| IPA     | (Single) Instrument for Pre-accession Assistance               |
| JASPERS | Joint Assistance to Support Projects in European Regions       |
| JEREMIE | Joint European Resources for Micro-to-Medium Enterprises       |
| JMA     | Joint Managing Authority                                       |
| JOP     | Joint Operational Programme                                    |
| JTS     | Joint Technical Secretariat                                    |
| IR      | Inception Report   |
| KAI     | Key Area of Intervention                                       |
| MA      | Managing Authority   |
| MC      | Monitoring Committee   |
| MEUR    | Million Euros  |
| M&I     | (SI) Management and Implementation                             |
| MRON    | Million Romanian Lei   |
| n.a.    | not available  |
| NCC     | National Coordination Committee                                |
| NDP     | National Development Plan                                      |
| NIP     | National Info Point  |
| NSRF    | National Strategic Reference Framework                         |
| OP      | Operational Programme  |
| OPTA    | OP Technical Assistance  |
| PA      | Priority Axis  |
| PRAG    | Practical Guide to Contract Procedures for EC External Actions |

|           |   |
|-----------|---|
| RCBI      | Regional Capacity Building Initiative                                 |
| ROP       | Regional Operational Programme  |
| RON       | Romanian Lei  |
| SI        | Structural Instruments  |
| S.M.A.R.T | Specific, Measurable, Available, Relevant and Time-bound (indicators) |
| SMIS      | Single Management Information System                                  |
| SOP       | Sectoral Operational Programme  |
| TA        | Technical Assistance  |
| ToR       | Terms of Reference  |

## TABLE OF FIGURES

|   |    |
|---|----|
| Table 1 – Project Summary .....   | 19 |
| Table 2 – Summary of the Project’s Objectives, Purpose and Expected Results .....                               | 19 |
| Table 3 – Main Evaluation Questions and Chapters .....  | 21 |
| Table 4 – Main Evaluation Questions, Tools and Techniques .....   | 21 |
| Figure 5 – Major Stages of the Application Process .....  | 22 |
| Table 6 – Overview of Beneficiary Questionnaires .....  | 23 |
| Table 7 – Colour coding of OPs in the Report .....  | 24 |
| Figure 8 – Position of NSRF .....   | 25 |
| Figure 9 – Internal Structure of the NSRF .....   | 26 |
| Table 10 – Annual Allocations by OP under the Convergence Objective (EU contributions; in EUR) .....            | 27 |
| Figure 11 – Split of NSRF Allocation by OP .....  | 30 |
| Figure 12 – Schedule for the Allocation of Funds for the Period 2007-13 .....                                   | 30 |
| Figure 13 – Concentration of Allocation of Funds for the Period 2007-13 .....                                   | 31 |
| Figure 14 – General Trend of Progress to Date and Extrapolation of Progress (in BRON) .....                     | 31 |
| Figure 15 – Main NSRF Progress Figures .....  | 32 |
| Figure 16 – Overview of Progress by OP .....  | 32 |
| Table 17 – Absorption and Progress by OP .....  | 33 |
| Figure 18 – Concentration of Approved Grants .....  | 34 |
| Figure 19 – Process Factors of Progress (based on the Results of the DCA) .....                                 | 34 |
| Table 20 – Process Factors of Progress (based on the Results of DCA); by OP .....                               | 36 |
| Table 21 – Process Factors of Progress (based on the Results of DCA); by OP .....                               | 37 |
| Table 22 – Process Factors of Progress (based on the Results of DCA); at 30/06/2009 and 2010; by OP; in % ..... | 37 |
| Figure 23 – Distribution of Approved Grants by Region and OP .....  | 38 |
| Figure 24 – Regional Distribution of Approved Grants .....  | 39 |
| Figure 25 – Public vs. Private Distribution of Approved Grants .....  | 39 |
| Figure 26 – Public vs. Private Distribution of Approved Grants by OP .....                                      | 39 |
| Figure 27 – Split of Approved Grants based on Beneficiary Types; by OP .....                                    | 40 |
| Figure 28 – CEE Comparison of GDP and Population vs. Total EU Funds .....                                       | 40 |
| Figure 29 – CEE Comparison of Progress based on Contracted Grants .....   | 41 |
| Figure 30 – CEE Comparison of Time-proportional Progress based on Contracted Grants .....                       | 41 |
| Table 31 – OP Priority Axis Categorisation by Progress Achieved .....   | 42 |
| Table 32 – Economic Trend Indicators .....  | 66 |
| Table 33 – Private Sector Credit and Lending .....  | 67 |
| Table 34 – Debt and Deficit .....   | 68 |
| Figure 35 – Project Implementation Experience .....   | 73 |
| Table 36 – Information Sources about Project Opportunities .....  | 74 |
| Table 37 – NCS Objectives, Target Groups and Instruments .....  | 83 |
| Figure 38 – Share of I&P Contracted Amounts – NSRF Level .....  | 86 |
| Table 40 – Sources of Information: Least Useful .....   | 87 |
| Table 41 – I&P projects Contracted – ROP .....  | 88 |
| Figure 42 – Share of I&P Contracted Amounts – ROP .....   | 89 |
| Table 43 – FID Indicators - ROP .....   | 90 |
| Table 44 – I&P Projects Contracted – SOP ENV .....  | 92 |
| Figure 45 – Share of I&P Contracted Amounts – SOP ENV .....   | 93 |
| Table 46 – FID Indicators – SOP ENV .....   | 94 |
| Table 47 – I&P Projects Contracted – SOP T .....  | 95 |



|  |     |
|--|-----|
| Figure 48 – Share of I&P Contracted Amounts – SOP T.....   | 96  |
| Table 49 – FID Indicators – SOP T.....   | 96  |
| Table 50 – I&P Projects Contracted – SOP IEC.....  | 98  |
| Figure 51 – Share of I&P Contracted Amounts – SOP IEC.....   | 98  |
| Table 52 – FID Indicators – SOP IEC.....   | 99  |
| Table 53 – I&P Projects Contracted – SOP HRD.....  | 101 |
| Figure 54 – Share of I&P Contracted Amounts – SOP HRD.....   | 101 |
| Table 55 – FID indicators – SOP HRD.....   | 102 |
| Table 56 – I&P Projects Contracted – OP DAC.....   | 103 |
| Figure 57 – Share of I&P Contracted Amounts – OP DAC.....  | 104 |
| Table 58 – FID Indicators – OP DAC.....  | 105 |
| Table 59 – I&P Projects Contracted – OPTA.....   | 106 |
| Figure 60 – Share of I&P Contracted Amounts – OPTA.....  | 106 |
| Table 61 – FID Indicators - OPTA.....  | 107 |
| Table 62 – I&P Projects Contracted – ETC RO-BG.....  | 108 |
| Figure 63 – Share of I&P Contracted Amounts – ETC RO-BG.....   | 109 |
| Table 64 – I&P Projects Contracted – Black Sea Basin JOP.....  | 110 |
| Figure 65 – Share of I&P Contracted Amounts – Black Sea Basin JOP.....   | 110 |
| Table 66 – FID Indicators – Black Sea Basin JOP.....   | 111 |
| Table 67 – I&P Projects Contracted – Romania-Ukraine-Moldova JOP.....  | 111 |
| Figure 68 – Share of I&P Contracted Amounts – Romania-Ukraine-Republic of Moldova JOP.....                         | 112 |
| Table 69 – I&P Projects Contracted – Romania-Serbia IPA CBC Programme.....   | 113 |
| Table 70 – Programme Indicators – Romania-Serbia IPA CBC Programme.....  | 113 |
| Table 71 – Preparedness of Project Idea.....   | 117 |
| Table 72 – Likelihood of Project Implementation without EU Support.....  | 118 |
| Figure 73a – Appropriateness of Selection Criteria.....  | 118 |
| Table 73b – Appropriateness of Selection Criteria.....   | 118 |
| Figure 74 – NSRF Institutional System.....   | 119 |
| Figure 75 – Hampering Factors of Project Implementation.....   | 123 |
| Figure 76 – Hampering Factors of Project Implementation.....   | 123 |
| Figure 77 – Full-time HR Resource Allocations at MAs.....  | 125 |
| Figure 78 – Use of MA HR Capacities.....   | 125 |
| Table 79 – Overview of the Capacity of the Institutional System.....   | 126 |
| Table 80 – Support Received.....   | 127 |
| Figure 81 – Survey Response: Beneficiaries’ Suggestions to Improve the Implementation System.....                  | 129 |
| Table 82 – Sampled Interventions Selected for Assessing the Efficiency and Effectiveness of Project Selection..... | 130 |
| Table 83 – Objectives of the Thematic Priorities of the NSRF.....  | 131 |
| Table 84 – PA vs. Objectives Interconnection Template for Q5 evaluation.....                                       | 132 |
| Table 85 – Effectiveness & Efficiency: Productive Sector.....  | 133 |
| Table 86 – Effectiveness & Efficiency: RTDI.....   | 134 |
| Table 87 – Effectiveness & Efficiency: Social Infrastructure.....  | 135 |
| Table 88 – Effectiveness & Efficiency: Business Environment.....   | 135 |
| Table 89 – Effectiveness & Efficiency: Tourism.....  | 136 |
| Table 90 – Effectiveness & Efficiency: Education & Training.....   | 137 |
| Table 91 – Effectiveness & Efficiency: Life-long Learning.....   | 138 |
| Table 92 – Effectiveness & Efficiency: Public Policy.....  | 139 |
| Table 93 – Effectiveness & Efficiency: Road.....   | 140 |
| Table 94 – Effectiveness & Efficiency: Water.....  | 141 |
| Table 95 – Good Practice: Effectiveness & Eligibility Criteria.....  | 143 |

|   |     |
|---|-----|
| Table 96 – Good Practice: Effectiveness & Project Selection Criteria.....       | 143 |
| Table 97 – TA by OP and KAI – 30 June 2009 based on DCA Analysis (in MRON)..... | 145 |
| Table 98 – Types of TA Activity by OP .....                                     | 146 |
| Table 99 – Degree of Satisfaction with TA under Phare, ISPA and SI .....        | 147 |

## **PREAMBLE**

The present document is the final version of the Evaluation Report for the first component, entitled *A Formative Evaluation of Structural Instruments in Romania*, of the technical assistance (TA) project *Conducting Evaluations for the period 2009-2010*, implemented under the contract *Carrying out Evaluations during the Implementation of the National Strategic Reference Framework (NSRF) and the Operational Programme Technical Assistance (OPTA)* concluded between the Authority for Coordination of Structural Instruments (ACIS) of the Ministry of Public Finance (the ‘Contracting Authority’) and a consortium composed of KMPG Romania SRL (leader), GEA Strategy & Consulting and Pluriconsult (the ‘Consortium’).

This Evaluation Report presents the findings, conclusions and recommendations emanating from research and analysis designed to answer salient questions with regard to the performance, implementation, support, awareness and procurement modalities of Structural Instruments (SI) in Romania.

The cut-off date for the data used in the evaluation is 30 June 2009, unless otherwise indicated.

## EXECUTIVE SUMMARY

The Evaluation Central Unit (ECU) of the Authority for the Coordination of Structural Instruments (ACIS), engaged a consortium formed by KPMG Romania, GEA S&C and Pluriconsult for the project *Conducting Evaluations for the Period 2009-10* under a contract with number 13/02.10.2009 and entitled *Carrying out Evaluations during the Implementation of the National Strategic Reference Framework (NSRF) and the Operational Programme Technical Assistance (OPTA)*. The duration of the contract covers the period 13 October 2009 – 12 April 2011.

The project has two main components, the first being a *Formative Evaluation of Structural Instruments in Romania* and the second encompassing four other evaluations, including an interim evaluation (IE) of the Operational Programme (OP) Technical Assistance (TA), the preparation of a Synthesis Report of all IEs carried out in 2009-10, as well as two *ad hoc* evaluations on thematic or cross-cutting issues, as required by the Contracting Authority.

The present report covers the formative evaluation under the first project component. The ToR for the formative evaluation state as its overall objective: *to contribute to strengthening the overall coordination of the SI implementation and to the development of an appropriate administrative system aiming at providing a mutual level of knowledge and experience among different actors involved.*

To achieve these objectives, the ToR expect results of the work under the component in the form of answers to five *Main Evaluation Questions* – numbered Q1 to Q5 – as follows:

- **Q1** What is the real performance of the SI under implementation in Romania related to: (**Q1a**) the expectations and the goals set; and (**Q1b**) the capacity of the entities involved in their implementation?
- **Q2** What are the major critical factors (**Q2a**: external and **Q2b**: internal) influencing the performance of the SI?
- **Q3** How well did the technical assistance support SI management and implementation?
- **Q4** Have adequate information and publicity measures been taken to reach the targeted audience?
- **Q5** Are the project pipelines and project selection processes appropriate for creating the conditions for achieving efficiency and effectiveness of SI implementation?

The project team used a wide variety of methods to formulate answers to these questions. The core of the methodology was formed by a *de-composition analysis*<sup>1</sup> of a wealth of data gathered through documentation review and data requests addressed to stakeholders, and validated through questionnaire-based surveys, interviews, focus groups sessions, workshops and meetings of relevant working groups. The stakeholders included ACIS, the Managing Authorities (MA) and Implementing Bodies (IB) engaged in the Structural Instruments (SI) management and implementation system, as well as (representatives of) beneficiaries of SI interventions.

The formative evaluation was carried out in the period October 2009 and July 2010. The cut-off date for the evaluation was 30 June 2009, unless otherwise indicated.<sup>2</sup>

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<sup>1</sup> The decomposition analysis involves the calculation of ratios for signal milestones along the path of approval, contracting, implementation and payment for SI-funded activities. Each of the ratios allows the drawing of conclusions on overall progress of the NSRF at large and the individual OPs involved [for, respectively, Regional Development (ROP), Environment (SOP ENV), Transport (SOP T), Human Resources Development (SOP HRD), Increasing Economic Competitiveness (SOP IEC), Public Administration Development (SOP DAC), Technical Assistance (OPTA) and European Territorial Cooperation (ETC)].

<sup>2</sup> In some instances, the data used in the report were updated to end-June 2010.

## ***General Conclusions and Recommendations***

### ***Main conclusions:***

The evaluation found that the SI management and implementation system in Romania has not yet managed to scale the administrative burden involved in the procurement and financial management and control relative to the complexity of interventions, individual projects and the risk of default and fraud attaching to them.

Another feature of the Romanian SI system is concerns the tendency to ‘gold-plate’, i.e. the system requiring 100% control coverage and many levels of checks. The cost involved in control and audit, in terms of human resources and time, is not always tailored to the financial and moral hazard involved in less-than-perfect enforcement of applicable rules and regulations.

### ***Main recommendations:***

A key overall recommendation is that ACIS and the MAs ensure that the administrative arrangements pertaining to SI implementation are proportional to the potential risk attaching to interventions. To this end, ACIS and the MAs are advised to adopt a classification of interventions (such as *simple, normal, complex*) according to their total budgets, complexity and risk of the project implementation and sustainability, and to re-design the project selection mechanism so as to match that classification of interventions. This approach would allow the selection of projects for *simple* interventions based only on eligibility criteria; general calls for proposals would apply to *normal* interventions and be based not only on eligibility but also on scored project selection criteria; individual appraisals based on strict, preset criteria would be apply only to *complex* interventions.

In addition, ACIS is recommended to investigate – on the basis of the findings of individual OP-level interim evaluations – what options exist for funds re-allocation to counteract the effects of the current economic downturn, the perceived and projected absorption capacity of interventions and the demand registered by potential beneficiaries. This applies especially to issues such as allocation/concentration of funds and the balance of private/public targeting).

## ***Specific Conclusions and Recommendations (Q1-Q5)***

***Q1*** *What is the real performance of the SI under implementation in Romania related to: (Q1a) the expectations and the goals set; and (Q1b) the capacity of the entities involved in their implementation?*

### ***Main Conclusions:***

At the evaluation cut-off date, 30 June 2009, the volume of payments carried out amounted to 1.5% of the total allocation. This volume is very low when considered in proportion to the time that has elapsed since the start of the programme. The fact that this ratio had increased to only 3.7% by 30 June 2010 makes this issue even more urgent. In fact, the current pace of payment constitutes a major risk in terms of ensuring full absorption, as the paid grant amount is likely to reach the initial allocation in 2020.

The planning of interventions is not always satisfactory and has led to a number of OP priorities axes (across the board) not taking off as early as intended or with a lower mobilisation tempo than envisaged.

The OPs are structured in such a way that annual allocations tend to rise over the period 2007-13. In all cases, with the possible exception of SOP IEC, this has resulted in end-loaded programmes in terms of beneficiary access to SI grants. The interviews conducted during the evaluation have shown this pacing of access to allocations to have been intentional, partly because of a desire on the part of the planners to reassure beneficiaries there would always be access to the support. However, the consequence of the end-loaded character of OPs is that a very large volume of interventions must be requested and processed in the later years of the NSRF’s duration. This may cause ‘bunching up’ of approvals in 2012-13 and payments during the years 2013-15. This in turn may put severe stress on domestic co-financing capacity during a period of uncertain economic stability from the present perspective.

The Romanian NSRF is heavily orientated towards the public sector and shows up a relatively high representation of public sector organisations amongst its applicants and beneficiaries; higher at least than one would expect of a set of interventions targeting both the private and public sectors. It is understood that this public sector bias is founded upon an assessment by the authorities that the efficiency of the public sector forms a major factor in underpinning private sector development. Seen in this light, the authorities have drawn an apposite consequence.

There are capacity problems within most MAs and IBs related to the large number of unfilled and 'inactive' positions. In spite of the high level of visibility of these problems, coupled with a general awareness within the administration that something must be done to solve them, solutions have proved to be elusive to date. In the present economic climate and in the aftermath of the financial crisis, solutions will continue to be hard to find.

The staff turnover rate, by many thought to be very high, turns out to be within the bounds of the acceptable, averaging at less than 10%. This turnover rate may be considered acceptable, especially in view of the fact that the larger part of staff consists of younger persons, not afraid to try out different options and likely to switch jobs in search of the best possible career path.

Lack of capacity can be a problem at those OPs where both the allocated grants/employee ratio and the expected projects/employee ratio are high. SOP IEC and SOP HRD are cases in point. This is a result of the fact that the methods of application evaluation and approval are very similar and take similar amounts of staff time, regardless of the number and value of applications under a given intervention.

The options open to MAs in case of non-performance of one or more of its IBs are few and largely limited to: (i) exhorting IBs to perform better; or (ii) taking back functions. Re-absorbing the executive functions delegated to those IBs, however, may aggravate the MA's own existing capacity issues or may be the cause of a capacity problem emerging.

#### Main Recommendations:

ACIS is recommended to develop measures in the form of a system of rewards and sanctions in respect of acceleration of payment processes in order to enable the full absorption of SI by the disbursement deadline set for the current programming period (i.e. 2015) and enhancing public entities' motivation to seek reimbursement of pre-financed contributions.

ACIS and the MAs are recommended to prepare – in the course of the fourth quarter of 2010 and a deadline of 31 December 2010 – an additional (*Action Plan 2011-13*) for each OP for the period of 2011-2013, with a view to detailing the measures for ascertaining funds absorption.

ACIS, the MAs and IBs are advised to re-examine critically all interventions that have not been launched or showing limited progress (i.e. low demand from beneficiaries). Should it be concluded that interventions are not capable of achieving their targets, it is recommended that they be cancelled and the funds re-allocated to more promising interventions.

ACIS, the MAs and IBs are recommended to continue to find the ways and means to fill the unfilled and 'non-active' positions – if necessary on a temporary basis with appropriate emoluments – to prevent the current lack of capacity and capability from continuing to hamper the implementation of the programmes and endanger funds absorption.

ACIS, the MAs and the IBs are advised that the respective roles of MA and IB deserve clear separation and delineation. The MA should focus on policy and strategic issues, while the IB should be more responsible for operations at project level. The relationship between the MA and the IB would preferably be defined in terms of a contractual relationship between, respectively, 'client' and 'provider'.

ACIS, the MAs and the IBs are recommended to design and introduce an 'demand planning'-system to manage the timing of calls for proposals, thus forestalling excessive peaks in the receipt and processing of applications.

*Q2 What are the major critical factors (Q2a: external and Q2b: internal) influencing the performance of the SI?*

Main conclusions:

Across the board, procurement procedures under the SI in Romania tend to be slow, due to complicated procurement legislation, interpretation differences and the ingrained habit of contesting selection procedure outcomes. The management and control procedures under Romanian law are stricter in places than the EU's SI-related Financial Regulations stipulate.

Beneficiary small and medium-sized enterprises in Romania continue to encounter difficulties in accessing the bridging loans necessary for pre-financing the external contributions under SI interventions, because of stricter lending policies of commercial banks in the aftermath of the financial crisis and during the current economic crisis.

No genuine human resources policy for administrative entities seems to have been designed and implemented, in spite of the fact that several training programmes – also targeting the MAs and national IBs – having been implemented over the past decade. Decisions related to staff numbers and the hiring and firing of staff appear not based on a clear assessment of the mandate and workload of the different departments in the administration. Recent decisions related to cutting MA/IBs staff numbers and salaries is likely to impact SI absorption negatively.

SI implementation appears negatively affected by a series of overarching, policy-related factors, in particular a lack of correlation in strategic, legislative and financial terms. SI strategies (as embodied in the NSRF and the individual OPs) appear insufficiently anchored in the overall national development strategy. This leads to a lack of correlation between the legislation governing SI implementation and other relevant pieces of national legislation. Illustrative in this context is the fact that, although efforts have been made to ensure pre- and co-financing of projects through loans, this mechanism does not function smoothly in practice.

The problems resulting from internal factors are generally not related to a lack of procedures and regulations, or low quality documentation thereof. The quality of the manuals explaining the regulations and detailing the application of procedures is generally good.

The fact that all MAs and many IBs form part of the structures of their respective ministries and are subject to those ministries' internal operations and procedures is not the advantage it would *prima facie* appear to be. Differences between SI and internal procedures, combined with the fact that the SI entities have to compete for support services (legal, procurement, HR management and IT) within their ministry, poses efficiency problems. MAs and IBs have tried to address these problems by various means (contact persons, dedicated staff within support sections), but these are not always as effective as expected. This may be partly the result of the fact that SI-related incentives cause resentment on the part of ministry staff not receiving the same emoluments.

In those cases where IBs are not located in the same ministries as the MAs, problems of coordination and cooperation multiply. The cause of this is mainly that each ministry sets its own priorities and procedures, which cannot always be easily reconciled with those of other ministries. The vertical lines of responsibility cannot be avoided, which makes the horizontal cooperation that is often essential, difficult.

The lack of instruments to enforce good performance is primarily a function of the fact that the financing of IBs is not dependent on their performance in terms of their framework agreement with the MA. At the level of individual staff members, remuneration is not linked to performance targets and paid irrespectively of the quality and quantity of work done.

In theory, MAs can terminate the framework agreement with an IB, but in practice they would re-absorb delegated tasks in case of low performance by that IB. This practice does not contribute to further development of the operational capacity of the IB or the system at large, because it blurs the necessary separation of policy making, on the one hand, and execution, on the other hand. It also puts stress on the operational capacity of the MA itself and is therefore unsustainable in the longer term.

Main recommendations:

Responsible policy makers and ACIS are recommended to carry out a revision of the public procurement legislation and regulatory framework in place, in order to ensure that the legislation and regulations does not themselves constitute a brake on the absorption of SI funds in Romania.

ACIS and relevant MAs are advised that there exists an urgent need for dedicated instruments designed to assist SMEs in getting access to SI funds. One of the measures it is recommended to adopt is to relieve SMEs of the necessity to provide liquidity-reducing pre-financing guarantees, especially in the case of small-budget, moderate-risk interventions.

The Government is advised to establish and implement a human resources policy for all administration entities at central level. The policy would capitalise on the very substantial training effort undertaken over the past ten years. It should encompass a thorough training needs analysis, based on career development and performance management tools. The resources necessary to implement the policy and evaluate its effectiveness and impact on a continuous basis should be provided. Decisions regarding staff hiring and remuneration are recommended to take into account real staff performance.

For the next programming period (post-2013), ACIS and other relevant entities are advised to ensure coherence between SI-related strategies, on the one hand, and national policies, programmes and measures for fostering socio-economic development, on the other hand. It is recommended to involve in the SI coordination mechanisms not only ACIS and the MAs, but also ministries not hosting an MA or IB. At the same time, regional coordination mechanisms (e.g. similar to the Regional Committee for Strategic Correlation and Appraisal) should be created or reinforced.

ACIS, the MAs and the IBs are advised that especially the IBs should adopt and adhere to procedures and business processes suitable for the efficient and effective operation of SI interventions, even if these are different from the normal procedures and business processes within their host-entities (typically ministries). In the short-term this implies the separation of the IB within its host-entity. The separation in turns implies that the IB's access to the host-entity's support services should be made subject of a dedicated services agreement, specifying rights of access, service response times, costs and cost coverage.

ACIS, the MAs and the IBs are advised particularly for the next programming period, that, whereas MAs would continue to resort within the ambit of the relevant line ministry, IBs might well be separated from their host-entities and reconstituted as professional services providers with quasi-independent status, carrying out their SI-related activities on a payment-basis under services agreements with MAs.

**Q3** *How well did the technical assistance support the management and implementation of the SI?*

Main conclusions:

Salient SI-funded TA has so far not been used extensively due to the fact that there is still an "overhang" of pre-accession funds financed TA available at present. This overhang is about to be exhausted and it is likely that SI-funded TA under OPTA and the TA priority axes of each OP will meet with better demand in the period 2010-11. Another reason for the low uptake of SI-funded TA is the reluctance to spend on such measures under current budget constraints. It cannot be said at present when the co-financing situation will improve to the extent that more calls will be made on the SI-funded TA.

It must be considered unlikely that it will be possible to absorb all TA funding, in spite of the fact that there is a clear need for the TA (studies, study tours, process development, twinning, adoption of best practice and specialist training), because of the current state of the SI management and implementation system.

The slow uptake of SI-funded TA is another result of the difficult and slow procurement situation. The underlying causes consist of: (i) lack of experience and detailed knowledge required for ToR preparation; (ii) lack of human resources and time for the preparation of same; (iii) difficulties in accessing legal and public procurement services within ministries; and (iv) interference by procurement staff in the technical details of ToR.



Main recommendations:

In view of the current and likely persistent domestic budget constraints, ACIS and the MAs are recommended to explore the possibilities that may exist for utilising the externally financed part of TA allocations without or with reduced domestic co-financing, *inter alia* by expanding the list of eligible costs.

ACIS and the MAs are recommended to conduct, with the participation of all IBs, a joint needs assessment to identify areas where TA can be brought to bear relatively quickly and with most effect, giving special attention to those operations not yet launched yet or lagging behind (e.g. specialised surveys in support of planned operations, market studies and development needs, external support for the preparation of Action Plans 2011-13 for each OP, workshops and consultations with stakeholders in the context of elaborating calls for proposals, thematic evaluations and case studies of examples of good practice).

ACIS and the MAs are recommended to stress the need for increased TA utilisation under each OP, including OPTA, when reviewing the Implementation Framework Documents and preparing the Action Plans 2011-13.

**Q4** *Have adequate information and publicity measures been taken for reaching the targeted audience?*

Main conclusions:

Only a limited number of communication campaigns have been carried out, but that small number is not the main reason why SI progress is lagging behind expectations. The principal cause is the slow pace of approval and contracting of I&P measures. Secondly, the slow progress of the I&P interventions financed under the SI can be explained by the fact that Phare assistance substantially supported the communication activities until the cut-off date, thus decreasing the motivation to use SI resources.

This slow approval and contracting pace will likely prove insufficient for a complete absorption of the funds allocated to I&P actions.

It is difficult to assess the real impact of information and publicity at the cut-off date. Moreover, the assessment of effectiveness of the I&P measures is hampered by a lack of coherent Communication Plan (CP) objectives, a lack of consistency between CP, OP and Framework Implementation Document (FID) indicators, a clear predominance of output indicators instead of result ones (with the exception of indicators concerning the awareness level among the potential beneficiaries), which prevents assessing the impact of I&P interventions, as well as a poor connection between the effects of I&P measures and the absorption process of the SI.

Main recommendations:

Policy makers, ACIS and the MAs are recommended to update the National Strategy for Communication, as well as their respective CPs, *inter alia* on the basis of the findings of the interim evaluations of the OPs carried out in the period 2009-10.

ACIS and the MAs are recommended to improve the measurability of the CPs' achievements by setting up realistic, clear and coherent objectives, as well as a comprehensive S.M.A.R.T indicators system, based on adequately benchmarked targets. Clear identification of the indicators used to monitor the accomplishment of each specific objective will substantially enhance assessment of results and objective achievement (i.e. effectiveness of the information and publicity interventions).

Strictly observing the proportionality principle (i.e. by ensuring that only a limited number of indicators is included in the OPs), ACIS and the MAs are recommended to improve the coherence and consistency of the indicators established in CPs and those set out in OPs and FIDs, with a view to avoid duplication of effort.

ACIS and the MAs are recommended to measure on a regular basis, by means of surveys (promotion activities) or questionnaires (information activities), the impact of information and publicity actions. In the case of information activities, insight into issues such as the number of training participants submitting applications and the number of successful applicants who benefited

from previous training should be pursued, in addition to end-of-course participant satisfaction questionnaires.

*Q5 Are the project pipelines and project selection processes appropriate for creating the conditions for achieving efficiency and effectiveness of SI implementation?*

Main conclusions:

The eligibility criteria have less emphasis than project selection criteria in terms of efficiency and effectiveness. The filtering function of the eligibility criteria in respect of project selection and portfolio compositions is typically limited to regulatory compliance and legal issues. It has generally not led to the technical or financial filtering of applications.

Project selection criteria tend to reflect a much higher level of focus on both effectiveness and efficiency than eligibility criteria. This increases the chances of having a larger and better range of project ideas for selection, although it places a significant burden on the organisational units dealing with the registration, as well as the administrative, eligibility and technical-financial evaluation of the applications.

In respect of effectiveness, there appear to be no monitoring tools for keeping track of how the major policy issues that should shape and inform all levels of programming (NSRF, OPs, Applicant Guides) are served by the selection projects and the composition of portfolios.

In terms of efficiency, project selection and portfolio composition methods generally do not use internationally proven standards for counteracting the ‘dead-weight’ effect. Such might include a dedicated project for the selection of the potential group of beneficiaries by setting the eligibility and award criteria appropriately or the introduction of minimum and maximum grant sizes (using a scientific approach) for enabling developments whilst minimizing market distortion effects.

Main recommendations:

With regard to future calls for proposals, it is recommended that MAs and IBs ensure that eligibility criteria play a more important role than project selection criteria in the process of filtering applications. This can be done through improved identification of the types of potential applicants and the formulation of more sophisticated criteria.

MAs and IBs are advised that better targeting can be achieved through more precise interpretation of the objectives of NSRF thematic priorities. The *Action Plan 2011-13* provides the basis for that improved interpretation.

ACIS, MAs and IBs are recommended to make more use of the FID for the purpose of ensuring that major policy issues influence and form the basis for programming interventions at all levels (NSRF, OPs, Applicant Guides).

# 1. INTRODUCTION

## 1.1 Project Overview

The project [ref: **Table 1**] operates within the context of Romania's National Strategic Reference Framework (NSRF) for the period 2007-13, which provides medium-term planning for Romania's use of the resources provided under the Structural and Cohesion Funds, together referred to as SI.

**Table 1 – Project Summary**

|   |  |
|---|--|
| <b>Project Title</b>                    | A Formative Evaluation of Structural Instruments in Romania                              |
| <b>Project Number</b>                   | 13/02.10.2009  |
| <b>Beneficiary</b>                      | Evaluation Central Unit, Authority for the Coordination of Structural Instruments (ACIS) |
| <b>Contracting Authority</b>            | ACIS, Ministry of Public Finance, Romania  |
| <b>Project Starting Date / Duration</b> | 13 October 2009 / 18 months  |

The project's ToR identify as the general aim of the project to contribute to strengthening the overall coordination capacity of SI implementation in Romania and to the development of an appropriate administrative system aiming at providing a mutual level of knowledge and experience among different actors involved. In this context, the ToR require the project to carry out evaluations in the course of the implementation of the NSRF and the OPTA, i.e. so-called interim evaluations (IE). The project has two main components:

- Component 1 – NSRF Evaluation (the subject of the present report) concerns carrying out a formative evaluation of SI in Romania.
- Component 2 – Other Evaluations, which encompasses: (i) an interim evaluation of the OPTA; (ii) the preparation of a Synthesis Report of all interim evaluation reports on the OPs in Romania prepared in the period 2009-10; and (iii) the preparation of a number of *ad hoc* evaluations on thematic or cross-cutting issues, as required by the National Coordination Committee (NCC), the Monitoring Committee of OPTA (OPTA MC) or ACIS. **Table 2** summarises the objectives, purpose and expected results of the project at large, as well as its various components.

**Table 2 – Summary of the Project's Objectives, Purpose and Expected Results**

|                          |  |
|--------------------------|--|
| <b>Overall Objective</b> | The overall objective of the project is to contribute to the strengthening of the overall coordination of the SI implementation and to the development of an appropriate administrative system aiming at providing a mutual level of knowledge and experience among different actors involved.   |
| <b>Project Purpose</b>   | The specific objective of the project's NSRF component is to provide policy and decision makers, and programme managers with reliable information and knowledge on the performance of the SI in Romania to date.<br>The specific objective of the project's other evaluations is to make the evaluations included in the Multi-annual Evaluation Plans of the OPTA for the period 2008-09.   |
| <b>Expected Results</b>  | The results expected under Component 1, concerning the formative evaluation of SI in Romania encompass answers to five specific questions [ref: <b>Section 1.3.1</b> ].<br>The results expected of component 2 – other evaluations – are: <ul style="list-style-type: none"><li>▪ an Interim Evaluation report of the OPTA;<sup>3</sup></li><li>▪ a synthesis report based on the IE reports at OP level;<sup>4</sup></li><li>▪ <i>ad-hoc</i> evaluation reports, as required by the NCC, the OPTA MC or ACIS.<sup>5</sup></li></ul> |

<sup>3</sup> Work on the OPTA interim evaluation started with a Kick-off Seminar held on 27 January 2010 and is expected to be concluded end-May 2010.

<sup>4</sup> Work on the Synthesis Report commenced with a Kick-off Seminar held on 29 March and is expected to be completed in October 2010.

## 1.2 Component ToR

The ToR identify as the specific objective for the project's NSRF Evaluation component to provide policy and decision makers, as well as programme managers with reliable information and knowledge on the performance of the SI in Romania to date. The NSRF Evaluation should be *formative* in character and as such is expected to point out the external and internal critical factors affecting the efficiency and effectiveness of the SI, drawing the main lessons learned during the first year of SI implementation and outlining 'best practice' encountered among the participants in this process. In terms of results, the NSRF Evaluation should address and provide answers to five specific questions that will be covered in **Section 1.4**.

The following sections deal with the approach adopted for trying to answer these questions, the findings obtained and the conclusions arrived at.

## 1.3 Approach

### 1.3.1 Main Evaluation Questions

We have conducted our evaluation according to our understanding of the Main Evaluation Questions included in the ToR, namely:

- **Q1** What is the **real performance** of the SI under implementation in Romania related to: (**Q1a**) the expectations and the goals set; and (**Q1b**) the capacity of the entities involved in their implementation?
- **Q2** What are the **major critical factors** (**Q2a**: external and **Q2b**: internal) influencing the performance of the SI?
- **Q3** How well did the **technical assistance support** the management and implementation of the SI?
- **Q4** Have adequate **information and publicity measures** been taken for reaching the targeted audience?
- **Q5** Are the **project pipelines** and **project selection** processes appropriate for creating the conditions for achieving efficiency and effectiveness of SI implementation?

### Relationship between the Main Evaluation Questions and the Chapters of the Present Report

For reporting purposes, the order of the questions has been slightly amended, for two reasons. First, the amended order simplifies the structure of the report. Second, it helps to filter out any overlapping of the answers to the Main Evaluation Questions.

The relationship between the Main Evaluation Questions and the various sections of the present report is depicted in the next table [ref: **Table 3**].

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<sup>5</sup> Work on the first *ad hoc* evaluation commissioned by the relevant authorities, dealing with *Challenges in the Capacity of Public and Private SI Beneficiaries*, started on 05 February 2010 and will be finalised in mid-June 2010.

**Table 3 – Main Evaluation Questions and Chapters**

| Question N° | Report Chapter/Section |
|-------------|------------------------|
| Q1a         | Chapter 2              |
| Q1b         | Section 4.2            |
| Q2a         | Chapter 3              |
| Q2b         | Chapter 4              |
| Q3          | Section 4.4            |
| Q4          | Section 3.2            |
| Q5          | Section 4.3            |

### Answering the Evaluation Questions

**Table 4 – Main Evaluation Questions, Tools and Techniques**

| Question N° | Tools & Techniques          |            |                        |             |            |              |           |
|-------------|-----------------------------|------------|------------------------|-------------|------------|--------------|-----------|
|             | Existent documents analysis | Data-bases | On-line Questionnaires | Check-lists | Interviews | Focus Groups | Workshops |
| Q1/a        | ✓                           | ✓          |                        |             | ✓          |              |           |
| Q1/b        | ✓                           |            |                        |             | ✓          |              |           |
| Q2a         | ✓                           | ✓          | ✓                      |             | ✓          |              | ✓         |
| Q2b         |                             | ✓          | ✓                      | ✓           | ✓          | ✓            |           |
| Q3          | ✓                           | ✓          |                        |             | ✓          |              | ✓         |
| Q4          |                             | ✓          | ✓                      |             | ✓          |              |           |
| Q5          | ✓                           | ✓          |                        |             |            |              |           |

The Consortium has carried out extensive documentation review and database analysis to create a solid, evidence-based foundation for the assessment. By means of on-line questionnaires the Consortium collected primary data (e.g. opinions) from beneficiaries not obtainable through data analysis. Interviews were widely used for data collection and, more importantly, for verification of the assumptions deriving from document and data analysis. Focus groups were used to achieve better understanding of the internal factors affecting the performance of SI. The Consortium also conducted workshops to discuss its assumptions, findings and proposed recommendations, with regard to external factors, TA and Project selection and project portfolio [ref: **Table 4**].

#### 1.3.2 Methodology

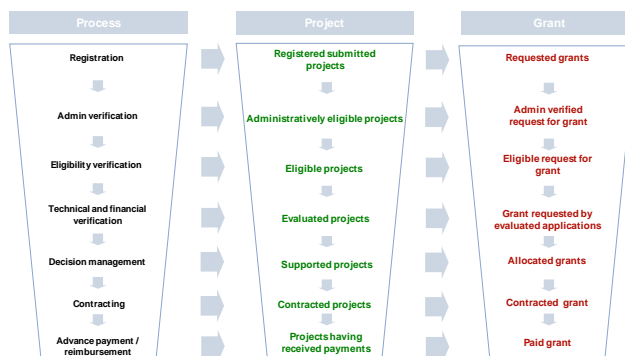
An evidence-based approach was used throughout; every effort has been made to give a factual basis to all statements by means of appropriate data collection and validation activities (e.g. beneficiary survey, interviews and focus group sessions).

The level at which the evaluation has been carried out was that of the NSRF overall. As a consequence, the analysis does not cover OP aspects below Priority Axis (PA) level. Our findings, conclusions and recommendations therefore mainly address NSRF-related strategic issues, and similar with regard to the PA level of each OP.

Amongst the major stages of the application process and the amounts involved in each of them (such as grants 'Requested', 'Approved', 'Contracted' and 'Paid'), the 'Approved Grants' stage provides the basic amounts for evaluation [ref: **Table 5**].

The underlying assumption is that, once a project has been found both eligible and supportable, it is a straightforward administrative matter to sign the contract and pay out the sum involved.

**Figure 5 – Major Stages of the Application Process**



This approach was necessary as the current figures on contracted projects are statistically much less significant than approved projects. This simplification serves the purpose of allowing meaningful evaluation of the status of implementation at the cut-off date.

### 1.3.3 Data Sources

#### General Considerations

The project's Inception Report identified 30 June 2009 as the data collection cut-off date for the evaluation. Hence, that date serves as the default date for quantitative information used as input for the evaluation. In a limited number of cases more recent data were used to assist the formulation of more viable recommendations.

#### Database of Applications

The main database used for evaluation purposes was created using data from a variety of sources. The main data set originated from the Single Management Information System (SMIS). Since this data set was not complete and in places lacking in accuracy and precision, more data sources (including MA and IB databases) had to be involved. The basic database thus created was cross-checked with figures from official monthly project progress reports.

As there was still considerable difference between the two datasets, (the one being the consolidated version of the Consortium data set and the other the data set originating from monthly progress reporting, which was used as a basis for validation) the Consortium convened a data validation meeting with the participation of the relevant MAs, which followed-up by providing additional data on the basis of a specific data completion request on the part of the evaluators.

The accuracy of data (calculated as the average difference between the totals based on the monthly progress reports at the evaluation cut-off date and the aggregated totals of the evaluation database (concerning, respectively, the number of applications and the sums involved in each) amounts to 98.5%. The likely impact of data availability on the accuracy of the findings of the evaluation may consequently be considered minimal. Some minor differences may occur in respect of project portfolio related analyses but only to a statistically insignificant extent (less than 10%)

All figures presented in the document (e.g. grants requested, approved, contracted or paid) by default include both the EU-financed and domestic contributions in order to facilitate the comparison between various stages of the application process. The instances where only EU contribution figures are used (as in the case of 'allocations') are marked with 'EU'.

#### Interviews

In the course of the evaluation, the evaluators conducted interview with the Heads of all MAs, as well as MA experts. The interviews can be divided into two groups:

- **Progress interviews:** These interviews served the purpose of gathering, together with the Heads for the MAs, more information and sharing first impressions and preliminary findings. All these used a standardised presentation with the first results of the data analysis, the decomposition analysis (DCA) and portfolio analysis.
- **Capacity and capability interviews:** These interviews took place within the framework of a specific data collection activity. A data request sheet was issued to each MA and IB for the purpose of assessing the capacities and capabilities of their respective institutional systems. Upon receipt of the response, the interviews served to discuss pertinent issues in detail.

## Workshops

Two workshops were designed to facilitate data collection, share the evaluators' findings and receive feedback on preliminary conclusions. Each of the workshops concerned a specific focus area of the evaluation:

- external factors (held on 17 February 2010); and
- technical assistance (15 March 2010).

## Focus Group

A focus group with the participation of relevant MA and IB representatives was organised on 01 March 2010, for the purpose of gathering additional information on the issue of institutional capacities and capabilities.

## On-line Questionnaire to Beneficiaries

An on-line questionnaire was addressed at all beneficiaries, i.e. public and private sector recipients of support under the NSRF OPs. The questionnaire was launched on 03 February 2010 and was closed on 01/03/2010. The response amounted to a total of 608 entries, 449 of which were fully completed. The response represented 16% of the entire beneficiary population. Unfortunately there were no evaluable responses from the beneficiaries of SOP T and ETC RO-BG; therefore, we did not take these two OPs into consideration in the evaluation.

In the current report we incorporated the results of the processing and analysis of the questionnaire.

**Table 6** shows the split of answers by OP.

**Table 6 – Overview of Beneficiary Questionnaires**

|               | N° of Returned Questionnaires | Total N° of Beneficiaries | % of Total |
|---------------|-------------------------------|---------------------------|------------|
| ROP           | 129                           | 579                       | 22%        |
| SOP ENV       | 18                            | 42                        | 43%        |
| SOP T         | 1                             | 13                        | 8%         |
| SOP IEC       | 117                           | 853                       | 14%        |
| SOP HRD       | 150                           | 826                       | 18%        |
| OP DAC        | 30                            | 50                        | 60%        |
| OPTA          | 4                             | 12                        | 33%        |
| ETC RO-BG     | 0                             | 47                        | 0%         |
| Not specified | 160                           | n.a                       | n.a        |
| <b>Total</b>  | <b>609</b>                    | <b>2 422</b>              | <b>25%</b> |

### 1.3.4 Assumptions

Given the fact there were no structured, comparable data, the project initiated additional data collection, along with data validation and clarification. In spite of the project's continuous efforts to arrive at a complete integrated data set, there was still information missing at the end of the data

validation phase. To fill in the gaps, the team had to make a number of assumptions and do some estimates:

- region and county information are based on locality data (i.e. the address of the beneficiary), rather than locality of project implementation<sup>6</sup>;
- the analysis of the split rural/urban was based on locality data provided by ACIS;
- if the database included the financial agreement date for a project, that project was regarded as having been ‘contracted’, regardless of other status information;
- projects without a financial agreement date and proper status information were considered as having passed technical and financial verification but not yet ‘approved’;
- where data on an entity’s legal status was only partly completed, that legal status was deducted from available call for proposal information (e.g. in the case of an SME or a named Ministry).

### 1.3.5 Technical Issues










#### Order of Appearance of the OPs

To enhance the readability of this report, the tables and charts included in it use a standardised order of appearance of OPs throughout. That order can be found in the first row of the following table.

#### Colour Coding

For the same purpose, all charts, figures and tables in the document have a strict colour coding. The NSRF at large and each of the OPs (except for those that had not achieved progress in the course of the reporting period<sup>7</sup>) have a colour assigned to it, as in the table below [ref: **Table 7**].

**Table 7 – Colour coding of OPs in the Report**

| OP                 | ROP   | SOP ENV   | SOP T   | SOP IEC   | SOP HRD   | OP DAC   | OP TA   | ETC RO-BG   | NSRF  |
|--------------------|---|---|---|---|---|--|---|---|---|
| Rank of appearance | 1   | 2   | 3   | 4   | 5   | 6  | 7   | 8   |   |
| Colour             |  |  |  |  |  |  |  |  |  |

#### Internal Structure of the Document

The report consists of five main chapters and the annexes:

- Chapter 2: **Performance of the Structural Instruments** presents the current status of progress of the NSRF, its OPs and PAs;
- Chapter 3: **External Factors** provides an overview of external factors potentially influencing the current performance of the SI;
- Chapter 4: **Advertisement and Awareness** presents to assessment of the Information and publicity measures;
- Chapter 5: **Internal Factors** summarises the internal reasons affecting the progress and performance of the NSRF;

<sup>6</sup> The reason for this is that the evaluators could avail of data referring to project implementation locality for roughly one third of the applicants (also given the fact that SMIS contains this data for selected projects only. Using this – statistically significant – sample, the evaluators tested the correlation of beneficiary address and project implementation location. The correlation was found to be close to 98%. Taking this finding into account, the analysis based on beneficiary address may be considered adequate for evaluation.

<sup>7</sup> ETC Black Sea, ETC RO-UK-MO and ETC RO-SRB Programmes.



- Chapter 6: **Conclusions** sums up our findings and conclusions with regard to each of the Main Evaluation Questions.
- Chapter 7: **Recommendations** summarises the consortium’s recommendations by the Main Evaluation Questions.

## 1.4 The National Strategic Framework

### 1.4.1 NSRF Function

Its NSRF for the period 2007-13 represents the firm commitment of the Government of Romania to the *Community Strategic Guidelines on Cohesion (2007-2013)*, which set out the principles and priorities on cohesion policy throughout the European Union. In addition, the NSRF reflects the *Integrated Guidelines on Growth and Jobs (the renewed Lisbon Agenda)*. In line with these European guidelines, Romania’s NSRF not only promotes innovation, development of the business environment and improvement of ICT accessibility, but also supports economic growth and employment by increasing the level of skills and adaptability of employees and businesses, as well as enhancing social inclusion.

The NSRF originates from the Government’s *National Development Plan (NDP)*, which sets out the roadmap for Romania for the period 2007-13. Thus, the NSRF takes account of the national priorities by synthesizing the key elements of the NDP. The main differences between Romania’s NSRF and its NDP consist of the following:

- the NSRF 2007-2013 is the Romanian global strategy for using the Structural and Cohesion Funds, being financed exclusively by the SI and the corresponding national co-financing;
- the NDP 2007-2013 is the national strategic planning document supported by all public financial resources (State budget, local budgets, EU financing, loans and other funding sources available to Romania);
- unlike the NSRF, the NDP also encompasses the strategic development frameworks for agriculture, rural communities and fisheries as laid down in the National Strategic Plans for, respectively, Rural Development and Fisheries.

The NSRF is consistent with other national policies, plans and strategies, including the National Strategy on Sustainable Development (*Horizon 2025*), the *National Spatial Plan*, the *National Reform Programme*, as well as the national strategies for the energy, SMEs, RDI and ITC (sub-) sectors.

The inter-relations between the NDP, the NSRF and the European Instruments are presented in **Figure 8**.

**Figure 8 – Position of NSRF**



## 1.4.2 NSRF Structure

The NSRF 2007-13 envisages that EU Structural and Cohesion Funds will contribute to achieving the following global objective:

***Reducing the economic and social development disparities between Romania and the EU Member States, by generating a 15-20% additional growth of GDP by 2015***

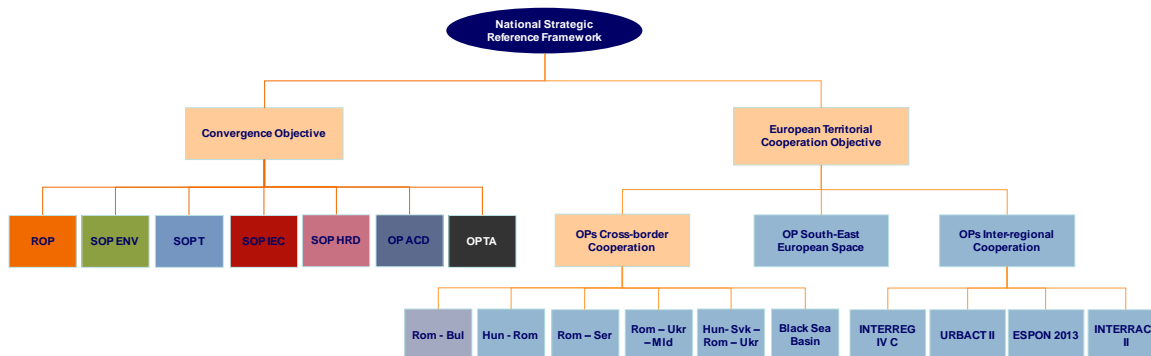
This general NSRF objective is further detailed by four specific **thematic priorities**:

- **Development of basic infrastructure to European standards**, which is focused on supporting the provision of infrastructure of fundamental importance for long-term growth of Romania (in the areas of transport, environment, energy efficiency and renewable energy);
- **Increase of long-term competitiveness of the Romanian economy**, which addresses the low productivity and innovativeness of the national economy and consists of supporting SMEs, as well as promoting research, innovation and the information society;
- **Development and more efficient use of Romania's human capital**, which provides support to the education and training systems, improves the adaptability of workers and enterprises, and increases the level of education, vocational skills and entrepreneurial spirit;
- **Development of an effective administrative capacity**, which aims at improving the capacity of the public administration by increasing the quality of decision-making processes and the efficiency standards in public services delivery.

Flanking these thematic priorities, Romanian NSRF contains a territorial priority, which addresses regional problem areas in order to prevent widening regional disparities.

Romania has translated the general priorities in the NSRF into 7 OPs. The structure of the Romanian NSRF and the OPs covered by the *Convergence* and the *European Territorial Cooperation* objectives are outlined in the following diagram [ref: **Figure 9**].

**Figure 9 – Internal Structure of the NSRF**



The **Regional Operational Programme (ROP)** envisages boosting local development potential with ERDF support of around 3.7 billion Euros (BEUR) and focuses on the development of urban growth poles, the improvement of regional transport and social infrastructure, the development of business environment and the promotion of tourist activities.

The largest programme in terms of budget allocation (EU contribution: around 4.6 BEUR) is the national programme for transport infrastructure: **SOP Transport (SOP T)**, which includes ERDF and CF investments targeted at developing and upgrading TEN-T and national infrastructure, as well as promoting inter-modal transport.

**SOP Environment (SOP ENV)** has a Community participation of almost 4.5 BEUR (from the ERDF and the CF) and is aimed at supporting access to adequate public utilities and improving environmental conditions through investment in drinking water and wastewater systems, solid waste facilities and district heating systems.

**SOP Increase of Economic Competitiveness** (SOP IEC) benefits of EU support (ERDF) of around 2.6 BEUR. It envisages increasing the productivity of Romanian companies operating in the productive sector (especially SMEs), setting-up of new enterprises and developing the entrepreneurship, promoting research and innovation activities in enterprises and state-owned research institutions, development of ICT infrastructure and increasing energy efficiency.

**SOP Human Resources Development** (SOP HRD) is the fourth-largest OP in terms of financial allocation (the Community participation, from the ESF, amounting to 3.5 BEUR). It supports a wide range of activities, including: improvement of training and education systems, development of life long learning, improvement of adaptability of employees and businesses, promotion of active employment measures in order to decrease unemployment and improvement of vulnerable groups' access and participation to the labour market.

**OP Administrative Capacity Development** (OP DAC) has a total ESF contribution of about 0.21 BEUR, targeted at promoting good governance, improving decision making processes and enhancing decentralisation.

**OP Technical Assistance** (OPTA) aims at improving the implementation of the SI, strengthening the operation of SMIS and promoting the Structural Funds (ERDF contribution of 0.17 BEUR).

A total of 19.2 BEUR has been made available to Romania under the *Convergence* objective for which the entire Romanian territory is eligible [ref: **Table 10**].

**Table 10 – Annual Allocations by OP under the Convergence Objective (EU contributions; in EUR)**

| OP           | Fund Type | Total                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 |
|--------------|-----------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| ROP          | ERDF      | 3,726,021,762         | 330,168,339          | 404,126,047          | 441,135,485          | 523,721,833          | 556,767,943          | 663,832,914          | 806,269,201          |
| SOP ENV      | ERDF/CF   | 4,512,470,138         | 272,372,736          | 437,302,592          | 578,507,217          | 683,350,731          | 761,146,030          | 848,813,721          | 930,977,111          |
| SOP T        | ERDF/CF   | 4,565,937,295         | 251,957,363          | 441,348,842          | 614,332,066          | 729,632,669          | 785,525,000          | 841,697,425          | 901,443,930          |
| SOP IEC      | ERDF      | 2,554,222,109         | 170,464,211          | 194,837,789          | 364,964,902          | 485,640,935          | 507,263,253          | 435,815,005          | 395,236,014          |
| SOP HRD      | ESF       | 3,476,144,996         | 212,973,834          | 330,141,809          | 452,584,803          | 538,429,514          | 595,593,519          | 666,545,305          | 679,876,212          |
| OP DAC       | ESF       | 208,002,622           | 20,162,952           | 28,143,236           | 40,850,990           | 41,668,010           | 29,865,828           | 24,604,847           | 22,706,759           |
| OPTA         | ERDF      | 170,237,790           | 16,979,328           | 18,401,347           | 20,977,535           | 24,775,573           | 27,568,456           | 30,463,144           | 31,072,407           |
| <b>Total</b> |           | <b>19,213,036,712</b> | <b>1,275,078,763</b> | <b>1,854,301,662</b> | <b>2,513,352,998</b> | <b>3,027,219,265</b> | <b>3,263,730,029</b> | <b>3,511,772,361</b> | <b>3,767,581,634</b> |

Under the *European Territorial Cooperation* objective, Romania benefits from Community support through 11 OPs, prepared in cooperation with the EU and non-EU countries: Hungary-Romania CBC Programme, Romania-Bulgaria CBC Programme, Romania-Republic of Serbia IPA CBC Programme, Romania-Ukraine-Moldova JOP, Hungary-Slovakia-Romania-Ukraine ENPI CBC Programme, Black Sea Basin JOP, South-East Europe Transnational Programme, INTERREG IVC Programme, URBACT II Programme, ESPON 2013 Programme and INTERRACT II Programme. The total allocation for Romania under the *European Territorial Cooperation* objective is around 0.46 BEUR.

Out of the aforementioned programmes, 4 ETC OPs are coordinated by the Romanian authorities (Ministry of Regional Development and Tourism): Romania-Bulgaria CBC Programme, Romania-Republic of Serbia IPA CBC Programme, Romania-Ukraine-Moldova JOP and Black Sea Basin JOP. The Programmes have an overall EU contribution (ERDF, IPA and ENPI) of 381.4 MEUR<sup>8</sup> in support of infrastructure (mainly transport), ICT and environmental interventions with cross-border impact, other joint activities and cooperation networks in the fields of cross-border economic exchange, tourism, R&D, education and culture, as well as exchanges of 'best practice' and trainings in fields of common interest for the communities on both sides of the border.

<sup>8</sup> In case of the Romania-Republic of Serbia CBC Programme, the IPA budget is not available for the entire programming period (2007-2013), covering only the 2007-2009 period.

### 1.4.3 NSRF Institutional System

The institutional framework for the coordination and management of SI in Romania was set-up by Government Decision (GD) N° 497/2004 (amended and supplemented by GD N° 1179/2004 and GD N° 128/2006). GD N° 457/2008 has since replaced the original decision.

In line with the stipulations of Council Regulation (EC) N° 1083/2006, which lays down the general regulations on the ERDF, the ESF and the CF, Romania has established the national institutional system involved in the management of SI. Thus, the entities involved in the management and implementation of SI are the following: ACIS, Managing Authorities (MAs), Intermediate Bodies (IBs), the Certifying and Paying Authority, as well as the Audit Authority (AA).

**ACIS** (within the Ministry of Public Finance) acts as the national coordinator of SI, being responsible for the development of the institutional and legal frameworks for ensuring coordination and coherence between the OPs and between these and the NRDP and the OP for Fisheries.

A **Managing Authority** (MA) has been designated for each OP under the *Convergence* objective. The MAs are responsible for ensuring the efficient and correct management and implementation of their respective OPs. MAs may delegate certain tasks to IBs, but they retain overall responsibility for the appropriate execution of delegated tasks.

In respect of the *European Territorial Cooperation* objective, four MAs, all within the Ministry of Regional Development and Tourism, have been designated for each OP coordinated by the Romanian side (i.e. the CBC OPs Romania-Bulgaria, CBC Romania-Serbia, CBC Romania-Ukraine-Moldavia, and CBC Black Sea). In case of the OPs coordinated by entities outside Romania's borders, National Authorities (NAs) are responsible for the coordination of the programming process within Romania, support of the programme implementation, financial management of the funds, as well as recovery of any unduly spent amounts. All NAs form part of the Ministry of Regional Development and Tourism.

The scope of the NSRF Evaluation concerns all seven *Convergence* OPs, as well as the 4 ETC OPs under the responsibility of Romanian MAs. With regard to the latter, only one, Romania-Bulgaria has started.

## 2. PERFORMANCE OF THE STRUCTURAL INSTRUMENTS

This chapter discusses answers to the first part of Main Evaluation Question 1:

Q1a What is the real performance of SI under implementation in Romania, related to expectations and goals set?

We have adopted a two-pronged approach to answering this question. First, we observed and hereby present the findings in respect of real performance based on facts and evidence-based data analysis. Second, we present a synthesis of findings yielded by qualitative evaluation techniques.

We have addressed concerns raised by DG REGIO on the methodology in respect of comparing OPs of different character, such SOP IEC, SOP HRD and ROP, on the one hand, and SOPs T and ENV, on the other hand, and we have used data analysis to create a solid basis for evaluation. However, the assessment of progress does not rely solely on quantitative data. We comment on the current progress of the NSRF and its OPs in terms of our perspective on the absorption achievable by the end of the implementation period.

In this chapter, we first cover general NSRF-level progress issues. Further on we dedicate a section to a presentation of our findings concerning each of the OPs that are subject of the evaluation.

### 2.1 NSRF-Level

#### 2.1.1 Introduction

We measure the current status of progress of the NSRF using two main indicators, namely:

- **Progress (%)**, i.e.; approved grants / allocation; and
- **Absorption (%)**, i.e.: paid grants / allocation.

For a better understanding of the current status of progress, we used not only the 2007-13 (or 2007-15, using the N+3/ N+2 rule) period as a reference period, but also the period 2007-09, since the planners themselves assigned initial allocation values to this period. The 2007-09 figures help to assess time-proportional progress achieved in the first 2.5 years of implementation.

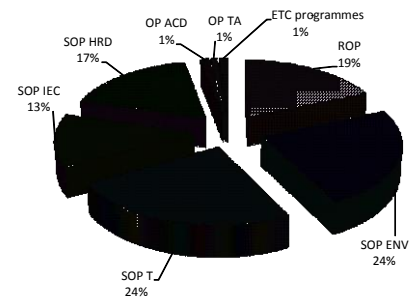
All data analysis presented in the following sections, is based on a central data set collected and validated by ACIS up to the cut-off date of 30 June 2009. All data include EU and domestic budget figures as the basis for all calculations. Where necessary for the calculations, we have applied a fixed RON/EUR exchange rate of 4.21/1.00. As previously stated, each OP has been a colour-coded, for ease of reference the document.

## 2.1.2 Allocation

The initial allocation acts as the basic reference point for comparing the financial resources to the progress made. The scope of the evaluation does not include individual assessment of allocations (that is a main function of *ex ante* evaluation). However an overview of the allocation is necessary for understanding progress figures [ref: **Figure 11**].

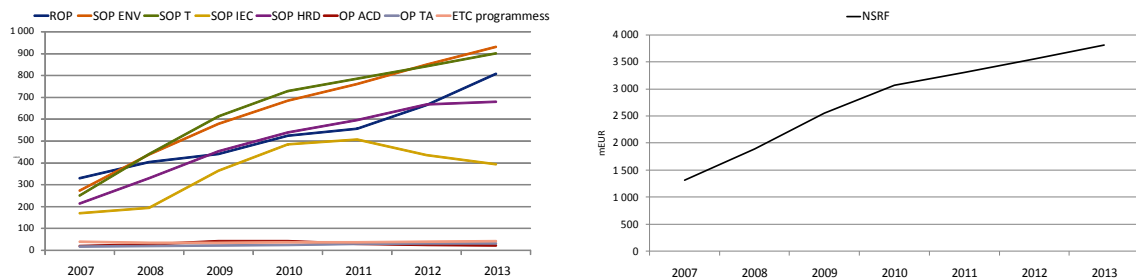
The total allocation of the NSRF for the period 2007-13 (EU) is 82 909 MRON\* (19 269 MEUR). For the 2007-09 period the total NSRF allocation (EU) is 24 013 MRON (5 699 MEUR).

**Figure 11 – Split of NSRF Allocation by OP**



The ratio of the allocation for the period 2007-09 to the allocation for the period 2007-13 is 29.4%. This indicates that the first three years of the nine-year implementation period use 30% of the total allocation, which means that the programmes under the NSRF programmes are generally end-loaded. The following chart shows the distribution of allocations over the implementation period [ref: **Figure 12**].

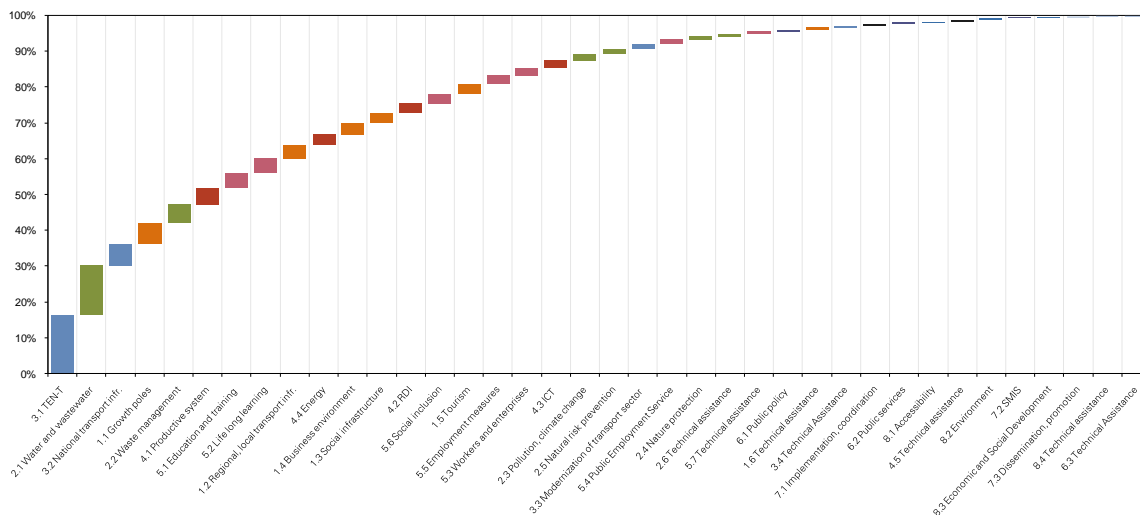
**Figure 12 – Schedule for the Allocation of Funds for the Period 2007-13**



In summary, the larger part of NSRF funds will be made accessible to potential applicants only in the second half of the implementation period. Therefore the reference values for the first years of implementation are even lower than what the share of years covered would indicate.

The allocation figures further reveal a considerable **concentration of grants** [ref: **Figure 13**]. A breakdown at the level of OP Priority Axes (as presented in the next chart) shows that only five OP Priority Axes take up about half of the total NSRF allocation, mainly from SOP T and SOP ENV.

**Figure 13 – Concentration of Allocation of Funds for the Period 2007-13**



### 2.1.3 Progress

#### Progress vs. Time Proportional Allocation (2007-09)

Figure 14 sets off the time-proportional progress of the NSRF against planned absorption:

**Figure 14 – General Trend of Progress to Date and Extrapolation of Progress (in BRON)**

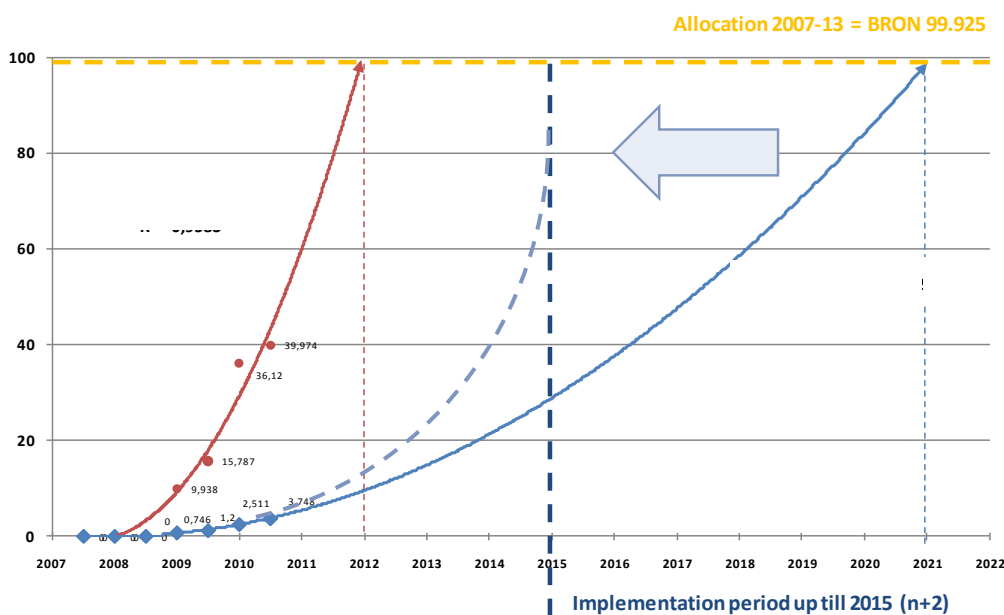


Figure 14 shows the current progress and absorption figures (i.e. the purple approved and the blue paid grant amounts) on a semi-annual basis. The orange line shows the total amount of allocation available for absorption. Based on historical figures, a trend line has been calculated for the existing values in order to assess the potential of current performance by the end of the programming period (i.e. 2007-13, and 2007-15 taking into account the N+2 rule).

The approach of the extrapolation is a polynomial one so as to consider the effects of the learning curve and the normal delays in the beginning of the period. Applying this approach, both trend lines show very high correlation with the existing values (96% for approved and more than 99% for

the paid amounts). This indicates that the trend lines are well established in the light of the current figures.

The figure shows that the approved grant amount is likely to reach the initial allocation of 82.29 BRON by end-2011. This estimate is reassuring, as there will be – in that case – still three years left for the implementation and administrative closure of the programmes.

However, with regard to payments the situation is less promising with payments. Applying the above methodology, and based on current payment rates, payments would probably reach the allocation only by the end of 2020. Bearing in mind that all payments should be finalised by the end of 2015 it is obvious that the current pace of payment constitutes a major risk in terms of ensuring absorption. The trend points to a risk that an amount will have to be returned to EC, because Romania was not able to use all available resources within the given timeframe.

### Progress vs. Allocation (2007-13)

The main indicators for current NSRF performance of the NSRF are:

- Progress (approved grants vs. allocation): 13.9%; and
- Absorption (payment grants vs. allocation): 1.5%.

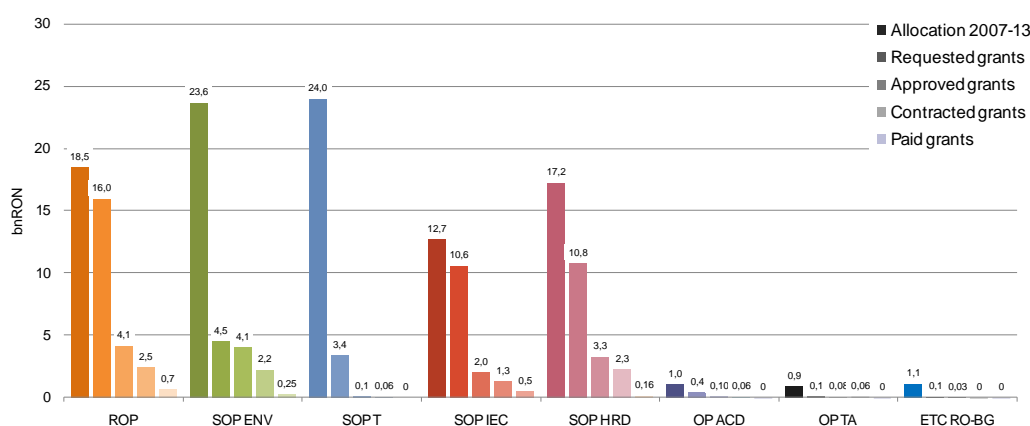
At the cut-off date, a seventh part of NSRF resources had been approved and 1.5% paid out to beneficiaries as pre-financing or reimbursement. The indicators values are calculated using the figures in **Figure 15**.

**Figure 15 – Main NSRF Progress Figures**

| Stage            | MRON   | MEUR   | % of allocation |
|------------------|--------|--------|-----------------|
| Allocation       | 99 925 | 23 716 | 100%            |
| Requested grant  | 45 768 | 10 862 | 46%             |
| Approved grant   | 13 786 | 3 272  | 14%             |
| Contracted grant | 8 443  | 2 004  | 9%              |
| Total financing  | 1 366  | 324    | 1%              |

The next chart [ref: **Figure 16**] shows the main status figures of NSRF progress, broken down by OP.

**Figure 16 – Overview of Progress by OP<sup>9</sup>**



The chart makes it clear that there are significant differences between OPs in terms of progress:

- **ROP** applicants have shown great interest in the OP, with a high volume of approved grants and a relatively high value of payments at the cut-off date;
- **SOP ENV** approval and contracting process is sound, in that it meets most of the demand for grants thus far;
- **SOP T** Contracting and draw-down of funds has not yet started;

<sup>9</sup> Other ETC programmes subject to this evaluation (Black Sea, RO-UK-MO and RO-SRB are not included in the figure, as none of them had started by the cut-off date of the current evaluation (30/06/2010).



- **SOP IEC** is very popular with high approval and contracting values, and with some payments already made;
- **SOP HRD** shows up a reassuring level of approved and contracted grants. At the cut-off date, its payment process had only just started;
- **OP DAC** requests coming in systematically and with time-proportional figures for approved grants and contracted grants;
- **OPTA** so far shows only moderate progress in contributing to the management of other OPs;
- **ETC RO-BG** has just started. However the main reason for the relatively low progress is the selection of the cut-off date,<sup>10</sup> as the OP has shown good progress recently.
- **ETC RO-SRB, ETC RO-UK-MO** and **ETC Black Sea** show no progress at the cut-off date.

**Table 17** summarises the main progress indicators by OP.

**Table 17 – Absorption and Progress by OP**

ROP and SOP IEC are leading the ranks, where **absorption** is concerned, with figures of around 3.5%. At the other extreme, SOP T and OPTA have not started payments. OP DAC should be included in the same group.

As for the **progress** (based on approved grants) ROP is again in pole position, with SOP ENV, SOP IEC and SOP HRD also having fairly good values. OP DAC and OPTA have not yet reached the figure of 10%, while SOP T value is close to zero.

A table giving an overview on the main status figures in respect of progress by OP can be found in **Annex 1**.

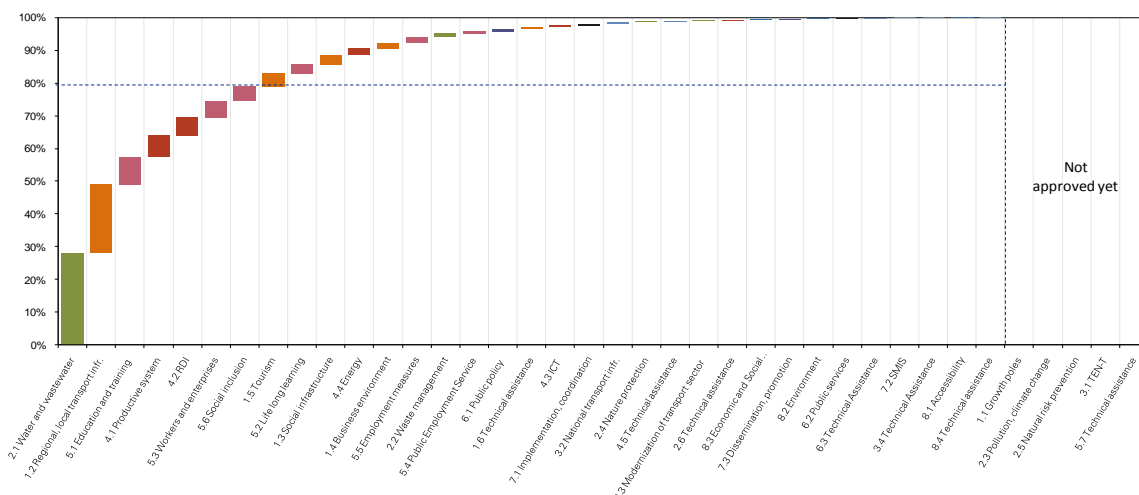
| OP            | Absorption<br>2007-13 | Progress<br>2007-13 |
|---------------|-----------------------|---------------------|
| ROP           | 3.5%                  | 22.4%               |
| SOP ENV       | 1.1%                  | 17.1%               |
| SOP T         | 0.0%                  | 0.4%                |
| SOP IEC       | 3.6%                  | 15.8%               |
| SOP HRD       | 0.1%                  | 16%                 |
| OP DAC        | 0.1%                  | 9.9%                |
| OPTA          | 0.02%                 | 8.8%                |
| ETC RO-BG     | 0.01%                 | 3.1%                |
| ETC RO-SRB    | 0%                    | 0%                  |
| ETC RO-UK-MO  | 0%                    | 0%                  |
| ETC Black Sea | 0%                    | 0%                  |

### Concentration of Approved Grants

The approved grant volume (which constitutes the basis for the **progress** ratio) shows up a very high degree of concentration [ref: **Figure 18**]. This concentration reflects (i) the number of calls being open in the given period, (ii) the popularity of interventions amongst applicants; and (iii) the smoothness of the administrative process related to application assessment.

<sup>10</sup> At the reporting cut-off date (30 June 2009), the popularity ratio was 7%, i.e. a very low value. However, only 2 months later, on 30 August 2009, that same ratio amounted to around 400%, a very high one.

**Figure 18 – Concentration of Approved Grants**

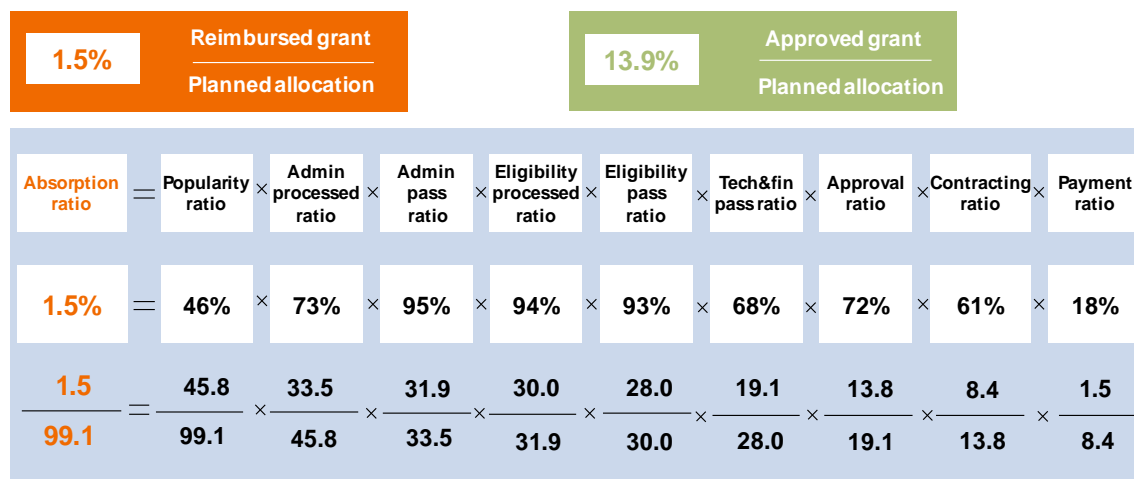


The *Pareto Principle* seems to be reflected in the fact that seven priority axes (almost 20% of the total number) cover 80% of approved grants across all OPs. The two most significant operations in terms of the volume of approved grants (SOP ENV – 1.2 Water and Wastewater Management and ROP – 2.1 Regional Transport Development) account for close to half of the total volume of approved grants and have thus made a major contribution to NSRF progress to date.

### Process Factors Behind Progress

An examination of current absorption and progress ratios for the entire NSRF and for the OPs individually shows that the NSRF has a relatively low popularity ratio, very high administrative and eligibility verification pass ratios, an appropriate approval ratio, a relatively high contract ratio and a moderate payment ratio. The values for each ratio are set out in **Figure 19**.

**Figure 19 – Process Factors of Progress (based on the Results of the DCA)**



The following interpretation of the ratios related to progress at the cut-off date (30/06/2009), based on our findings, can be given<sup>11</sup>:

- **Popularity ratio** (requested grant/allocation, value: 46%). The relatively low popularity rate is a result of two factors. First, the information and publicity (I&P) measures do not yet operate efficiently. Second, no real needs assessment preceded the launching of the calls. Consequently, there appears to have been a gap between, on the one hand, the development needs and implementation capacities of the potential applicants and, on the other hand, the objectives and

<sup>11</sup> The presentation and interpretation of progress-related ratios at the cut-off date can be found in Section 2.1.3, Sub-section Progress Outlook (30/06/2009).

criteria pertaining to the calls for applications. Another reason derives from the fact that many of the large infrastructure related development projects under SOP T, SOP ENV and also ROP are still under preparation.

- **Admin processed ratio** (admin processed grant/requested grant, value; 73%). Three out of four incoming applications have been processed. This relatively high figure likely reflects efficient processing and the institutional and human resources capacity and capability to carry out verifications rapidly.
- **Admin pass ratio** (admin passed grant/admin processed grant, value: 95%). This high value positively reflects both the simplicity and clarity of the basic administrative criteria, as well as the potential beneficiaries' understanding of and compliance with those criteria.
- **Eligibility processed ratio** (eligibility processed grant/admin passed grant, value; 94%). The figure is close to 100%, which indicates that nearly all applications that passed administrative verification were assessed for eligibility immediately. The combination of high values for both admin and eligibility verification suggests that there may be an opportunity to merge these two stages into a single one.
- **Eligibility pass ratio** (eligibility passed grant/eligibility processed grant, value: 93%): This very high ratio indicates that the eligibility criteria were well understood by applicants and presumably also that the guidelines included in the calls for applications clearly set out the formal eligibility criteria (e.g. target group, grant size and eligible costs). Of course, not in all cases were the eligibility criteria very strict, which may bias the ratio towards the positive.
- **Tech&fin pass ratio** (tech&fin passed grant/eligibility passed grant, value: 68%): This impressively high figure reflects the ability on the part of applicants to draw up sound and feasible project plans.
- **Approval ratio** (approved grant/tech&fin passed grant, value: 72%). The – likewise acceptable – approval ratio is the outcome of two major factors. First, the speed of the application process, as represented by the relatively short period between the MA verifying a project and formally approving it. Second, the need for further decisions before the final approval can be made, combined with running out of available grant monies in some rare cases.
- **Contracting ratio** (contracted grant/approved grant, value: 61%). The – relatively high – value for this ratio indicates that moving from approval to signing the financial agreement between the MA and the beneficiary takes little time.
- **Payment ratio** (paid grant/contracted grant, value: 18%). This value is the only rather low ratio of the decomposition equation. It indicates that not even 2 out of every 5 contracted projects had received a payment (advance or reimbursement) at the cut-off date. As such this ratio reflects a real bottleneck for absorption. It is to be noted that individual project implementation processes are also at a rather early stage, which causes a lack of payments effected (due from a lack of claims).

In summary, the lack of payments initiated, on the one hand, and the (as yet) relatively low demand for support, on the other hand, seem to be the main obstacles on the path towards absorption. In contrast, the speed of the verification and contracting processes may be considered key stimuli for absorption.

### **OP-level Factors Determining Progress**

The main ratios yielded by the process analysis help to identifying the most important factors underlying the progress figures. Breaking down the ratios to OP-level, as summarised in the following table [ref: **Table 20**], illustrates these factors further.

**Table 20 – Process Factors of Progress (based on the Results of DCA); by OP**

|               | Popularity rate | Admin processed ratio | Admin pass ratio | Eligibility processed ratio | Eligibility pass ratio | Tech&fin pass ratio | Approval ratio | Contracting ratio | Payment ratio |
|---------------|-----------------|-----------------------|------------------|-----------------------------|------------------------|---------------------|----------------|-------------------|---------------|
| ROP           | 86%             | 100%                  | 100%             | 91%                         | 95%                    | 74%                 | 41%            | 59%               | 27%           |
| SOP ENV       | 19%             | 100%                  | 100%             | 96%                         | 100%                   | 100%                | 94%            | 55%               | 11%           |
| SOP T         | 14%             | 100%                  | 100%             | 98%                         | 77%                    | 38%                 | 10%            | 66%               | 0%            |
| SOP IEC       | 84%             | 87%                   | 82%              | 97%                         | 94%                    | 50%                 | 59%            | 65%               | 35%           |
| SOP HRD       | 57%             | 98%                   | 100%             | 100%                        | 71%                    | 50%                 | 82%            | 58%               | 10%           |
| OP DAC        | 39%             | 100%                  | 100%             | 92%                         | 85%                    | 44%                 | 74%            | 0%                | 1%            |
| OPTA          | 11%             | 100%                  | 100%             | 92%                         | 100%                   | 94%                 | 97%            | 76%               | 0%            |
| ETC RO-BG     | 5%              | 100%                  | 81%              | 100%                        | 91%                    | 95%                 | 83%            | 4%                | 8%            |
| ETC RO-SRB    | 0%              | 0%                    | 0%               | 0%                          | 0%                     | 0%                  | 0%             | 0%                | 0%            |
| ETC RO-UK-MO  | 0%              | 0%                    | 0%               | 0%                          | 0%                     | 0%                  | 0%             | 0%                | 0%            |
| ETC Black Sea | 0%              | 0%                    | 0%               | 0%                          | 0%                     | 0%                  | 0%             | 0%                | 0%            |
| <b>NSRF</b>   | <b>46%</b>      | <b>73%</b>            | <b>95%</b>       | <b>94%</b>                  | <b>93%</b>             | <b>68%</b>          | <b>72%</b>     | <b>61%</b>        | <b>18%</b>    |

There are no major differences between the various OPs, nor do they significantly differ from the averages for the NSRF as a whole. There are a few exceptions, which are set out in **red type** in **Table 20**. Popularity and technical financial verification pass figures cover the main problematic areas, together with low payment ratios. However, all process and most pass rates (except that of technical financial verification) of the application procedures show a very sound situation in the case of all OPs.

Two ratios play a major role as early warning indicators of faltering absorption, i.e. the popularity and *payment* ratios. Looking at the figures in the table row-by-row (that is, by OP) it is clear that SOP T appears to be in lagging, if we consider the raw progress figures. However, it should be noted that the apparent lag is largely due to the fact that in the case of large infrastructure investments it takes years to prepare funding applications (*inter alia* due to the need for detailed planning, feasibility and other environment studies and compliance with other regulations). Therefore the low progress ratios for the SOP T can therefore not be interpreted as indicators for the OP is lagging in real time or as an early warning indicator for low absorption.

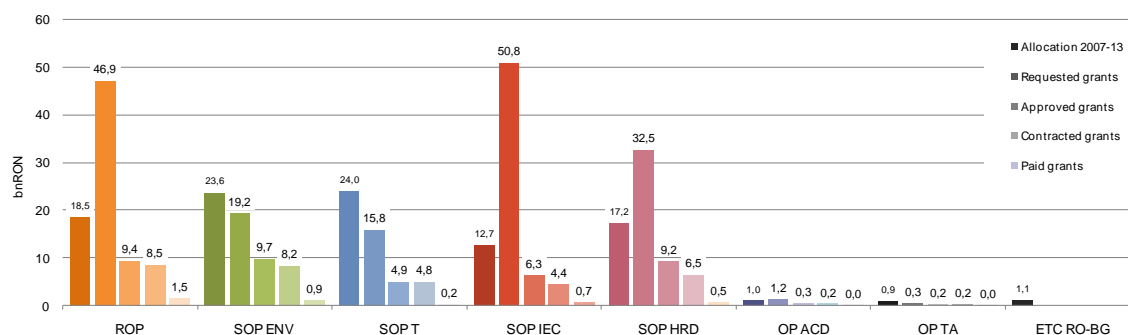
OPTA is the other OP raising concerns as a result of the very low demand for the support available under it and the zero payments initiated so far. The present situation reflects a serious risk in absorbing funds in due time. The table summarizing the most important figures (grant volumes by stage and by OP PA) can be found in the Annex.

### **Progress Outlook (as 30/06/2010)**

This chapter intends to provide updates on significant factors of progress in order to illustrate that the main findings, conclusions and recommendations of the present evaluation can also rely on a more up-to-date basis. The new data are not intended to alter the data valid at the evaluation cut-off data, but they may serve to acknowledge achievements since between the formal cut-off date and end-June 2010, when this report was in the process of finalisation. The new data also serve to support the relevance of the current report.

In the year that has passed since the cut-off date, there have been significant changes in the progress of the OPs as described by the following **Table 21**.

**Table 21 – Process Factors of Progress (based on the Results of DCA); by OP**



In comparison with the situation at the formal cut-off date (30/06/2009), the state of progress one year later (at 30/06/2010) shows that:

- **ROP** has more than doubled amount for approved grants, as a result of high popularity;
- **SOP ENV** has a four times higher demand, coupled with more than double the amount of approved grants;
- **SOP T** demand has caught up with allocations, with around one quarter of the accessible grant approved;
- **SOP HRD** shows a three-fold increase in terms of the amounts for grants requested and approved. At the cut-off date, its payment process had only just started;
- **OP ACD** has multiplied its salient figures (with a three times higher approved amount);
- **OP TA** shows a bit slower progress, but nevertheless doubled its approved grant amounts;
- **ETC RO-BG** has increased in popularity and has started to show significant progress.

The decomposition of influential factors of progress show the following picture [ref: **Table 22**]:

**Table 22 – Process Factors of Progress (based on the Results of DCA); at 30/06/2009 and 2010; by OP; in %**

|                                     | Popularity rate | Approval ratio | Contracting ratio | Payment ratio | Absorption ratio |
|-------------------------------------|-----------------|----------------|-------------------|---------------|------------------|
| ROP                                 | 254             | 20             | 90                | 17%           | 7,9%             |
| SOP ENV                             | 82              | 51             | 84                | 11%           | 3,8%             |
| SOP T                               | 66              | 31             | 100               | 3%            | 0,7%             |
| SOP IEC                             | 400             | 12             | 70                | 15%           | 5,1%             |
| SOP HRD                             | 189             | 28             | 70                | 8%            | 3,2%             |
| OP DAC                              | 116             | 25             | 82                | 7%            | 1,7%             |
| OPTA                                | 34              | 76             | 97                | 5%            | 1,3%             |
| <b>NSRF<sup>12</sup> 30/06/2010</b> | <b>168</b>      | <b>24</b>      | <b>82</b>         | <b>11%</b>    | <b>3,7%</b>      |
| <b>NSRF 30/06/2009</b>              | <b>46</b>       | <b>72</b>      | <b>61</b>         | <b>18%</b>    | <b>1,5%</b>      |

The comparison of the main de-composition ratios for the periods up to 30/06/2009 and 30/06/2010, respectively allows the identification of the factors underpinning these figures:

- **Popularity ratio:** there was a large increase in demand between the two dates because of: (i) the launching of more calls and interventions (particularly under SOP ENV and SOP T) as well as (ii) the large demand overhang for grants under SOP IEC and ROP;

<sup>12</sup> These figures concern the NSRF without the ETC Programmes.

- **Approval ratio:** the significant drop in this ration (from 72% to 24%) may be considered to indicate that the management an implementation system has capacity problems in coping with the registry, processing and evaluation of the large number of incoming applications;
- **Contracting ratio:** the further increase (from 61% to 82%) illustrates the sound administrative procedures for contracting in the post-selection phase;
- **Payment ratio:** that the ratio has not changed significantly (11% vs. 18%), may account for the fact that absorption shows only a 2.1% point increase over the one-year period since mid-2009.

#### 2.1.4 Project Portfolio

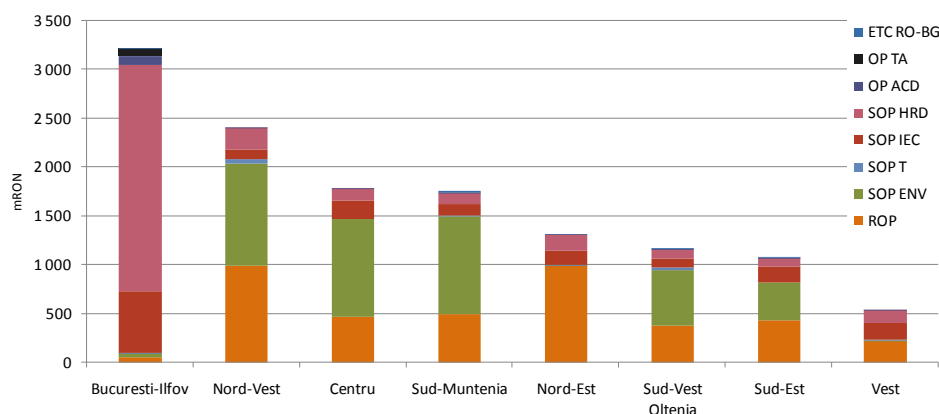
For our assessment of the project portfolio resulting from the application process we reviewed two main aspects, i.e. the territorial and the organisational distribution of grants.

#### Territorial Distribution of Approved Grants

For the evaluation of the **regional split** of grants, generally only the address of beneficiaries was available. However, the beneficiary address and the project implementation location shows up a 98% correlation based on the sample data set used as a basis. The beneficiary address can therefore be reliable held to represent also the project implementation location serve as the basis for the regional split.

The regional split set out in **Figure 23** demonstrates a strong – perhaps unintentional – preference for Bucuresti-Ilfov and the Nord-Vest region. The Vest region has the lowest number of interventions, accounting for only 4% of approved grants, as opposed to 24% for Bucuresti-Ilfov.

**Figure 23 – Distribution of Approved Grants by Region and OP**

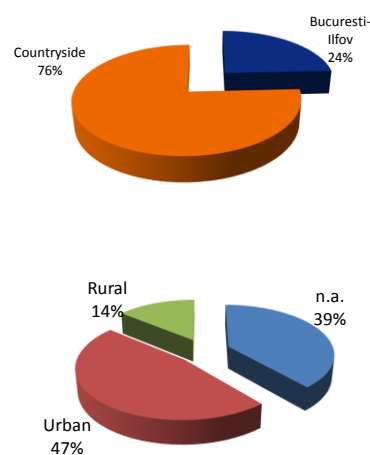


The chart seems to indicate that the SI interventions have resulted in more money being channelled to the more developed regions and less to the less developed ones, thus contributing to a widening development gap in between regions of Romania, and especially between the urban Bucuresti-Ilfov region and the predominantly rural regions.

It is also to be noted that the majority of the projects for Bucuresti-Ilfov in the chart have an effect on stakeholders all around the country (central developments for administrative capacity, employment, healthcare).

The **Bucuresti-Ilfov vs. countryside** split also shows that around ¼ of approved grants have been received by beneficiaries from this region. It is to be noted that the high figure for Bucuresti-Ilfov is largely due to the contribution of SOP HRD, which may be slightly misleading. Some of the funds received by public sector organisations disseminate small amounts to final beneficiaries whose locations are known, but who do not appear in the data sets at hand.

**Figure 24 – Regional Distribution of Approved Grants**

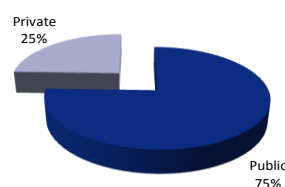


The chart showing approved grants allocated by **urban vs. rural** beneficiaries is instructive. Though a relatively large proportion (39%) of beneficiaries are hard to identify in terms of location, available data shows that whereas rural beneficiaries account for 14% of approved grants, urban beneficiaries account for almost half (47%) [ref: **Figure 24**].

### Organisational Split of Approved Grants

The types of beneficiaries show great variance across OPs. This is the natural consequence of the fact that different OPs address different target groups. However, initial allocations also show some preset preferences for benefitting one target group or another. In order to assess and draw conclusions on the typology of beneficiaries, two kinds of analysis were conducted: one to establish a basic split between the public and private sectors and another one for a more precise classification of beneficiaries.

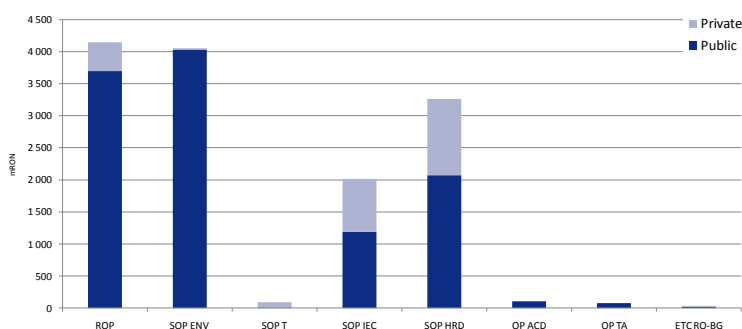
**Figure 25 – Public vs. Private Distribution of Approved Grants**



The first analysis shows the share of the public sector of the NSRF to be three-quarters [ref: **Figure 25**]. This is exceptionally high compared with that in other SI recipient countries. Public sector beneficiaries receive the larger share of approved grants under all OPs, with the exception of SOP IEC and SOP T, which are dominated by private sector, or – in the case of the transport sector – state entities. SOP ENV, SOP DAC and OPTA have only public sector beneficiaries [ref: **Figure 26**].

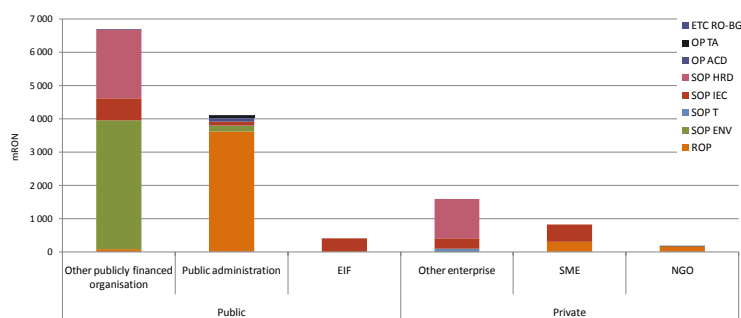
Considering the entire range of beneficiaries makes it apparent that other publicly financed organisations (and within that group mainly regional operators) have been allocated almost 7 BRON, thus accounting for close to half of approved grants. They are followed by public administration entities. Together these kinds of beneficiaries account for almost 70% of approved grants [ref: **Figure 27**].

**Figure 26 – Public vs. Private Distribution of Approved Grants by OP**



To demonstrate the diversity within the range of beneficiary groups, we have made up six categories (the categorisation can be found in **Annex 3**). It is interesting to see [ref: Figure 27] that the leading group of private sector beneficiaries (apart from the EIB, which handles the Jeremie programme<sup>13</sup>) in the ranking concerns ‘other enterprises’ with about 10% of approved grants (1.1 MRON).

**Figure 27 – Split of Approved Grants based on Beneficiary Types; by OP**



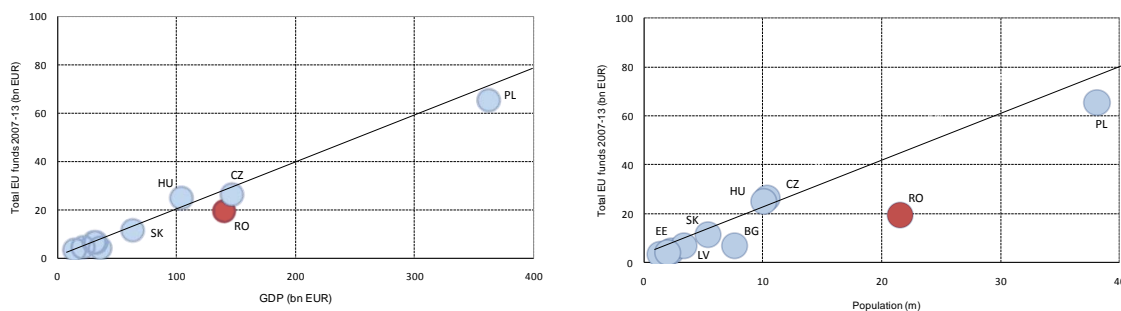
The high proportion of public sector beneficiaries raises a number of, rather contradictory, issues. First, the high proportion may be seen as supportive of progress due to the valuable contribution public sector entities may make towards developments. Second, it may pose an obstacle to absorption, since public entities tend to insist less than private sector ones on early reimbursement from the SI of monies first paid from their own budgets.

### 2.1.5 International Comparison

In the previous sub-sections we have covered the current status of progress and the project portfolio realised as a result of NSRF implementation. In this sub-section we intend to give an overview of the progress level in CEE comparison, including the 10 major CEE countries<sup>14</sup>.

The following two charts show the total volume of EU funds allocation vs. the GDP and population of the country, a solid line depicting the average ratio in CEE (the position of Romania is indicated in purple) [ref: **Figures 28 & 29**].

**Figure 28 – CEE Comparison of GDP and Population vs. Total EU Funds**



<sup>13</sup> JEREMIE (Joint European Resources for Micro to Medium Enterprises) provides the framework for a series of coherent financial actions to improve the financial environment for small businesses (medium, small and micro enterprises, known as SMEs) at national, regional and local level. Increasing small businesses’ access to finance and risk capital enables economic growth and competitiveness. (source: EIB). The Romanian Government has decided to confer the role of JEREMIE holding fund to the European Investment Fund by the award of a grant in accordance with art. 44(b) of Council Regulation (EC) N° 1083/2006 and subject to specific conditions laid down in art. 43 and 44 of Council Regulation (EC) N° 1828/2006. To this end, the Managing authority intends to contribute with an indicative sum of 100 million euro to the holding fund. A funding agreement *has been* concluded between the Managing Authority and the holding fund and will make provision for the competitive-based appraisal, selection and accreditation of financial intermediaries (Source: SOP IEC, approved version).

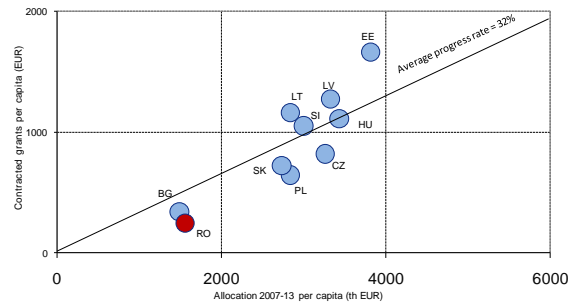
<sup>14</sup> Based on *EU Funds in CEE Countries – Progress Report 2009* (KPMG). This regular report covers not only ERDF, ESF and CF funds (as directly relevant to the NSRF) but also European Agricultural Fund for Rural Development and the European Fisheries Fund resources, and therefore they cannot be used for paired comparisons. However the trend of allocation and absorption can be understood through these charts.



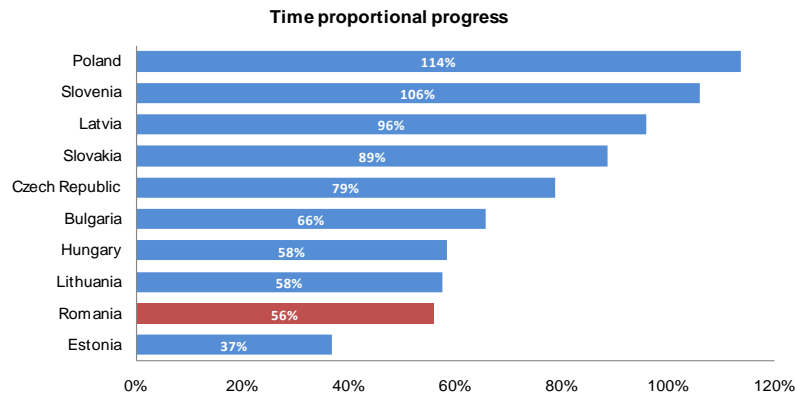
The approved vs. allocation figure (giving an indication about progress made) shows that Romania is under CEE average level (progress ratio of 16% vs. 25%).

In terms of time-proportional progress, Romania ranks ninth among the CEE countries (time-proportional progress rate calculated on contracted basis equals 56%) in the round up, with Estonia closing the ranks with 37% of grants approved [ref: **Figure 30**].

**Figure 29 – CEE Comparison of Progress based on Contracted Grants**



**Figure 30 – CEE Comparison of Time-proportional Progress based on Contracted Grants**



### 2.1.6 Priority Comparison

We have conducted several comparisons at OP PA level in order to identify good practice and areas for improvement in terms of progress.

The following table provides a broad overview and comparison of progress achieved by NSRF OP priority axis. The progress ratio (approved grant/allocation) forms the basis for the categorisation [ref: **Table 31**].

**Table 31 – OP Priority Axis Categorisation by Progress Achieved**

|               | Not started yet    | Below average (0-10%) | Average (10-25%) | Above average (>25%) |
|---------------|--------------------|-----------------------|------------------|----------------------|
| ROP           |                    | PA1, PA4              | PA3, PA5, PA6    | PA2                  |
| SOP ENV       | PA3, PA5           | PA2, PA4, PA6         |                  | PA1                  |
| SOP T         |                    | PA1, PA2, PA3, PA4    |                  |                      |
| SOP IEC       |                    | PA3, PA4, PA5         | PA1              | PA2                  |
| SOP HRD       | PA7                | PA2                   | PA4, PA5, PA6    | PA1, PA3             |
| OP DAC        |                    | PA2                   | PA1, PA3         |                      |
| OPTA          |                    | PA2, PA3              | PA1              |                      |
| ETC RO-BG     |                    | PA1, PA2, PA3, PA4    |                  |                      |
| ETC RO-SRB    | PA1, PA2, PA3, PA4 |                       |                  |                      |
| ETC RO-UK-MO  | PA1, PA2, PA3, PA4 |                       |                  |                      |
| ETC Black Sea | PA1, PA2, PA3      |                       |                  |                      |

In terms of progress, it is favourable that there are only 14 priority axes under which no calls have been launched as yet. On the other hand, only a few (i.e. 8 out of the 48, or 17%) priority axes achieved progress rates higher than the average rate of 14%.

## 2.2 Progress by OP

This section contains an overview of the progress achieved for each OP at the cut-off date.

### 2.2.1 Regional OP

#### OP Overview

The main objective of the ROP is: *Supporting the economic, social, territorially balanced and sustainable development of the Romanian Regions, according to their specific needs and resources, focusing on urban growth poles, improving the business environment and basic infrastructure, in order to make the Romanian Regions, especially the ones lagging behind, more attractive places to live, visit, invest in and work.*

#### Basic OP Information (MRON, 30/06/09):

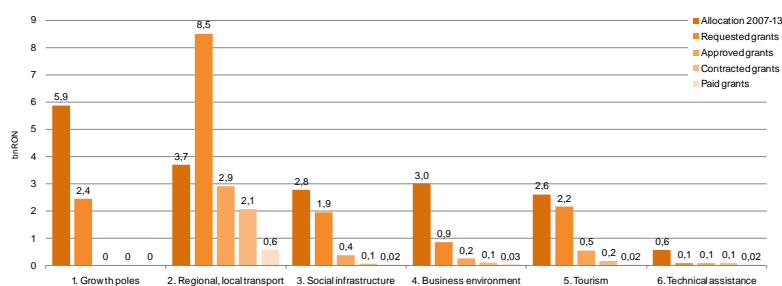
Allocation: 18 470  
 Requested grant: 15 975  
 Approved grant: 4 142  
 Contracted grant: 2 453  
 Advance paid: 513  
 Reimbursed grant: 142

#### Typical Project:

Organisation: Local public admin  
 Region: Nord-Est, Sud-Muntenia  
 Average project size: 7.2 MRON

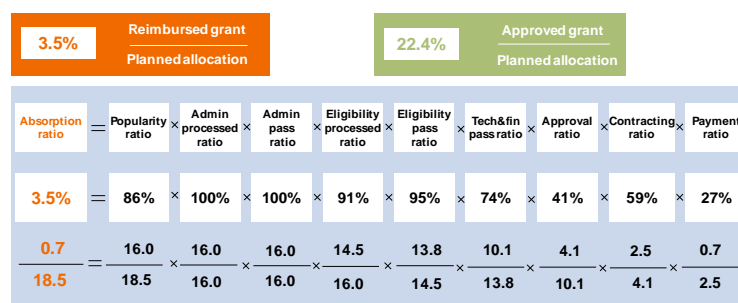
#### Progress

At the cut-off date, ROP had 22% of its initial allocation approved, with 3.5% paid as reimbursement to public sector beneficiaries. ROP may be considered to be the best performing OP so far, in terms of approved and contracted grants, with transport infrastructure projects playing a significant role.



## Progress-determining Factors

An examination of the reasons underlying progress presents a favourable picture for the ROP. No major bottlenecks were identified in application processing, other than the low figure for technical and financial pass (74%, indicating that three quarters of eligible applications are rejected), and long lead times and red tape during the

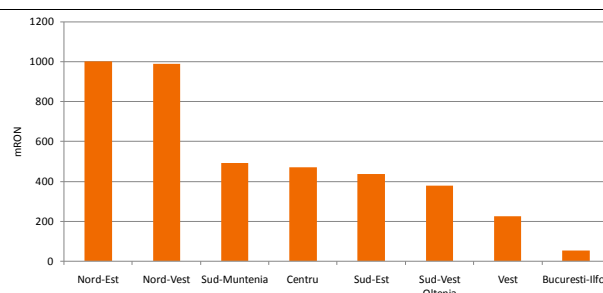


last step of the decision-making process. Contracting is adequate, whereas the payment ratio is low, although it is very high compared to other NSRF OPs.

## Project Portfolio

Due to a specific feature of the ROP (i.e. regional quotas for grants), the regional split largely follows the policy, thus decreasing the gap between regions.

The majority (84%) of the grants support local public authorities, with a limited share for SMEs (11%), central authorities and universities (2%-2%).



The approved grants are highly focused, with transport infrastructure projects accounting for some 70% of approved grants and the development of county road network being the most significant (around 60% of all approved grants under the ROP).

## Overall Evaluation of Progress

The ROP shows good progress in terms of approvals, contracts and payments. The actual and projected project portfolio is in line with the policy intention of narrowing the development gaps between regions.

**PA1** (Development of Urban Growth Poles) interventions have started slowly, mainly because the projects require extensive preparation, since this PA supports integrated plans containing a portfolio of projects. No projects have been submitted for growth poles and urban development poles under PA1, but the MA expects commitments to reach 40% by the end-2010.

**PA2** (County Roads, Ring Roads & Urban Streets) shows the highest rate progress within the ROP, with more than 60 projects contracted by the cut-off date. Actually, the ROP progress is largely driven by local transport related interventions with focus on county road development. This PA has now been closed as the initial allocation has already been exhausted.

Progress in **PA3** (Improvement of Social Infrastructure) is affected by the low speed of the contracting process. Other factors include: legal changes, difficulties in setting up the intercommunity development associations and difficulties in transferring co-financing funds from County Councils to ADI.

Progress in **PA4** (Strengthening the Regional and Local Business Environment) seems to be relatively high, which is due main to KAI 4.3, for which potential beneficiaries showed a real interest. The same is not true for KAI 4.1, where State Aid rules discouraged public entities from submitting a very large number of proposals, whilst private sector entities faced financial difficulties because of the economic downturn. No progress has been registered so far in case of KAI 4.2. In view of the above, the authorities may wish to consider the possibility of re-allocating Taking into account the aforementioned situation, re-allocations from KAI 4.1 and KAI 4.2 might be considered.

For **PA5** (Sustainable Development and Promotion of Tourism) the number of approved projects for KAI 5.1 exceeds the total allocation, whereas in the case of KAI 5.2 potential beneficiaries showed great interest for the projects related to the accommodation infrastructure.

Under **PA6** (TA), 19 projects had been approved before the cut-off date (including nine projects related to support for management and evaluation of the ROP and ten projects related to information and publicity measures).

Given successful implementation of the current portfolio and a sound scheduling of the next calls for proposals, based on real development needs and the capacities of potential beneficiaries, ROP is likely to absorb the financial resources at its disposal.

## 2.2.2 SOP Environment

### OP Overview

The main objective of the SOP ENV is: *Improvement of living standards and environment, focusing in particular on meeting the environmental acquis.* To achieve it, the programme comprises water, wastewater, waste management and biodiversity development interventions, along with others promoting the protection of biodiversity and reducing the incidence of natural disasters.

### Basic OP Information (MRON, 30/06/09):

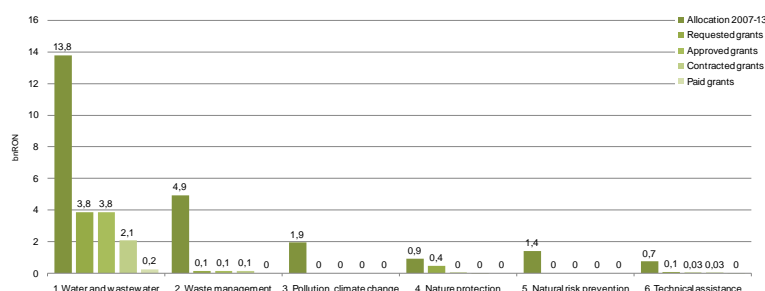
Allocation: 23 641  
 Requested grant: 4 511  
 Approved grant: 4 053  
 Contracted grant: 2 226  
 Advance paid: 229  
 Reimbursed grant: 20

### Typical Project:

Organisation: Regional operator  
 Industry: n.a.  
 Region: Nord-Vest, Sud-Muntenia  
 Average project size: 96.5 MRON

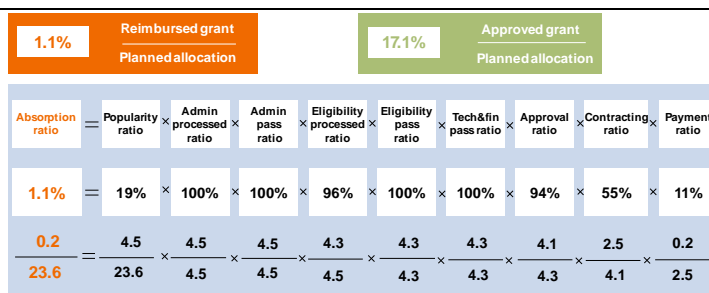
### Progress

SOP ENV has allocated 17% of its initial budget and paid out 1.1% mainly in the form of advances, but also as reimbursements to the beneficiaries. This ranks the SOP ENV as a good performer among the Romanian OPs. It is to be noted that this performance relies almost solely upon water / waste water projects.



### Process Factors behind Progress

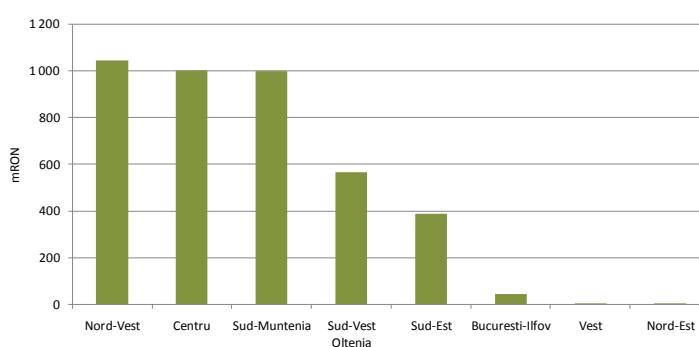
A major factor behind the current absorption rate may be the relatively low ‘popularity’ of the OP. Administrative factors seem to present no obstacles in the process up to payment. Payments appear to be lagging in comparison with the volume of contracted grants.



## Project Portfolio

Most funds were requested by and granted to regional operators. Other successful applicants include entities within the central administration and local councils.

In terms of regions, *Nord-Vest* and *Centru* are leading the ranks, although the regional distribution of the portfolio may be considered balanced.



There is a high concentration in terms

of the nature of project. Extension and modernisation of water and wastewater systems accounts for 93% of the total number of projects funded, with waste management projects accounting for a further 4% of approved grants.

## Overall Evaluation of Progress

The early launching of SOP ENV has resulted in impressive progress. Although there remain operations to be launched, those that have been initiated are performing relatively well. Progress is supported by the fact that SOP ENV finances continuation of projects begun with funding from the ISPA programme. The pre-accession funds (Phare, ISPA) assisted the preparation of the PAs of SOP ENV, with the MA and beneficiaries benefiting in terms of allocations and quality of projects. In addition, the beneficiaries were involved in preparing the projects in the interest of enhancing awareness. Another reason for SOP ENV progress consists in the existence of a very clear strategy (at both national and regional level) for each PA.

The Water and Wastewater interventions (**PA1**) started very well, taking into account that the elaboration of the majority of PA1 projects had started already in 2004 and represented the basis for the implementation of the OP. Due to the underlying strategy, there are major projects covering all counties of Romania. All the same, it seems that additional resources are needed for PA1 to respond to the high interest shown in the water and wastewater sector. At present there is a gap of around 1 BEUR between demand and available funds, but MA representatives hold that DG Regio is likely to provide additional financial resources, without diminishing the funds allocated to other PAs under SOP ENV, if the Romanian government is prepared to accept the corresponding financial commitment.

Progress with regard to **PA2** also reflects previous experience gained through ISPA TA projects, which helped the beneficiaries with the preparation of a sound pipeline of solid waste management projects. The investments in solid waste are financed based on the development of Master Plans for projects in municipal solid waste management. These Master Plans are long-term tools to help meet future demand for municipal solid waste. The Master Plans developed as part of the Application File incorporated lessons learnt in the pre-accession period. They were prepared in a constructive manner in terms of viability and option analysis, as well as taking into account the unpleasant experience with pre-accession financed treatment plants). The MA set as an eligibility criterion, the preparation by the beneficiary of a Master Plan containing a long-term investment strategy for waste facilities at county level, as well as a strategy document prioritising all investments proposed for funding under SOP ENV. The Master Plan requires endorsement by all relevant county-level authorities.

**PA3** (Restructuring & Renovating Urban Heating Systems) had not been launched at the evaluation cut-off date. However, PA3's prospects are good, since the entire allocation for this PA is likely to be covered by some eight projects pre-selected in the course of Phare-funded ESC interventions. So far, three beneficiaries of the rehabilitation of centralized heating systems have been selected (Iasi, Bacau and Timisoara). The related Master Plans (including long-term investment plans) had already been developed and approved. The applications and supporting documents were under preparation at the cut-off date. Other municipalities that will receive TA under Phare ESC with regard to the preparation of projects for PA3 are Oradea, Govora (Ramnicu Valcea), Botosani, Focsani and Resita.

In the case of **PA4** (Nature Protection) there are delays, which are caused by the fact that the contracts for the eleven projects approved under the 2007 call for proposals had not yet been signed at the cut-off date. The cause consists of legal problems related to the fact that the Agency responsible for administering national parks, which should have endorsed the contracts, no longer exists.

Although no grants have been requested so far under **PA5** (Infrastructure of Natural Risk Prevention), one project, involving flood prevention (Prut-Barlad), had already been prepared at the cut-off date, with another three other projects (for the Siret, Trotus and Buzau basins) to be finalised as soon as related land availability issues are settled. A coastal erosion prevention project for the rehabilitation of part of Romania's Black Sea shore is under preparation and will likely cover the entire allocation for KAI 5.2.

Under **PA6** (TA), 20 projects for supporting OP management and evaluation had been finalised before the cut-off date, with another 4 projects to assist information dissemination and publicity successfully implemented. The rapid uptake may be attributed to the fact that the public procurement and legal units form part and parcel of the MA's organisational structure.

Given successful implementation of the current portfolio and a sound scheduling of the next calls for proposals, based on real development needs and the capacities of potential beneficiaries, is likely to absorb the financial resources available under SOP ENV.

### 2.2.3 SOP Transport

#### OP Overview

The main objective of SOP T is: *To promote a sustainable transport system in Romania, which will facilitate safe, fast and efficient movement of persons and goods with appropriate levels of service at European standards, nationally, Europe-wide and between and within Romanian regions.* For this purpose, the OP consists of TEN-T and national level interventions, along with initiatives to promote modernisation of the transport sector in Romania.

#### Basic OP Information (MRON, 30/06/09):

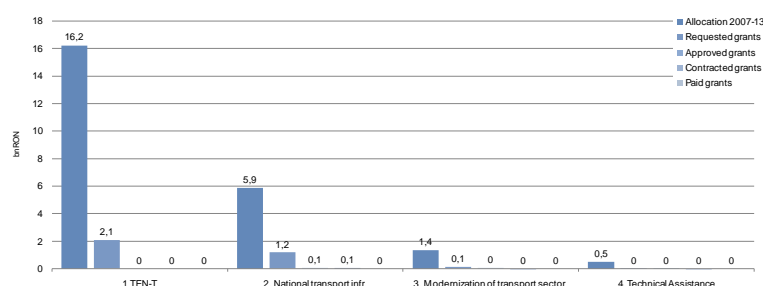
Allocation: 24 007  
 Requested grant: 3 360  
 Approved grant: 93  
 Contracted grant: 62  
 Advance paid: 0  
 Reimbursed grant: 0

#### Typical Project:

Organisation: National Authority for Highways and Roads and the Railway National Company  
 Region: Nord-Vest, Sud-Vest Oltenia  
 Average project size: 7.2 MRON

#### Progress

SOP T is at a very early stage of progress, with approved requests for grants amounting to some 0.4% of its financial allocation, and with no advances or reimbursements paid out at the cut-off date. Though the limited progress may also reflect delayed preparation, potential absorption appears to be likely, due to the special character of SOP T, which includes many continuations of projects previously financed under ISPA. The progress made to date mainly concerns major road development.



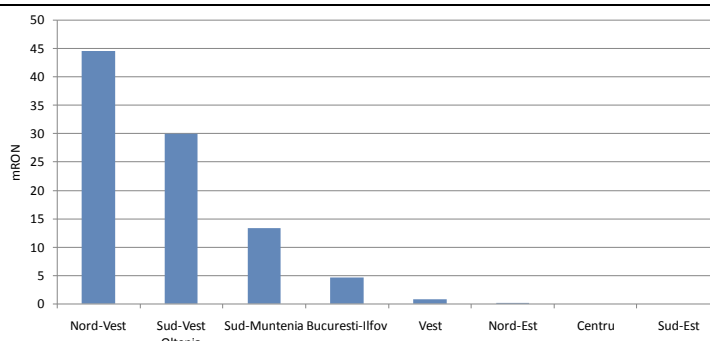
## Process Factors behind Progress

A major bottleneck for progress with regard to SOP T is its low popularity rate (14%), with even lower values for technical and financial verification and approval. Apart from these last two factors, the other administrative processes related to the OP seem to support its progress.

| Reimbursed grant<br>Planned allocation |                  |                       |                  |                             | Approved grant<br>Planned allocation |                     |                |                   |               |
|--|------------------|-----------------------|------------------|-----------------------------|--------------------------------------|---------------------|----------------|-------------------|---------------|
| Absorption ratio                       | Popularity ratio | Admin processed ratio | Admin pass ratio | Eligibility processed ratio | Eligibility pass ratio               | Tech&fin pass ratio | Approval ratio | Contracting ratio | Payment ratio |
| 0.0%                                   | 14%              | 100%                  | 100%             | 98%                         | 77%                                  | 38%                 | 10%            | 66%               | 0%            |
| 0.0                                    | 3.4              | 3.4                   | 3.4              | 3.3                         | 2.5                                  | 1.0                 | 0.1            | 0.06              | 0.0           |
| 24.0                                   | 24.0             | 3.4                   | 3.4              | 3.4                         | 3.3                                  | 2.5                 | 1.0            | 0.1               | 0.06          |

## Project Portfolio

From a regional prospective, the Nord-Vest region shows best progress, due to the National Road development underway in that area. Other major recipients of transport development projects include the Sud-Vest Oltenia, Sud-Muntenia and Bucuresti-Ilfov regions.



The high concentration of approved grants is due to the early start of preparations of national road development interventions (accounting for more than 60% of approved grants). The TEN-T development projects had not yet acquired approval at the cut-off date, but they have much potential, as indicated by the allocation and requested grant figures.

## Overall Evaluation of Progress

The currently very limited progress of OP T must be attributed largely to a number of specifics of transport development. First, transport investments require extensive preparation in terms of planning, design and costing. Second, the co-financing of investments in transport infrastructure put a very large demand on the State budget. Third, the process of approving transport infrastructure investments includes appraisal by the Technical–Economic Council of each beneficiary. The Council checks the technical sustainability of projects proposed, without paying particular attention to CBA and compliance with environment procedures. Fourth, following approval by the Council, the MA for SOP T analysis the project proposals. In many cases differences in selection criteria cause the MA to reject the projects or request additional clarification. Fifth, the evaluation process involves submitting the project for and approval by the EC. Sixth, there exists a rather high degree of volatility of relevant national strategies, which tend to cause lack coherence with applicable European Corridor policies.

However, SOP T as features that enhance its future progress. Although the programme was designed to be end-loaded, the project portfolio had already been identified at the programming stage.

Although 5 projects had been submitted under PA1 (TEN-T) of SOP T, no project had been approved by the cut-off date. This is mainly due to the preparation stage of these projects being longer than expected. This, in turn, was related to a lack of capacity at beneficiary level (more than 80% of the OP's funds target to 2 entities, respectively the National Company of Highways and National Roads, and the National Railroad Company. An additional factor is the time a project spends under assessment, which lasts an average of 100 working days at the level of the EC and some 70 days at national level. It is worth mentioning that two projects have been approved since the cut-off date, namely *Construction of Cernavoda-Constanta Highway* and *Construction of Constanta By-pass*, whereas another four PA1 projects are currently under appraisal. Given the fact that the highway projects are in a more advanced stage of development (in comparison with railway and water transport infrastructure projects), a re-allocation of funds in favour of highways projects might be advisable for the next period, to ensure full usage of the funds.

In case of **PA2** (national transport infrastructure), nine projects were submitted before the cut-off date out of which 3 projects were already approved. These projects are mainly designed for the preparation of project portfolios related to development of national ring roads. The relatively slow progress can also be explained by the insufficient capacity of the beneficiaries to develop sound and viable projects.

The first KAI (3.1) under **PA3**, related to inter-modal transport, had not been launched at the cut-off date. It also is not envisaged to be launched in the near future, because of the lack of a long term strategy and the legal status of the infrastructure concerned. In respect of this last point, it is not clear whether the inter-modal terminals involved be owned directly by the National Railway Company or a PPP created for the purpose. In addition, no data exist concerning the type of goods transport on which facility. These data are needed to determine the best location for the inter-modal terminals. MA representatives have stated that inter-modal transport is a clear EC preference, but one that is yet inconsistent with Romania's sectoral strategy and priorities. The MA therefore considers reallocation of the funds to other PAs and KAIs. Where KAI 3.2 – *Improvement of Traffic Safety across all Transport Modes* is concerned, no projects had been approved by the cut-off date, since the consultants engaged to prepare the projects related to road/rail crossings have not managed to do so in conformity with SOP T requirements. As a consequence, KAI 3.2 may now be considered over-budgeted, taking the current contracting rhythm and beneficiary capacity into account.

Under **PA4 (TA)**, six projects had been contracted by the cut-off date. Five of these concern support for OP management and evaluation and another project is dedicated to information and publicity measures. According to the MA, the small number of TA projects can be explained by in-depth analysis work carried out by the MA itself. According to the MA, the procurement procedures form a barrier for using the funds allocated to TA. The procedures are very slow and subject to many complaints. Given the low capacity of the beneficiaries in this respect, it might be preferable to re-allocate funds from TA to training of beneficiaries with regard to improving their capacities through needs assessment, support in developing ToR and technical specifications and advisory services. The MA has issued guidelines to help beneficiaries in filling in application requests, including procurement plans, timetables and financing plans. However, additional training sessions would be welcomed. Moreover, as the initial allocation for SOP T was quite considerable in comparison with other OPs, the EC requirement to allocate 5% of funds to TA irrespective of the OP is not considered a good approach by the MA taking into account the real amount compared to needs. Therefore, re-allocations of funds might also be taken into account.

The current progress of the programme indicates high potential of achieving set targets only if the political support is ensured and several re-allocations among PAs and different KAIs will be approved in order to better reflect the Romanian priorities and actual level of development of the transport sector (re-allocations towards PA1 and especially motorways should be mainly considered)

## 2.2.4 SOP Increasing Economic Competitiveness

### OP Overview

The main objective of the SOP IEC is: *The increase of Romanian companies' productivity, in compliance with the principles of sustainable development, and reducing the disparities compared to the average productivity of EU. The target is an average annual growth of GDP per employed person by about 5.5%. This will allow Romania to reach approx. 55% of the EU average productivity by 2015.*

#### Basic OP Information (MRON, 30/06/09):

Allocation: 12 687  
 Requested grant: 10 595  
 Approved grant: 2 018  
 Contracted grant: 1 311  
 Advance paid: 59  
 Reimbursed grant: 402

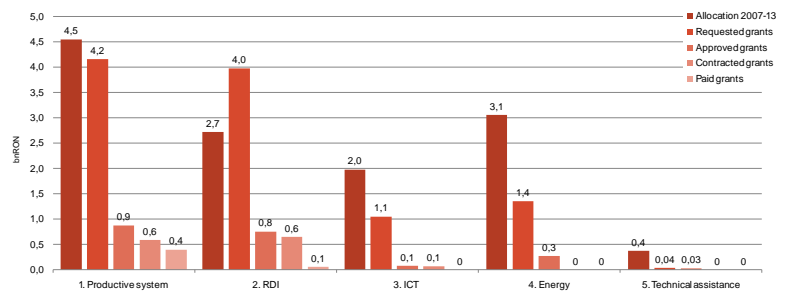
#### Typical Project:

Organisation: Research institution, large enterprise  
 Region: Bucuresti-Ilfov,  
 Average project size: 2.4 MRON



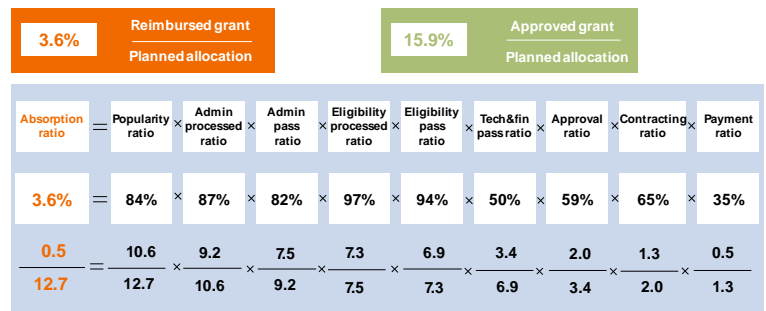
## Progress

Up to the cut-off date, SOP IEC had shown considerable progress, with approved requests for grants accounting for 16% of the financial allocation and a 4% absorption rate. These progress figures are mainly due to the results achieved by PAs 1 & 2 (i.e. Enterprise Development, including JEREMIE, and R&D).



## Process Factors behind Progress

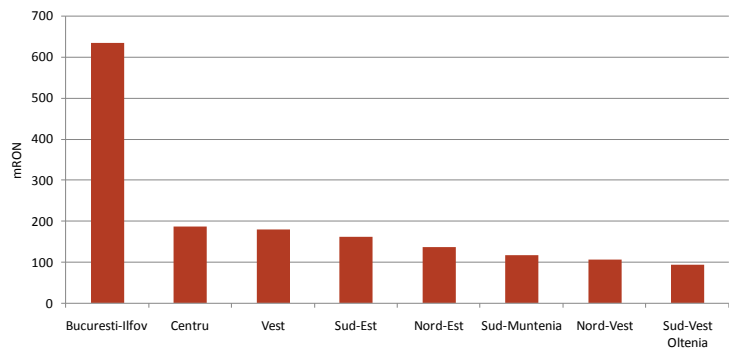
The outcomes of the DCA show a balanced picture. The OP's popularity ratio is relatively high as a result of demand from SMEs. The application system processing and pass ratios are outstanding (very close to the maximum of 100%). Technical and financial verification together seem to filter out half of the number of applicants. Two thirds of successful applications have signed the support contract. The payment ratio is very high compared to other OPs and is also impressive in terms of time-proportionality.



## Project Portfolio

The regional distribution of the projects in the portfolio shows a clear concentration of grants in the Bucuresti-Ilfov region. Disregarding this, the regional distribution may be considered well balanced.

The largest groups of beneficiaries of the OP consist of, respectively, research institutions and large enterprises, which together account for almost half of the approved grants.



The operations 2.2.1 (Development of existing/creation of new R&D infrastructure) and 1.1.1 (Strengthening and upgrading the productive sector) account for close to 70% of all approved grants.

## Overall Evaluation of Progress

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SOP IEC is a well-progressing OP. It has the highest absorption ratio and the second highest progress ratio for the evaluation period. The large share of public sector beneficiaries is rather unusual for a competitiveness OP. The application processing system for the OP is basically sound. The distribution of grants shows a bias in the favour of Bucharest/Ilfov region and entities that form part of the central public administration.

At the cut-off date of the evaluation, **PA1** (Productive System) showed good progress in terms of approved and contracted grants. However, the level of absorption was still low, with payments made for one project. Progress is particularly high in the case of tangible, production-orientated investments, compared with investments targeting intangibles, such as standardization, internationalisation, and consultancy. This may be explained by the great interest shown by potential beneficiaries involved in production, rather than services. A case can therefore be made for the re-allocation of still available resources to operations aimed at productive investments, based on the general requirement of financing non-traded developments with less potential for leading to market distortions. Developments in productive industry have the highest potential of meeting this requirement.

Progress in respect of **PA2** (Research & Development) is quite good, mainly because the calls for proposals launched under this PA had been prepared under the IMPACT programme<sup>15</sup>. Although PA2 targets both public and private entities, it seems that its progress may be explained primarily by the high share of approved and contracted projects submitted by national R&D institutions (RDI). This is closely related to the fact that national RDI are familiar with the procedures because of their participation in earlier national research programmes. In addition, the impact of the financial crisis has so been limited in the case of entities financed from the state budget, unlike in the case of private companies, many of which had to postpone their investments in R&D projects.

**PA3** (Information Technology) progresses well in terms of approved and contracted projects, but no reimbursements had been made by the cut-off date. The progress of interventions targeting public sector entities is quite good, because these are only slightly influenced by the crisis, whereas in case of the private sector related operations the situation is again different. The effects of the financial downturn have been severe and SMEs find it difficult to raise investment funding.

Progress of **PA4** (Energy Sector) is limited, mainly due to the financial crisis, delays in the approval of State Aid schemes, and delays in the approval the final versions of the guides for applicants. PA4 progress is mainly supported by interventions related to renewable energy resources, which seem to have stirred the interest of potential candidates (private companies). However, no projects had been contracted at the cut-off date.

In case of **PA5** (TA), no projects had been contracted by the cut-off date. However, the MA utilised funds provided from the State budget, for which reimbursement from EU funds will be sought. According to interviewed MA representatives, TA will be necessary for checking reimbursement claims and on-the-spot checks.

SOP IEC currently shows great potential for absorbing its initial financial allocations in due time, mainly as a result of good performance in respect of R&D and IT-related investments.

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<sup>15</sup> The IMPACT programme was co-ordinated by the National Scientific Research Authority and envisaged the development of sound RDI projects in order to enhance the structural funds' absorption allocated under the SOP IEC PA2 (Research, technological development and innovation for competitiveness). IMPACT mainly financed the preparation of feasibility studies, business plans, market studies or economic analysis to be enclosed in the structural funds applications.

## 2.2.5 SOP Human Resources Development

### OP Overview

The main objective of SOP HRD is: *The development of human capital and increasing competitiveness, by linking education and lifelong learning with the labour market and ensuring increased opportunities for future participation on a modern, flexible and inclusive labour market for 1,650,000 people.* In order to achieve this objective, interventions within the programme encompass education, training, employment and social inclusion related interventions.

#### Basic OP Information (MRON, 30/06/09):

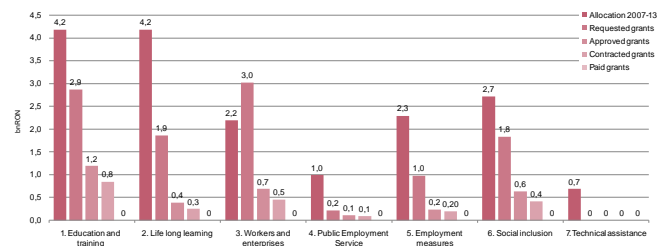
Allocation: 17,231  
 Requested grant: 9,857  
 Approved grant: 2,811  
 Contracted grant: 1,622  
 Advance paid: 152  
 Reimbursed grant: 4

#### Typical Project:

Organisation: Public legal entity  
 Region: n.a.  
 Average project size: 3.9 MRON

### Progress

SOP HRD had at the cut-off date approved projects for a total value amounting to 16% of its allocations. Very few payments had been made, although 58% of approved grants had been contracted. Progress is well balanced across the PAs, with the Workers and Enterprises PA as the best performer.



### Process Factors behind Progress

The decomposition of progress shows a relatively low demand on the part of potential beneficiaries, which may reflect the fact that many of them are public sector organisations acting as intermediaries, which are still waiting for tenders to be launched. Due to the large volume of rejected projects, the techn&finpass ratio is also low.

0.1% = Reimbursed grant / Planned allocation

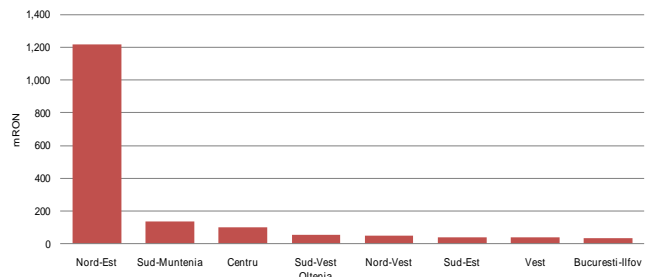
16% = Approved grant / Planned allocation

| Absorption ratio | Popularity ratio | Admin processed ratio | Admin pass ratio | Eligibility processed ratio | Eligibility pass ratio | Tech&fin pass ratio | Approval ratio | Contracting ratio | Payment ratio |
|------------------|------------------|-----------------------|------------------|-----------------------------|------------------------|---------------------|----------------|-------------------|---------------|
| 0.1%             | 57%              | 98%                   | 100%             | 100%                        | 71%                    | 50%                 | 82%            | 58%               | 10%           |
| 0.15             | 9.9              | 9.6                   | 9.6              | 9.6                         | 6.8                    | 3.4                 | 2.8            | 1.6               | 0.15          |
| 17.3             | 17.3             | 9.9                   | 9.6              | 9.6                         | 9.6                    | 6.8                 | 3.4            | 2.8               | 1.6           |

A bit more than the half of the approved projects have been contracted. Due to the fact that the reimbursement has hardly started, the payment ratio is 10%.

### Project Portfolio

The majority of SOP HRD beneficiaries are public legal persons (62%), followed by private sector entities. The focus on public sector beneficiaries stems from policy reasons. The concentration of both initial allocations and approved grants shows a well-balanced pattern.



## Overall Evaluation of the Progress

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SOP HRD covers a wide range of interventions, which has led to a degree of fragmentation of the OP. Progress ratios indicate good potential for absorption of the OP's allocation, mainly by public sector organisations. Absorption had hardly started at the cut-off date, but 58% of approved grants had already been contracted. Progress figures indicate institutional capacity and administrative processes to be areas for review, based on the fact that the approval rate is only 30%. This means that only 3 out of 10 projects had been processed and approved at the cut-off date.

In the case of **PA1** (Education and Training in Support for Growth and Development of a Knowledge-based Society), only 88 out of 694 project submitted had been approved, with almost all of them contracted, by the cut-off date. Other factors that influenced PA1 progress were the long time typically elapsing between a project's approval and contract signature, reimbursement delays, as well as procurement process related delays at the implementation stage. A final cause might be the fact that no calls for grant project proposals were launched in the course of 2009, thus limiting the potential number of applicants.

Progress under **PA2** (Linking Life-long Learning and Labour Market) is relatively limited in terms of contracted projects (only 37 projects had been contracted by the cut-off date). The main reasons are delays in signing of contracts due to legal constraints (Government Decision (GD) N° 29/2007, which prevented the IB, the (National Centre for the Development of Vocational and Technical Education) to commit expenditure and make payments as a tertiary credit holder<sup>16</sup>, was recently replaced by EGD N° 64/2009, which allows delegation of the aforementioned tasks from MA to the IB). Other factors which might explain PA2 progress concern delays at the evaluation stage and in reimbursement, delays in launching the calls for proposals related to State Aid schemes (which took place in March 2009 for KAI 2.1 and KAI 2.3), as well as the lack of calls for grant project proposals in the course of 2009.

Progress in respect of **PA3** (Increasing the Adaptability of Workers and Enterprises) was mainly due to delays in the project selection process generated by the long evaluation process caused by the number of proposals received and the limited human resources available for appraising the latter. Other contribution factors included high rejection rates on administrative and eligibility grounds, the large number of mistakes made by potential beneficiaries at the stage of developing the proposals, as well as delays in launching the calls for proposals related to the State Aid schemes (March 2009, in the case of KAI 3.2).

Regarding **PA4** (Modernisation of Public Employment Service), only 17 out of 34 projects submitted had been contracted by the cut-off date. The low rate of progress can be explained by the lack of experience of the beneficiaries (the National Agency for Employment and its subordinated units) in respect of proposal development and the legal constraints already referred to in the case PA2.

In the case of both **PA5** (Promoting Active Employment Measures) and **PA6** (Promoting Social Inclusion), progress in terms of contracted projects is moderate. Causes were lack of human resources for the evaluation of proposals, a large number of potential beneficiaries failing to comply with SOP HRD requirements, because of inexperience in proposal design, and delays in launching those calls for proposals related to the State Aid schemes (March 2009 in the case of KAI 5.1).

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<sup>16</sup> According to Romanian legislation, the persons leading public institutions are *credit holders*. Credit holders are authorised to commit, validate and approve expenditure within approved budgets and make payments. Based on the hierarchy of public institutions, there are several types of credit holder: main, secondary and tertiary credit holders. The difference between these types is linked to subordination relations: a secondary credit holder is subordinated to a main credit holder, but also may have under its own subordination a tertiary credit holder. The tertiary credit holder may be subordinated either to the main or to the secondary credit holder. The main credit holder allocates the approved resources to its own budget and to the budgets of public institutions lower in the hierarchy. The secondary credit holder includes the resources approved by the main credit holder in its budget, as well as the budgets of hierarchically lower institutions, whose leaders are tertiary credit holders. The tertiary credit holder uses the approved resources (allocated by the main or secondary credit holder) in line with their mandate.

Under **PA7** (TA), three projects had been contracted by the cut-off date: one project for ensuring proper operation of the ActionWeb system and improving its reporting facilities, another one providing high-speed internet connectivity for the MA for SOP HRD, and the Annual Conference on SOP HRD implementation for increasing public awareness of the benefits of accessing the ESF through the SOP HRD.

Given the sound scheduling of the next calls for proposals, based on real development needs and the capacities of potential beneficiaries, SOP HRD will increase its chances to absorb the financial resources at its disposal through decreasing one of the largest obstacles, i.e. the lack of applications

## 2.2.6 OP Development of Administrative Capacity

### OP Overview

The main objective of the OP DAC is: *To contribute to the creation of a more efficient and effective public administration for the socio-economic benefit of Romanian society.* In line with ongoing administrative reform efforts, the OP covers interventions aiming to develop the public policy cycle and the process of decentralisation of public services.

#### Basic OP Information (MRON, 30/06/09):

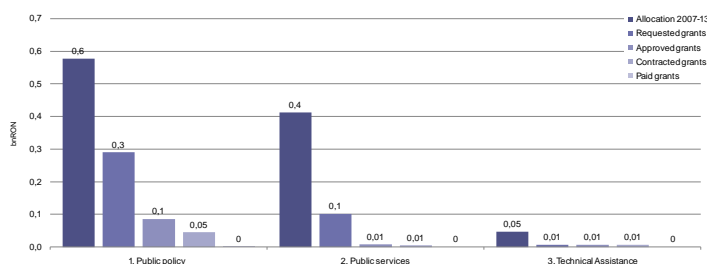
Allocation: 1 037  
 Requested grant: 400  
 Approved grant: 103  
 Contracted grant: 58  
 Advance paid: 0.8  
 Reimbursed grant: 0

#### Typical Project:

Organisation: Central public admin  
 Region: Bucuresti  
 Average project size: 7.6 MRON

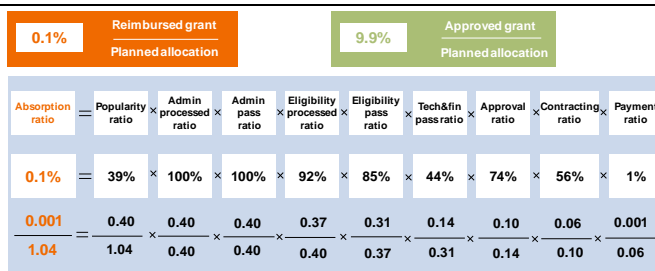
### Progress

OP DAC has approved requests totalling 10% of its initial allocation. The OP has started advance payments to beneficiaries. Progress to date is largely due to projects for developing administrative decision-making (4%) and institutional efficiency improvement (4%).



### Process Factors behind Progress

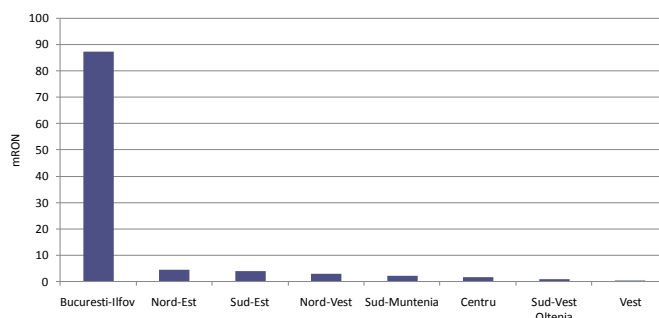
The DCA indicated a relatively balanced process with major bottlenecks in demand (i.e. popularity ratio), technical and financial verification and administrative issues related to contracting. The OP's approval pass ratio is appropriate, whilst payments are considerably delayed (despite the existing possibilities in respect of paying advances to public sector entities).



## Project Portfolio

The purpose of OP DAC has resulted in its project portfolio being very focused: its target group consists mainly of central administration entities located in Bucharest (85%). The projects that have been approved for financing clearly reflect this planning intention. Having said this, there are also county and local councils among the OP's beneficiaries.

From a regional perspective, Bucharest accounts for 85% of approved grants, with the rest evenly distributed over the other regions.



The approved funding concentrates on organisational effectiveness and improvement of decision-making. These two areas together account for 80% of funds approved under the OP.

## Overall Evaluation of Progress

OP DAC is a special OP, in that it is clearly targeted at developing core processes and functions of the State administration itself. It is to be noted that its interventions aiming at improved service delivery have hardly started, a fact that may influence absorption potential.

**PA1** (Public Policy Management) shows moderate performance in terms of approved and contracted projects (with 41 projects approved and 30 contracts signed by the cut-off date). MA representatives interviewed pointed out that the cut off-date for the current evaluation does not sufficiently take into account that the OP was approved late, in November 2008. In the case of PA1, the MA is confident that its allocation will be used in full, given the number of projects submitted and the real interest shown by potential beneficiaries, especially with regard to KAI 1.1.

In this connection, the MA is of the opinion that the OP should have had wider eligibility criteria for beneficiaries and activities and that the total budget for PA1 should have been bigger to meet the requirements of the target group. Another reason underlying PA1's progress to date concerns the longer than expected duration of the evaluation stage, mainly because of problems in contracting external evaluators. Other problems in this respect are the result of the public procurement rules (which encouraged a high number of complaints) and differences in viewpoints with regard to priorities on the part of the MA, on the one hand, and the acquisition department within the Ministry, on the other hand. Thus, many projects submitted in 2008 were assessed after the relevant cut-off date. This accounts for the difference between requested and approved grants. Finally, in the case of KAI 1.3, although more than 50% of the allocation targets priority sectors for OP DAC (health, education and social assistance), the lack of a legal framework for the priority sectors represented a major problem. A case in point concerns the late adoption of the decentralized strategy in the health system under GD 562/2009. On the other hand, under KAI 3.1, the budget for training projects and ISO accreditation had already been exceeded at the cut-off date. The MA considers that this budget should be supplemented (by re-allocating resources currently set aside for KAI 1.2).

Progress with regard to **PA2** (Delivery of Public Services on a Decentralised Basis) is quite low, in terms of both approved and contracted grants. This is because more than half of the allocation for KAI 2.1 is dedicated to the above mentioned priority sectors and the delayed legal framework also affected this KAI. A similar re-allocation as envisaged for KAI 1.3 is intended. The relatively slow progress of KAI 2.2 is due to problems encountered in contracting external evaluators and the low number of projects submitted by the cut-off date. This in turn may be the consequence of beneficiary public entities being focused on what they consider their top priorities (such as training and ISO-accreditation under KAI 3.1) rather than the improvement in public services delivery.

Under **PA3** (Technical Projects) a total of seven projects had been approved at the cut-off date, six of which targeted management, implementation and evaluation of the OP DAC, and the seventh publicity and information measures. The slow progress of this PA can be partly explained by lack of TA in this field in the pre-accession stage.

It is anticipated that both target groups, i.e. central and local entities of public administration, will absorb the relatively low allocation of the programme.

### 2.2.7 OP Technical Assistance

#### OP Overview

The main objective of OPTA is: *To ensure support for the coordination and to contribute to sound, effective, efficient and transparent implementation and absorption of the SI in Romania.*

#### Basic OP Information (MRON, 30/06/09):

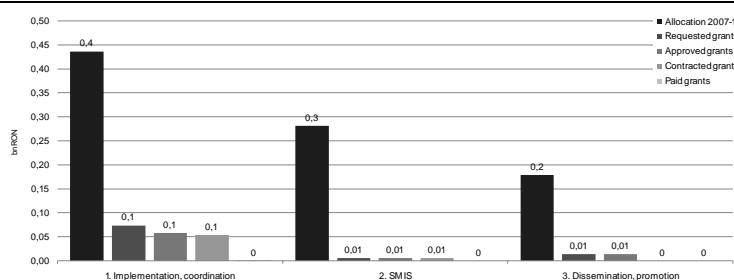
Allocation: 897  
 Requested grant: 75  
 Approved grant: 79  
 Contracted grant: 61  
 Advance paid: 0  
 Reimbursed grant: 0.2

#### Typical Project:

Organisation: EU institutional system  
 Region: Bucuresti-Ilfov  
 Average project size: 6.6 MRON

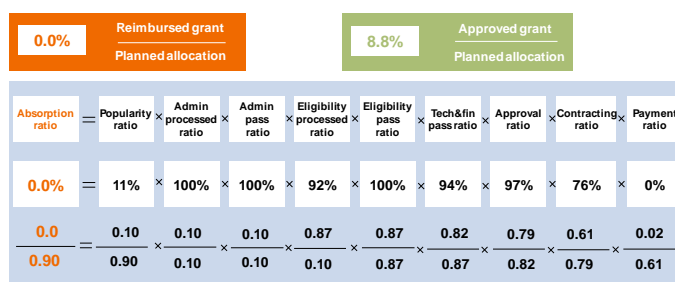
#### Progress

At the cut-off date, OPTA was at an early phase of implementation, with a progress value of 9% and no absorption. Basically only PA1 (Support to SI and the Coordination of Programmes) had started, which thus accounts for most of the results achieved under OPTA to date.



#### Process Factors behind Progress

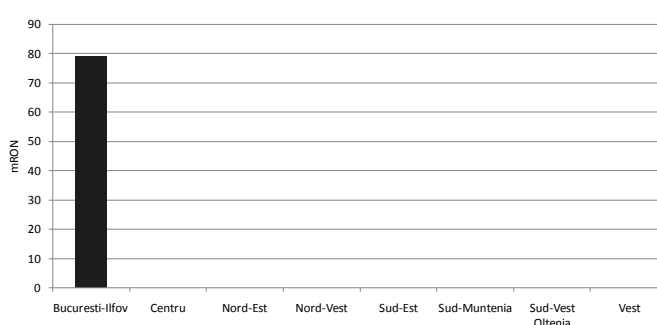
The DCA points to very limited demand for TA financed under this OP. The few applications submitted have been accepted almost without exception. The processed, pass and approval ratios are all very high, which suggests the existence of good co-operation within the M&I system, although the small number of projects is clearly also a factor.



## Project Portfolio

The spatial distribution of the project portfolio is very clear. Since by far the larger part of the M&I system is located in Bucharest, that region receives the lion's share of the OPTA allocation.

The only OPTA beneficiaries to date are entities part of the central level of the administration.



## Overall Evaluation of Progress

TA resources have a major role to play in facilitating the implementation of EU funded programmes. It is in Member States' interest to take advantage from the opportunity provided by TA.

Progress at OPTA level is relatively limited with altogether ten projects having been contracted at the cut-off date. This is due to:

- the limited capacity of the main beneficiaries with regard to project preparation;
- the long approval chain, which causes longer lead times than in the pre-accession period;
- the need to comply with public procurement procedures (including a heavy complaints mechanism);
- the limited experience on the part of key stakeholders with regard to coordinating their actions;
- the lack of multi-annual budgets, which causes delays at year's end;
- a lack of additional funds to combat expenses not covered under the programme;
- delays in signing contracts.

In view of the current low progress rate it is important to start allocating TA resources immediately. It is very unlikely that it will be possible to absorb all the resources allocated under OPTA, based on the current situation (time-proportional amount spent, regulation for spending, etc).

### 2.2.8 ETC Romania-Bulgaria

#### OP Overview

The main objective of the ETC RO-BG is: *To bring together the people, communities and economies of the Romania-Bulgaria border area to participate in the joint development of a cooperative area, using its human, natural and environmental resources and advantages in a sustainable way.*

#### Basic OP Information (MRON, 30/06/09):

Allocation: 869  
Requested grant: 59  
Approved grant: 34  
Contracted grant: 1  
Advance paid: 0  
Reimbursed grant: 0.1

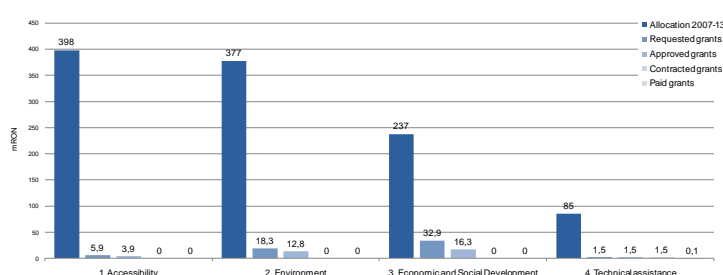
#### Typical Project:

Organisation: NGOs, public authorities  
Region: Sud-Muntenia, Sud-Vest  
Average project size: 0.7 MRON



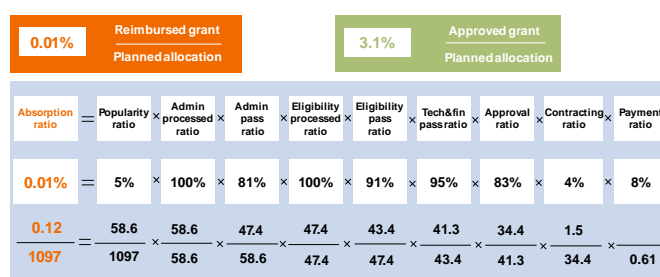
## Progress

Progress on the OP until the cut-off date, is mainly attributable to policies and the level of preparedness of potential beneficiaries in respect of Environment, and Economic and Social. Even so, the rate of progress is quite limited due to the character of the OP, which requires joint effort and a thorough understanding of the regulatory environment and development issues in both countries.



## Process Factors behind Progress

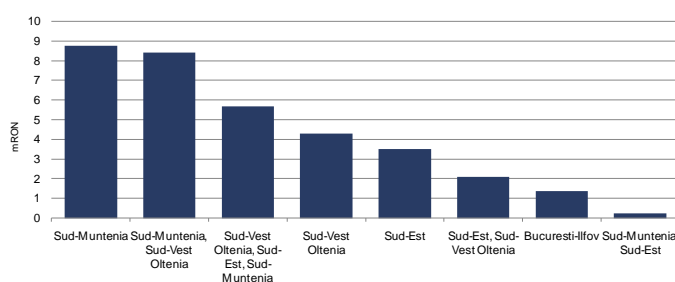
The DCA shows the root of the lack of progress and absorption to lie in the very low popularity ratio. This is partly due to an intentional process of programmed call schedules. Moreover, the cut-off date of the current evaluation was right before the majority of the applications have been processed and approved. At the time of writing, therefore, the OP shows much better progress than indicated by the DCA at the cut-off date of the evaluation.



The process of application shows up no major bottlenecks, other than the low contracting and payment ratios. The former derives mainly from the timing of the cut-off date, while the low payment ratio is a characteristic shared with all the OPs of the NSRF.

## Project Portfolio

Project portfolios are greatly limited by the geographical location where the supported projects can be implemented and also by the scope of development eligible for grants. Hence, those public sector organisations that are situated in the regions and counties of the South and South-East are the main beneficiaries.



It is partly due to the fact that the first calls launched aimed at the creation of communities that have the potential to realise further developments.

## Overall Evaluation of Progress

The **first call for proposals**, which was launched in June 2008 and closed in September 2008, was considered to successful. Under this call, only non-investment (i.e. ‘soft’ projects, aiming at development studies, workshops, seminars and the exchange of experience) were financed. The operations concerned should support programme implementation by creating strong partnerships and setting the framework for developing future infrastructure projects. Being a ‘soft’ call, NGOs were more interested in applying than other categories of beneficiaries. The call was launched for ‘soft’ types of actions under each of the three PAs, respectively, Accessibility, Environment, and Economic and Social Development. **PA3** (Economic and Social Development) is dedicated to soft projects, so the success of the first call for proposals reflects good progress under PA3.

The **second call for proposals**, launched in October 2008, was highly appreciated by the Commission Services. This was dedicated to strategic projects and had intermediary evaluations. This call for proposals had as its goal the establishment of solid partnerships in the eligible area by financing both ‘soft’ projects and ‘hard’ projects (involving investments with a concrete impact on the border area). Because the call concerned more investment-related interventions, public entities were more interested in applying. The call was launched for all three PAs, including **PA1** (covering investment-related types of action). The call met with so much response that it had to be suspended in October 2009, because of the large number of proposals received by then (the originally foreseen deadline for the receipt of applications was April 2010).

Under **PA 4** (TA), the Regional Office for Cross-border Cooperation Calarasi received TA in support of overall programme management and implementation (KAI 4.1). The TA was dedicated to qualitative research for programme knowledge level among potential beneficiaries, communication activities (with 16 focus groups organised in the course of 2008), acquisition of IT equipment, translation services, personnel expenses, and workshops with (potential) beneficiaries. The Regional Office also received support in respect of communication and information (KAI 4.2), in particular the organisation of awareness raising events, and the design and preparation of websites and publicity materials.

### 2.2.8 ETC Black Sea

#### OP Overview

The main objective of the ETC Black Sea is to achieve stronger regional partnerships and cooperation within the region. By doing so, the programme is aimed at contributing to its key wider objective: *a stronger and more sustainable economic and social development of the regions of the Black Sea Basin.*

#### Basic OP Information (MRON, 30/06/09):

Allocation: 98.8  
Requested grant: 0  
Approved grant: 0  
Contracted grant: 0  
Advance paid: 0  
Reimbursed grant: 0

#### Typical Project:

NA

## Progress

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In 2009, one call for proposals was launched for the ETC Black Sea OP where the allocated amount for this call was 4.65 MRON.

Due to the necessity of the approval and the endorsement of the Programme by the Joint Monitoring Committee and the EU Delegation in Turkey the approval of the application package took a long time and the first call for proposals was launched only on the 30 June 2009. The deadline for submission was 12 October 2009.

Until this date (i.e. after the official cut-off date of the current evaluation, 30.06.2009) 168 applications have been received:

- 89 project proposals for Priority 1 – *Supporting Cross Border Partnerships for Economic and Social Development Based on Combined Resources*;
- 40 project proposals for Priority 2 – *Sharing Resources and Competencies for Environmental Protection and Conservation*;
- 39 project proposals for Priority 3 – *Supporting Cultural and Educational Initiatives for the Establishment of a Common Cultural Environment in the Basin*.

According to the Annual Implementation Report until mid October, 2009 the total value of received applications was EUR 70.4 million.

### Overall Evaluation of Progress

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Compared to other Operational Programmes, ETC Black Sea OP was launched with a significant delay. The reason of this backlog was the necessity of the acceptance and endorsement of the Programme by different parties, which have extended the timeline of the progress.

The OP did not achieve progress by the cut-off date of the current evaluation. The programme was launched by the end of June, 2009 and was open for submission until mid October. In this period the value of the received applications reached EUR 70 million.

According to the Annual Implementation Report the demand for projects under Priority 1 was 25 times higher than estimated during the programming whilst the same ratio is 10 and 7 in case of Priority 2 and 3 respectively.

## 2.2.9 ETC Romania-Ukraine-Moldova

### OP Overview

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The main objective of the ETC Romania-Ukraine-Moldova is *to improve the economic, social and environmental situation in the Programme area, in the context of safe and secure borders, through increased contact of partners on both sides of the borders*.

#### Basic OP Information (MRON, 30/06/09):

Allocation: 581.5  
Requested grant: 0  
Approved grant: 0  
Contracted grant: 0  
Advance paid: 0  
Reimbursed grant: 0

#### Typical Project:

NA

## Progress

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Regarding Joint Operational Programme *Romania-Ukraine-Republic of Moldova*, the first call for proposals was launched in the beginning of July 2009. The overall indicative amount made available under the first call for proposals was 30 MEUR for Priorities 1 and 2, and 5 MEUR for Priority 3.

The submission deadline of the project proposals for Priorities 1 and 2 was 28 October 2009, with the deadline for Priority 3 set for 28 September 2009.

Following the call for proposals a total of 422 project applications were registered:

- 171 projects proposals for Priority 1 – *Towards a More Competitive Border Economy*;
- 95 projects proposals for Priority 2 – *Environment Challenges and Emergency Preparedness*;
- 156 projects proposals for Priority 3 – *People-to-People Co-operation*.

## Overall Evaluation of Progress

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Due to the late launch, the OP showed no progress by the cut-off date of the evaluation.

By the end of October 2009, altogether 422 projects with a value of EUR 302 million had been applied for, which is almost nine times more than the initial allocation.

According to the Annual Implementation Report, the most popular set of interventions was Priority 1 under which applicants requested grants for nearly 190 MEUR. Projects with a total value of 110 MEUR had been submitted for Priority 2, by the end of 2009. The lowest average amount of requested grants is under Priority 3, for which 156 proposals, totalling EUR 18 MEUR, were submitted.

### 2.2.10 ETC Romania-Serbia

#### OP Overview

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The main objective of the ETC Romania-Serbia is *to achieve on the basis of joint cross-border projects and common actions by Romanian and Serbian stakeholders a more balanced and sustainable socio-economic development of the Romanian-Serbian border area.*

#### Basic OP Information (MRON, 30/06/09):

Allocation: 178.3  
Requested grant: 0  
Approved grant: 0  
Contracted grant: 0  
Advance paid: 0  
Reimbursed grant: 0

#### Typical Project:

NA

## Progress

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Due to the late adaptation of strategic documents of implementation, the first call for proposals was launched for all priority axes at the end of April 2009. The submission deadline for the projects was end-July 2009.

Altogether 168 projects were submitted within the first call for proposals and evaluated by the Joint Evaluation Committee:

- 58 project proposals for Priority 1 – *Economic and Social Development*;
- 22 project proposals for Priority 2 – *Environment and emergency preparedness*;
- 88 project proposals for Priority 3 – *Promoting People-to-People exchanges*.

As a result of the application process 46 projects have been approved with a total budget of 16.86 MEUR (IPA), 17 projects for Priority 1, seven projects for Priority 2 and 22 projects for Priority 3.

According to the 2009 Annual Implementation Report, no projects had been selected by the Joint Monitoring Committee in 2009 for Priority Axes 1-3 and, therefore, no project implementation took place had taken place by the end of 2009.

## **Overall Evaluation of Progress**

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Although the Programme was officially launched in May 2008, the approval of Rules of Procedure took almost one year. Therefore, the launch of the programme could not be initiated before the end of April 2009.

### 3. EXTERNAL FACTORS

Q2a Which are the major critical factors (external) influencing SI performance?

#### 3.1 NSRF Level

##### 3.1.1 Political Factors

Political factors usually have a notable effect on drivers of economic growth, including public spending. The long-term impact of SI critically depends on the commitment of Romanian decision-makers to develop consistent and coherent policies to ensure high absorption rates of EU funds, thus helping Romania to close the economic development gap compared to other EU Member States.

The main political factors that have affected SI performance are:

- **Changes of the Government organisation and structure**

Although the Romanian authorities remain committed to effective management and absorption of EU-funds, irrespective of changes in the Government's organisation and structure, ministries are prone to reorganisation in line with political developments. These changes may have implications for SI performance to the extent that they generate delays and bottlenecks for the efficient management and implementation of EU-funded interventions. Changes in management typically lead to delays in approvals at various stages of the M&I system, even in the absence of policy shifts. One example of Government re-structuring with implications for SI performance concerns the frequent changes in the organisational structure of institutions where IBs are located. Thus, in 2004, the National Agency for SMEs and Cooperatives was designated as the IB for SMEs (under GD N° 1179/2004). In April 2007, the Ministry of SMEs, Trade and Tourism and Liberal Professions was set up, accompanied by a re-organisation of the National Agency for SMEs and Cooperatives and the National Tourism Authority (Government Emergency Ordinance (GEO) N° 24/2007). The Directorate for SF Management within the newly established Ministry became the IB for SMEs (GD N° 457/2008). In December 2009, following the latest Government re-organisation, the Directorate for SF Management was relocated into the new Ministry of Economy, Trade and Business Environment, which replaced the Ministry of SMEs, Trade and Business Environment (GD no. 1634/2009). Political changes are also associated with ambiguity in legal requirements and a lack of predictability of government policies, which tends to hamper consistent use of EU-funds and slow down the rate of absorption.

- **Inadequate national policy mix and inappropriate long-term strategic vision**

The Romanian absorption problems can also be explained by distortions following from the logic of policy-making. A major factor in this respect was the insufficient consistency and coordination of national policies and strategies with the aims of EU-funded interventions. For example, the Strategy for the Development of SMEs 2004-08 was not adjusted in accordance with Romania's accession to EU and SI requirements for SME-targeted interventions under various OPs (especially, those under SOP IEC). Although SOP IEC is clearly targeted to increase economic competitiveness, there is no national competitiveness mechanism designed to coordinate relevant sector strategies. This explains the large number of interventions under SOP IEC benefiting public sector entities as compared to the number of interventions targeting private sector entities; a questionable approach for an OP aimed to improve competitiveness. In certain cases, delays in policy and strategy development or even the lack of a policy framework had major impact on the progress of SI implementation. A case in point is presented by PA5

under SOP ENV (*Implementation of Adequate Infrastructure of Natural Risk Prevention in Most Vulnerable Areas*). Although a call for proposals was launched, no projects had been submitted by the relevant cut-off date, due to the fact that the preparation of applications was subject to the elaboration and approval of the National Strategy for Flood Risk Management. In addition, the lack of a national strategy for the development of inter-modal transport, as well as a national air transport development strategy, help to explain why no projects had been submitted by the cut-off date for both KAI 2.4 (*Modernization and Development of Air Transport Infrastructure*) and KAI 3.1 (*Promotion of Inter-modal Transport*) under SOP T. The late adoption of the Broadband Strategy (GD 444/2009, after the evaluation cut-off date) and the decentralization strategy in the health system (GD 562/2009, in May 2009) were major obstacles in the absorption process. They either impeded the launching of respective operations (i.e. Operations 3.1.2 and 3.1.3 under SOP IEC, which concerned the setting up of broadband networks and public internet access points in market failure areas) or the submission of a sufficiently large number of applications, as in the case of KAI 1.3 (*Improvement Organisational Effectiveness*) and KAI 2.1 (*Support for the Sectoral Service Decentralisation Process*) of the OP DAC.

Between 2007 and the cut-off date, no progress had been achieved in relation to the poles of competitiveness and clusters<sup>17</sup> interventions (SOP IEC). This was mainly due to difficulties encountered in the definition of a sound concept in accordance with international models and good practice. At the same time, this was a reflection of Romanian realities in this specific area. Although Romania has a significant potential for development of poles of competitiveness and clusters, a series of features of the Romanian market might explain the lack of progress in this area. First, there are several industrial agglomerations, but they cannot be considered clusters due to the lack of horizontal and vertical cooperation relations. Secondly, there is a poor cooperation among the main actors, which are typically involved in a cluster.

Several steps have been taken after the evaluation cut-off date, in that the MA for SOP IEC has launched a tender procedure for TA in order to identify the existing and potential poles of competitiveness, as well as the economy sectors with competitive advantages, to prepare the State Aid scheme and relevant Applicant Guides, and assess the tenders following the launch of the scheme. A similar approach is intended for clusters. However, no results have been achieved in terms of progress of the poles of competitiveness and clusters interventions so far, either because of bidders' non-compliance with administrative and eligibility criteria or because of delays in the tender procedures.

In the case of the interventions related to the development of broadband networks, the initial plan of implementation consisted of fragmented small-scale projects managed by open tender. In 2009, following the preparation of an implementation model for the broadband networks, the concept of the interventions was amended. The new concept involves a concentration of grants for large projects in pre-selected regions to be initiated centrally and managed either by public beneficiaries or by large private operators. These delays in launching operations can be linked to the lack of a long-term strategic vision.

#### ■ **Excessive bureaucracy and lack of coordination**

The OPs in Romania are mostly implemented in the context of a bureaucratic framework. There are certain cases when the potential applicants and the beneficiaries of the EU financed projects have to deal with excessive bureaucratic procedures in the submission, evaluation, contracting or implementation stage. Examples may be the need to notify the MAs and IBs on any minor changes of activities, even if these amendments have no impact on the project results, or the requirement to open an account in the state treasury (the latter requirement has already been eliminated for private beneficiaries of SI; public authorities continue to have a statutory obligation to maintain a treasury account).

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<sup>17</sup> Guidelines for implementation of „innovative cluster” concept in Romania, Ministry of Economy, General Directorate for Industrial Politics and Competitiveness, Bucharest, 2009 & *To Cluster, Or Not To Cluster? The Potential for Competitive Economic Growth through Cluster Development in Romania*; Pislaru D, Aristide O; 2004.

In addition, insufficient coordination between the Romanian institutions may be reflected by overlap in the responsibilities of the national and regional institutions, MAs and IBs, as well as the complex legal and regulatory framework that goes beyond the requirements laid down in relevant EU regulations.

One example of overlapping procedures between the MAs and IBs consists of carrying out similar checks of the reimbursement claims at the MA-level, as well as at the IB-level. This duplication of checks is time-consuming and generates bottlenecks in processing the reimbursement claims. The development of an alternative management information system at SOP HRD level (Action Web) is another example of duplication within the SI framework. As there is no interface between the management information system developed by SOP HRD MA and the Single Management Information System (SMIS), practically identical information must be introduced into both databases.

- **Lack of common language between potential beneficiaries and authorities**

The low progress of certain interventions might also be explained by the inability of policy makers to incorporate beneficiaries' needs and expectations into the planning process. This would explain the low popularity of certain interventions, including support to SMEs for intangible investments (such as standardization and consultancy services), for improving energy efficiency and environmental sustainability, as well as the development of business infrastructure and IT-investments for SMEs. Much greater popularity is typically enjoyed by operations that stir the interest of potential beneficiaries (support for SMEs for the procurement of tangible investments, the development of regional transport infrastructure and tourism accommodation infrastructure, and the setting up of the electronic public services).

- **Remuneration of staff responsible for SI management & implementation**

The lack of a *competitive* remuneration policy for civil servants dealing with EU funds is another political factor affecting the absorption of SI, as it relates to the capacity of the central, regional and local authorities to recruit and retain professionals for the institutions involved in SI management and implementation.<sup>18</sup> Although not particularly high (less than 10%), the staff turnover remains a troublesome issue, which might lead to gaps in administrative capacity, thus diminishing the chances to meet absorption targets. In addition, as a result of the economic crisis, severe restrictions concerning the recruitment of new staff on vacant positions have been imposed, thus affecting the IBs/ MAs capacity to adequately perform their attributions and tasks. This issue is also connected to the lack of clear definition of public servants' career development.

- **Restrictions on hiring new staff for vacant positions**

As a result of the economic crisis, severe restrictions concerning the recruitment of new staff for vacant positions have been imposed, thus affecting the IBs/ MAs capacity to adequately perform their functions and tasks. Recruitment freezes have a significant impact on SI progress, as they generate substantial workloads for the other staff. Given the relatively low level of salaries, the increased workload induced by hiring restriction may also result in additional staff turnover.

- **Changing governments, needs, approaches**

The frequent changes of government contribute to a situation in which priority setting for SI is inconstant and inconsistent. This weakens the motivation to plan SI interventions with the least delay, because changes of government usually incur a measure of hesitancy at both the management and operational levels within the administration. During the initial years of the first SI period in Romania, the insufficient political support, drive and focus proved to be a distinct disadvantage.

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<sup>18</sup> Although selected staff remain eligible for 75% top-up, this stimulus tends to be relatively ineffective, due to the typically low salaries on which it acts.



- **Weekly reports to the Prime Minister**

The administration has been taking steps to instil more drive into the SI management and implementation system. The current weekly reports on SI implementation to the Prime Minister are a case in point. The effectiveness of this particular measure remains to be felt, however. So far there seems to have been no discernible positive effect, judging by the lack of sense of urgency on the part of stakeholders when confronted – in interviews and focus group sessions – with the low payment figure (1.6%) found by the present evaluation.

- **Lack of multi-annual budgeting**

Co-financing is a key element for successful implementation of EU-financed projects. Failure to plan and guarantee the necessary national contributions in multi-annual budgets is a political factor with potentially major impact on SI performance. In addition, although municipalities are more autonomous now, they have limited budgetary resources and usually fail to include in their budgets the amounts expected by both the central and local authorities for the co-financing of EU supported projects.

A multi-annual budgeting system would facilitate the planning and the management of SI programmes and interventions, which typically last longer than a year and may require co-financing from more than one annual budget. However, multi-annual budgeting, especially performance-based, is difficult to establish. Many other countries are struggling with this problem, mainly for legal, even constitutional reasons. Adopting a multi-annual budgeting system implies a transfer of certain powers from the legislative to the executive level. Although it may be good in ‘operational’ terms, it is not necessarily recognised as such by members of the legislative level. It appears that the adoption by the Romanian administration of multi-annual, performance-based budgeting is currently subject to policy debate, the conclusion of which cannot be reliably anticipated.

### *3.1.2 Economic Factors*

A major vulnerability affecting Romania’s rate of absorption of SI assistance arises from the macroeconomic framework, both internally and externally. The current economic crisis has affected Romania’s capacity to spend EU funds. The most important economic factors behind the SI performance are presented below.

- **Reduction of consumption and investment**

As a result of the current financial downturn, domestic consumption and investment dropped dramatically.

Although annual GDP growth [ref: **Table 32**] was 6.3% in 2007 and 7.3% in 2008, a sharp decline started in the last quarter of 2008 (-7.1% in 2009). The private consumption followed a similar pattern: a significant boom between 2007 and 2008 fuelled by substantial increase of the wages and the expansion of the credit (annual percentage change of private consumption of 11.9% in 2007 and 9.5% in 2008 respectively) followed by a sharp contraction in 2009 (-10.5%). In addition, the gross fixed capital formation faced a sizeable deterioration in 2009 compared to the previous year.

**Table 32 – Economic Trend Indicators**

| Trend in GDP                  |                          |      |      |       |
|-------------------------------|--------------------------|------|------|-------|
| Indicator                     | Annual percentage change |      |      |       |
|                               | 2006                     | 2007 | 2008 | 2009  |
| GDP                           | 7.9                      | 6.3  | 7.3  | -7.1  |
| Private consumption           | 12.7                     | 11.9 | 9.5  | -10.5 |
| Public consumption            | -4.1                     | -0.1 | 7.1  | 0.8   |
| Gross fixed capital formation | 19.9                     | 30.3 | 16.2 | -25.3 |
| Exports of goods and services | 10.4                     | 7.8  | 8.7  | -5.5  |
| Imports of goods and services | 22.6                     | 27.3 | 7.8  | -20.6 |

Source: Eurostat

Under these circumstances, the private entities had to reshape their priorities to focus on recession survival strategies instead of adopting long-term investment ones. As the SI require long-term commitment on the part of beneficiaries to manage contracted funds responsibly, private companies postponed the development of EU financed projects, thus affecting the absorption progress. This might be reflected by the significant number of withdrawn projects between the approval and the contracting stages: a withdrawal rate of 15% in case of micro-enterprises financed under ROP KAI 4.3 (between 2007 – June 2009) and 13% of the SMEs supported under SOP IEC (between December 2009 and January 2010).

■ **Tightening credit standards and terms (lack of ability to co-finance)**

According to several periodical surveys<sup>19</sup> carried out by the National Bank of Romania among the commercial banks, the credit standards<sup>20</sup> and terms<sup>21</sup> have continuously tightened up since end 2008.

The results of the surveys show a continuously positive net percentage<sup>22</sup> between the 4<sup>th</sup> quarter of 2008 (Q4/2008) and the 4<sup>th</sup> quarter of 2009 (Q4/2009), which indicates that a larger proportion of banks have tightened the credit standards (net tightening) to businesses. For example, the net percentage of banks that tightened lending standards for companies in Q1/2009 was over 67%. Although the tendency to tighten weakened in recent months, credit standards continue to be tight, with the net percentage of banks that adopted these measures in Q4/2009 being around 13%. The net tightening of lending standards is even higher in the case of SMEs: over 90% of Romanian banks have tightened their credit standards in Q4/2008. Although a downward trend was noticeable during Q4/2009, the net percentage of banks tightening the credit standards for SMEs was around 9% [ref: **Table 33**].

From a lenders' perspective, the key factors that fuelled the above measures were the banks' expectations with regard to the general economic activity, the specific risk of the industry in question, the associated risk of the requested collateral/ guarantee and the monetary policy decisions of the National Bank of Romania.

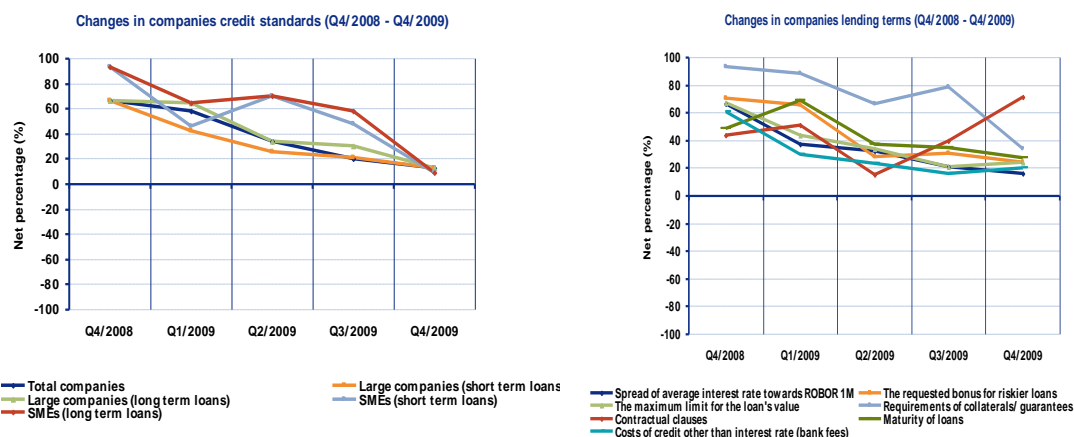
<sup>19</sup> Surveys on lending to non-financial companies and population (May 2008 and February 2010), National Bank of Romania.

<sup>20</sup> The credit standards represent the set of internal credit regulations or criteria used by banks in their credit policy.

<sup>21</sup> Credit terms refer to loan covenants agreed between lenders and borrowers (i.e., interest rate, collateral and maturity).

<sup>22</sup> The net percentage in case of credit standards represents the difference between the share of banks reporting that credit standards have been tightened and the share of banks reporting that they have been eased.

**Table 33 – Private Sector Credit and Lending**



Source: National Bank of Romania, Surveys on lending the non-financial companies and population (Q4/2008 - Q4/2009)  
 Note: Positive values of the net percentage indicate a tightening of credit standards

Source: National Bank of Romania, Surveys on lending the non-financial companies and population (Q4/2008 - Q4/2009)  
 Note: Positive values of the net percentage indicate a tightening of lending terms

Apart from tightening credit standards, Romanian banks have also kept lending terms tight: the requirements of collateral/guarantees increased substantially, by way of prudential measure. The spread of average interest rates compared to the ROBOR 1M (interbank reference rate) and other costs of credit has also increased, whereas the loan maturity and the maximum limit of loan value have been reduced, and the related contractual clauses have become more restrictive.

According to surveys results, in Q4/2008 more than 90% of credit institutions have focused on setting higher collateral/guarantee requirements for the private sector. The net tightening of collateral/guarantee requirements maintained over 2009, although in the last quarter of that year only 34% of Romanian banks had adopted this type of restrictive measures for businesses. The lending terms amended by banks have also referred to the net tightening of contractual clauses, as more than 70% of credit institutions reported more restrictive contractual clauses in Q4/2009.

The cost of credit (interest rate and bank fees) has increased considerably over the evaluation period. Thus, an increase of the spread of the average interest rate relative to ROBOR 1M was reported by more than 70% of credit institutions in Q4/2009, with the net percentage of banks that tightened other costs of credit (fees) being around 20%. In addition, in Q4/2009 approximately 25% of Romanian banks adopted measures for decreasing the maximum limit of loans targeted at companies (as compared to 67% in Q4/2008), while almost 28% of the credit institutions reported a decrease in loan maturity (as compared to 49% in Q4/2008).

According to the above-mentioned surveys, Romanian commercial banks have significantly tightened their lending standards and terms as a result of the financial turmoil that started in September 2008. The prudential measures adopted by credit institutions have had a major impact on the private entities' access to capital and investment resources. In addition, the cycle of restrictive measures related to the tightening of collateral/guarantees requirements have led to a situation in which private companies now tend to be heavily collateralised, which directly affects their capacity to provide co-financing for the type of interventions the SI support for the private sector.

On the other hand, the average interest rates for loans denominated in the national currency and targeted at non-financial companies showed two-digit figures, increasing from an average of 11.62% in 2007 to 15.40% in 2009, with the peak in 2008, when the average interest rate was around 19%<sup>23</sup>. The high level of the interest rates and commissions charged by commercial banks has had direct effect on access to credit, severely affecting the co-financing capacity of the applicants and beneficiaries.

<sup>23</sup> National Bank of Romania – Monthly Bulletins – December 2009.

- **Budgetary constraints**

The deterioration in Romania's public finances and the availability of budgetary resources are other economic factors triggered by the economic crisis. Thus, the share of the government expenditure in GDP went from 36% in 2007 to 40.4% in 2009 [ref: **Table 34**], whereas the share of government revenue slightly decreased under the same period from 33.5% to 32.1%. As a consequence, the public deficit of Romania increased from 2.5% of GDP in 2007 to 5.4% in 2008 and 8.3% in 2009. In addition, Romania registered an increase of the government debt from 12.6% of the GDP in 2007 to 23.7% of the GDP in 2009.

**Table 34 – Debt and Deficit**

| Government deficit and government debt |                          |       |       |       |
|--|--------------------------|-------|-------|-------|
| Indicator                              | Annual percentage change |       |       |       |
|  | 2006                     | 2007  | 2008  | 2009  |
| Government expenditure (% of GDP)      | 35.30                    | 36.00 | 37.60 | 40.40 |
| Government revenue (% of GDP)          | 33.10                    | 33.50 | 32.10 | 32.10 |
| Government deficit (% of GDP)          | -2.20                    | -2.50 | -5.40 | -8.30 |
| Government debt (million RON)          | 12.40                    | 12.60 | 13.30 | 23.70 |

Source: Eurostat

In combination with the absence of multi-annual budgeting, the deterioration in public finances might put pressure on the capacity of the MoPF to raise funds and provide co-financing. However, it worth mentioning that a NSRF co-financing facility amounting to 1 BEUR has been contracted with the EIB for the purpose of securing national co-financing of major infrastructure investment projects eligible under the infrastructure-related OPs (transport, environment and energy).

- **Exchange rate fluctuations**

The fluctuation of the exchange rate (particularly between September 2008 and the beginning of 2009), caused by the financial downturn, has also affected SI progress. In the case of projects with substantial import requirements, such as equipment produced abroad, a relative reduction of the value of the national currency increases investment costs, making it more difficult for beneficiaries to implement the project in the absence of additional financing sources.

Aside from the difficulties in accessing finance induced by the economic crisis [ref: **Sub-section 3.1.2**], there are other factors that generate financial problems for beneficiaries. These are:

- **Lack of appropriate financing mechanisms for private and public beneficiaries to ensure co-financing and adequate cash flows**

Romania tends to lag in terms of innovative financial mechanisms for the facilitation of access to finance for public and private entities benefiting from support under EU interventions. However, the Romanian authorities have recently taken several initiatives to increase such access. Thus, the *National Guarantee Fund for SMEs Loans* supports private entities by providing loan guarantees to banks in respect of credit facilities for SMEs. The Fund has developed several financial products to provide guarantees (up to 80%) for loans taken out to co-finance EU-funded projects. However, the Fund is overwhelmed by the number of requests for this type loan on the part of SMEs and it usually takes several months to approve the guarantee, which hampers the project implementation.

Romania has chosen to support SMEs through the JEREMIE initiative, which is a framework for actions designed to promote SMEs' access to finance. The JEREMIE initiative is funded from SOP IEC and its calls for expressions of interest only target financial intermediaries (such as banks, guarantee funds, micro finance providers and loan funds), which provide financial instruments (guarantees, co-guarantees and counter-guarantees) to SMEs (final beneficiaries). However, the progress of KAI 1.2 – *Access to Finance for SMEs* is relatively low: the first call for expressions of interest was launched in August 2009. Only two banks submitted expressions of interest, which are currently under evaluation. Therefore, no support had been provided to

SMEs through the JEREMIE initiative by the cut-off date, which affects SI absorption negatively.

It is worth mentioning that the Romanian Government recently (in February 2010) approved GEO N° 9/2010, which provides public beneficiaries of SI with a state guarantee, in case they fail to ensure the necessary funds for implementing their EU-financed projects from their own resources. Beneficiaries of these regulations are local public authorities, regional operators, universities and research institutes. The supported projects must be in a strategic sector: road infrastructure, energy infrastructure, water, wastewater and solid waste management infrastructure, education and research-development infrastructure and health and social assistance infrastructure.

- **Difficulties in recovering VAT**

In respect of recovering VAT, the legal framework was only recently improved (GEO N° 64/2009) on a number of aspects including those faced by the beneficiaries of the water and wastewater projects (regional operators). However, it worth mentioning that pre-financing could be used in order for covering VAT expenditure. On the other hand, the late adoption of coherent and clear procedural instructions for VAT recovery (e.g. the MA for SOP HRD published a set of instructions for VAT recovery in April 2010) has generated difficulties for the beneficiaries in terms of VAT recovery. Consequently, in addition to covering the co-financing contribution and maintaining adequate liquidity until the reimbursement of eligible expenses, the aforementioned categories of beneficiaries had to pre-finance the VAT until the uncertain point in time when recovery was possible.

- **Difficulties in obtaining pre-financing and the need for guarantees**

Although the Government recently increased pre-financing levels to improve access to finance, beneficiaries experience difficulties in obtaining it. In order to receive pre-financing, in the case of state aid, private beneficiaries are required to present a bank guarantee corresponding to the amount of pre-financing. However, banks are selective in choosing their borrowers and issue the guarantee letter based on their own risk assessment only. Projects already approved by the MAs/IBs therefore may fail to meet the banks' requirements for collateral (cash collateral or mortgage). Moreover, delays at the evaluation stage of projects may have a major impact on the capacity of borrowers to obtain the bank guarantee, as these delays may be associated with depreciation of assets. The depreciation requires covering by additional collateral.

### *3.1.3 Regulatory Factors*

Successful absorption of the SI depends on a large extent to the existence of a unitary and coherent legal framework, adequate to the national needs but in harmony with European legislation. The most important regulatory factors affecting SI absorption are listed below.

- **Incoherent legislation and lack of correlation with reality**

Lack of coherence and harmonization of laws and also constantly changing procedures frequently lead to delays and bottlenecks at the evaluation and contracting stages and slow down absorption. Legal framework modifications sometimes change expenditure first considered reimbursable into ineligible, non-reimbursable expenditure. In addition, inconsistency of the legal framework with practical needs is a major obstacle in the absorption of EU funds, although the lack of coherence is largely due to a great deal of legislation with which the MAs/IBs have to work having been enacted only recently. New regulations were adopted to ensure compatibility with the European legal framework, but there has often been no time to test them against Romanian realities.

For example, Romania's regional development policy was mainly built on the provisions of Law N° 315/2004 on regional development, Law N° 339/2004 regarding decentralisation, as well as the development strategies drawn-up at regional level. However, there are several aspects of the

Romanian reality that may not have been fully taken into account by the national authorities when preparing, developing and implementing the regional development policy.

First of all, although certain measures were adopted recently (e.g. decentralisation of the health services), the decentralisation process at large is still lagging, which results in inconsistent support to the implementation of the regional policy. This is particularly true in case of financial and fiscal decentralization, as the legal framework for decentralisation mainly focused on the transfer of tasks and responsibilities to the local public administration and insufficiently on the transfer of adequate financial resources. Apart from the delegation of responsibilities to the local public administration, a genuine reform on decentralisation should also envisage local coordination of mechanisms and resources. In addition, the decentralization measures undertaken so far have mainly focused on counties (part of the traditional structure of local public administration) rather than on regions.

Secondly, one of the key principles of a regional policy is partnership. In applicable EC Regulations the partnership principle means shared responsibility for the programming, and efficient and effective use of the SF between the EC, the national authorities, the local and regional authorities and civil society, being basically limited to consultations with partners (partnerships at programme level). In this respect, Romania has poor tradition in respect of involving various stakeholders in the policy making process. From a broader perspective, the partnership might be seen as sharing efforts and resources for joint development and implementation of projects<sup>24</sup> (project partnerships). The public-private partnerships represent a particular case of joint projects between the public and the private sector. In this respect, Romania has insufficient and incoherent legislation related to the setting up and development of private-public partnerships. Although the public procurement law provides the set up and the operation of public-private partnerships, the only form accepted under the legal framework is the concession of goods and services, and this too is extremely difficult to apply due to legal inconsistencies.

Another more practical example of inconsistency between the national regulatory framework of EU inspiration and Romanian realities is provided by GD N° 28/2008 on the rules for the elaboration and approval of technical and economic documentation for investment projects. The GD requires the preparation of a cost-benefit analysis (CBA), as well as an economic analysis as part of the applications for major projects, in line with the provisions of Article 40 of Council Regulation (EC) N° 1083/2006 (as well as those in EC Working Document N° 4, which provides guidance on CBA methodology in the context of EU funding).

In line with the above-mentioned GD, the development of the economic analysis implies the conversion of project financial costs into economic costs. As suggested by the EC, the conversion should be based on national parameters (shadow prices or conversion factors). No such estimations were available before the cut-off date, which means that the GD was adopted without taking into account the Romanian environment. It is to be noted, however, that the problem was partially solved recently (end-2009) through the preparation (by ACIS, with assistance from JASPERS<sup>25</sup>) of a national CBA guide.

#### ▪ **Frequent changes of regulations/legislation**

Relevant legislative and regulatory changes during the process of project submission often create delays and difficulties for MA/IB staff involved in the evaluation and contracting stages. Issuing frequent corrigenda to Applicant Guides is usually costly and time-consuming. In

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<sup>24</sup> Partnership in the 2000-2006 programming period – Analysis of the implementation of the partnership principle, DG Regional Policy, European Commission, November 2005 & UNDP, Partnerships in Structural and Cohesion Funds Planning and Absorption: A comparative review of the practices of selected EU Member States and lessons learned for Bulgaria.

<sup>25</sup> JASPERS (Joint Assistance to Support Projects in European Regions) assists the 12 Central and Eastern EU Member States in the preparation of major projects to be submitted for grant financing under the Structural and Cohesion Funds.

addition, applicants tend to have difficulties in following amendments to the guidance documents arising from legislative changes.

An example of regulatory changes applying to procedures already started is the adoption of GD N° 28/2008 on the rules for elaboration and approval of technical and economic documentation for investment projects. The changes concerned applied only to the ROP KAI 2.1 – *Rehabilitation and Modernization of County Roads, Urban Streets, including Construction/Rehabilitation of Ring Roads*, as this was the only call for proposals launched at the time of GD approval (call for proposals with continuous submission launched in September 2007), following the adoption of Corrigendum N° 2.

A similar situation related to the adoption, in June 2008, of Minister Order N° 863/2008 (issued by the Minister of Regional Development) approving the instructions for the application of some provisions of the GD N° 28/2008. The consolidated version of the Applicant Guide for the aforementioned intervention (ROP, KAI 2.1) was issued in February 2008, following the adoption of the Corrigendum N° 2. According to this version of the Applicant Guide, the technical projects submitted before the adoption of the MO N° 863/2008 had to follow the *indicative* structure provided in the Applicant Guide, whereas technical projects submitted after the adoption of this order (June 2008) had to observe its provisions strictly (*mandatory compliance*). These changes of regulations may induce confusion and even frustration among applicants, as parts of their documentation are assessed using double standards (e.g. technical projects following indicative and mandatory structures). In addition, such modifications may require additional time and costs for the applicants to adapt their documentation to the new requirements.

Another example of an addendum to the Applicant Guide containing modifications derived from legal changes is Corrigendum N° 1 to the Call for Projects N° 1 and N° 3/2009 under OP DAC KAI 2.1 – *Support to the Sectoral Service Decentralisation Process* and KAI 2.2 – *Improve the Quality and Efficiency of Service Delivery*. The calls for proposals were officially launched in February 2009, with projects being submitted on a continuous basis, without a deadline for submission. One of the changes brought by the corrigenda was due to the replacement of the Joint Order of the Minister of Administration and Interior and the Minister of Public Finance N° 453/1407/2008 on the approval of the eligible expenses under OP DAC with the Joint Order of the Ministry of Administration and Interior and the Ministry of Public Finance N° 712/631/2009. Although the new order did not contain major changes to the eligible expenses, such changes should be avoided in the future in order to prevent confusion and misinterpretation among potential applicants.

Apart from the corrigenda required by the regulatory changes, there have also been major amendments of the Applicant Guides generated by:

- changes in and additions to the list of eligible activities (SOP HRD – KAIs 1.1, 1.2, 1.3 and 2.1)
- modifications and additions related to the support intensity<sup>26</sup> (OP DAC – KAI 2.1 and 2.2; SOP IEC – KAI 3.2; SOP HRD – KAIs 1.1, 1.2, 1.3, 1.5, 2.1, 2.2, 3.1, 3.3, 6.2, 6.3 and 6.4);
- changes in and additions to the list of potential beneficiaries and target groups (ROP 3.1 – list of eligible hospitals; OP DAC – KAIs 1.1, 1.3, 2.1 2.2; SOP HRD – KAIs 1.1, 1.2, 1.3, 1.5, 2.1, 3.1 and 3.3);
- modifications of and additions to the list of eligible expenses (ROP 4.3; OP DAC – KAIs 1.3, 2.1 and 2.2, SOP HRD – KAI 1.1, 1.2, 1.3, 1.4, 1.5, 2.1, 2.3, 3.1, 3.3, 4.1, 4.2, 5.2, 6.1, 6.2 and 6.3); or
- changes in monitored indicators (OP DAC – KAI 2.1 and 2.2).

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<sup>26</sup> I.e.: the ratio between the support and project values.

- **Public procurement law and complaints**

The public procurement system generates delays in the implementation of approved projects, mainly due to the large number of complaints filed by tenderers. MAs and IBs are often confronted with complaints submitted in the course of a procedure, which have to be solved by the National Council for Solving Complaints or by the courts. This cascade of delays may impair the ability to award public procurement contracts in due time. Postponement of project initiation is extremely harmful to the implementation of OPs and may negatively affect absorption. In this context, it is worth mentioning that the Romanian authorities struggle to amend substantially the public procurement rules with a view to improving the effectiveness of the procurement procedures. The most important amendments undertaken since 2006 to avoid delays in contracting and project implementation include increasing the financial thresholds for different awarding procedures, reducing the mandatory procedural deadlines for tender submission, reducing the length of the tender evaluation stage to a maximum of 20 days after the tender opening session (which period may be extended with an additional 20 days in duly justified cases), accelerating dispute resolution, and introducing accelerated procedures justified by the exceptional nature of the current economic situation.

- **Lack of standard templates for procurement contracts**

Delays in the implementation of approved projects were also caused by the lack of models of procurement contracts, particularly in case of major projects, such as environment projects or road transport infrastructure. In the absence of standard templates, delays in the conclusion of contracts with the successful applicants frequently occurred after the public procurement procedure.

- **‘Gold-plating’**

In certain cases, Romania has put in place a number of intricate procurement regulations, rules and procedures of a more restrictive and demanding nature than those contained in relevant EU Financial Regulations. This impedes MAs/IBs to implement projects in an efficient manner. Requirements pertaining to calls for proposals and certain issues in the implementation stage are clear examples of *gold-plating*, i.e. the desire for 100% certainty that no mistakes are made, including several signatures on each page within the Application File, 100% checks and controls, as well as the duplication of checks between MAs and IBs in the case of reimbursement claims.

- **The appropriateness of national legislation to the absorption requirements**

As a result of the legal requirements, a large number of authorizations and permits (such as those pertaining to the environment and construction works) are still required in the submission stage of projects. This incurs a great deal of effort on the part of applicants to obtain them in support of their applications. In addition, the typically limited validity period of this documentation saddles applicants with the burden of regular renewal and re-submission. Another major legal constraint relates to the expropriation process. Although some progress has been achieved in adapting the legal framework to facilitate expropriation (especially in the road sector), beneficiaries still face many legal requirements in this area.

There is also poor alignment of the national budgetary legislation with SI requirements. For instance, according to Romanian public finance legislation and GD N° 264/2003, local authorities or regional operators have to recover advance payments made to the contractors in case these payments are not justified by delivery of services, goods and works by the end of the same financial year. Beneficiary institutions are therefore not motivated to make advance payments during the last months of the financial year. However, a Government Emergency Ordinance (GEO) has been recently approved in order to address this specific issue. A Government Decision (GD) is to be adopted in the near future (July 2010) to make this GEO operational.

In addition, MAs/IBs face a number of difficulties caused by deficiencies in the legal framework. Unclear regulations in respect of inter-community development associations, the



absence of implementing regulations for the Law on Local Public Administration, lack of implementing regulations for Law N° 220/2008 establishing the system to promote energy production from renewable energy sources, as well as shortcomings of laws governing the status of competent bodies for protected areas are a few examples of legal framework deficiencies.

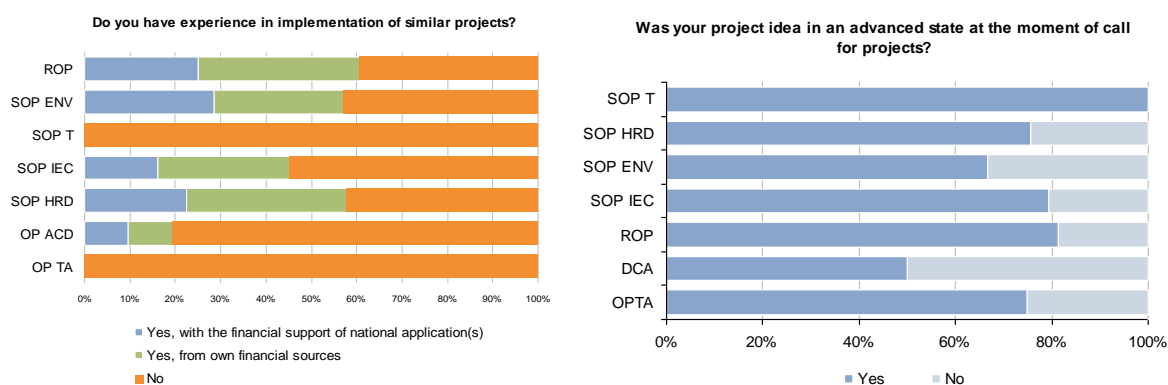
### 3.1.4 Capabilities of Beneficiaries

The capacity of applicants to submit sound projects and also the capabilities of beneficiaries to implement contracted projects have a major impact on the quality of project portfolio thus affecting the absorption rate of the SI. The following sets out the implications in more detail:

#### ▪ Applicants' ability to develop sustainable projects

The low capacity of potential beneficiaries to submit high quality project proposals is reflected in the large number of rejections on administrative (e.g. admin pass ratio<sup>27</sup> of 82% in case of SOP IEC or 81% in case of ETC RO BG), eligibility (e.g. eligibility pass ratio<sup>28</sup> of 71% in case of SOP HRD, 77% in case of SOPT or 85% in case of OP DAC), technical and financial grounds (e.g. technical and financial pass ratio of 38% in case of SOP-T, 44% in the case of OP DAC, 50% in the case of SOP IEC and SOP HRD ). This is clearly related to lack of experience in proposal preparation and insufficient understanding the requirements of EU financed projects<sup>29</sup> [ref: **Figure 35**]. In case of several interventions with high popularity ratios (rehabilitation of county roads, ring roads and urban streets – ROP, the operations for strengthening the productive sector or RDI and IT interventions targeted to public entities – SOP IEC), the large number of rejections on technical and financial grounds can also be explained by the tough competition among the projects submitted, combined with the limited funds available under the calls for proposals.

**Figure 35 – Project Implementation Experience**



<sup>27</sup> The admin pass ratio is the same as the rejection rate on administrative grounds in the case of OPs with 100% admin processed grants (ROP, SOP ENV, SOP T, OP DAC, OPTA and ETC RO-BG). In the case of SOP IEC and SOP HRD, the rejection rate on administrative grounds results from 87% admin processed grants and 98% admin processed grants, respectively [ref: **Table 20**, for additional details].

<sup>28</sup> The rejection rate on eligibility grounds may differ slightly from the eligibility pass ratio, as it is obtained based on more than 90% of eligibility-processed grants in the case of all OPs [ref: **Table 20**, for additional details].

<sup>29</sup> In case of SOP T, the results of the survey should be interpreted with caution, as the response rate was only 8% (only one returned questionnaire out of 13 questionnaires sent).

In addition, it is common practice for Romanian potential beneficiaries to develop projects proposals for the specific purpose of trying to benefit from financial support instead of a clear vision of the intrinsic worth of a project, based on a careful analysis of its likely benefits and cost. This is particularly the case for the private entities, with the large number of rejections (especially, those on administrative and eligibility grounds) supporting the aforementioned allegation. On the other hand, according to the survey's results, 75% of the successful applicants were already in an advanced stage of preparation at the time of the call for proposals, which means that the maturity of submitted projects was one of the major factors making the difference between a good and a bad proposal. The limited ability for the preparation of effective, high impact and sustainable projects may also be explained by the very limited number of experts providing relevant quality consultancy services and specifically the writing of project applications, as well as the limited degree of specialization of these experts (except for consultancy companies providing assistance for accessing funds under SOP ENV and SOP T). The limited capacity of the consultancy market was confirmed by a questionnaire sent to the beneficiaries. Out of 609 respondents, about 25% (159 beneficiaries) acknowledged that they used consulting companies as information sources for preparing the application [ref: **Table 36**].

**Table 36 – Information Sources about Project Opportunities**

|              | National Development Plan and OPs | Call for application of the OP | Application consultant | (Potential) supplier of integrator | Business partner | Family member, friend, acquaintance | Previous experiences | Other <sup>30</sup> |
|--------------|-----------------------------------|--------------------------------|------------------------|------------------------------------|------------------|-------------------------------------|----------------------|---------------------|
| ROP          | 52                                | 64                             | 42                     | 3                                  | 1                | 9                                   | 9                    | 14                  |
| SOP ENV      | 7                                 | 13                             | 3                      | -                                  | 1                | -                                   | 2                    | 1                   |
| SOP T        | 1                                 | -                              | -                      | -                                  | -                | -                                   | -                    | -                   |
| SOP IEC      | 35                                | 46                             | 55                     | 2                                  | 9                | 2                                   | 5                    | 4                   |
| SOP HRD      | 61                                | 102                            | 31                     | 2                                  | 8                | 7                                   | 11                   | 13                  |
| OP DAC       | 15                                | 22                             | 4                      | -                                  | -                | 1                                   | -                    | 3                   |
| OPTA         | 2                                 | 1                              | 1                      | -                                  | -                | -                                   | -                    | 1                   |
| <b>Total</b> | <b>197</b>                        | <b>273</b>                     | <b>159</b>             | <b>12</b>                          | <b>25</b>        | <b>25</b>                           | <b>38</b>            | <b>39</b>           |

▪ **Capabilities of beneficiaries to implement projects correctly and on time**

Romania is lagging in terms of providing guidance to beneficiaries for implementing projects of complexity and scale typical for SI interventions (*inter alia* in respect of compliance with tight rules and contractual discipline). Private entities have difficulties with regard to meeting reporting requirements, filling in claims for reimbursement of expenditure, complying with the legal and regulatory framework for project implementation and using procurement procedures. On the other hand, public entities (e.g. beneficiaries of large investment projects under SOP ENV) have limited capabilities and expertise for project implementation due to the lack of experienced personnel, inexperience in rigorous budgetary planning and relatively low skills in project and financial management.

▪ **Low capacity of contractors for large projects at national level**

Through a domino effect, the low capacity of contractors (lack of staff and funds, lack of local sub-contractors, failure to strictly observe the timetable of activities or to meet milestones including taking over and commissioning works) is transferred onto beneficiaries, increasing the

<sup>30</sup> The option 'other' includes direct contact with MAs and IBs.

pressure on the systems for monitoring and control, and ultimately affecting project implementation speed and the SI absorption rate. At the present stage (early) of SI implementation in Romania, the impact of this factor is still relatively insignificant, but it will be much more present during the second half of the 2007-13 period.

- **Public beneficiaries are less experienced than private ones in projects implementation**

Public entities generally have little experience with project-based interventions, because they are not structured to accommodate a project-oriented approach. Although progress is being made in this regard, many public entities are still low on the learning curve.

### 3.1.5 Other Factors

- **Availability of qualified evaluators on the market**

Project evaluation culture in Romania is at an early stage of development. This, coupled with low remuneration levels, prevents MAs/IBs from recruiting and retaining highly qualified internal evaluators. There is further a limited number of well-qualified independent evaluators on the Romanian market. In addition, the limited level of specialization among the available evaluators is noticeable, as well as a combination of financial expertise and technical competence. This is especially important in highly technical areas, involving substantial investment, where evaluators may have to assess the technical and well as financial viability of proposed solutions (e.g. environment, transport, energy and IT).

- **Lack of confidence /capacity to support a joint project**

A general, culturally conditioned reluctance to enter into joint interventions based on private/public cooperation appears to persist in Romania. This is hardly surprising, but somewhat contrary to the philosophy underpinning part of the SI interventions, i.e. those related to R&D (joint private/University research endeavours) or ‘cluster’-type interventions.

## 3.2 OP-Level

### 3.2.1 Regional Operational Programme

The external factors which affected the implementation of the ROP are mainly related to the complexity of the legal framework, the low capacity of potential beneficiaries to develop sound projects proposals, insufficient cooperation between the ROP MA and other entities involved in the implementation of the OP, State Aid rules in force, as well as the economic downturn.

For example, launching the interventions related to the development of urban growth poles, urban development poles and urban centres has turned out to be a very challenging task for the Romanian authorities. As the ‘integrated urban development plan’-concept was relatively new in Romania, difficulties were encountered in defining an implementation mechanism for a development policy based upon the growth poles, thus generating delays in launching the interventions under PA1 – *Sustainable Development of Urban Growth Poles*. Moreover, the late launch of the PA1 was also caused by the delayed adoption of the legal framework designating the urban growth and development poles (GD N° 998/2008, GD N° 1149/2008 and GD N° 1513/2008) or by the legal complexities related to the setting up of the Intercommunity Development Associations.

Another external factor that affected the absorption process at ROP level was the limited capacity of potential beneficiaries. This applied particularly in the case of local authorities eligible under PA1, which encountered difficulties in defining the priorities and actions to be included in the integrated urban development plans. A similar situation can be mentioned in the case of local authorities eligible under KAI 4.2 – *Rehabilitation of Unused Polluted Industrial Sites*, which seem to have insufficient capacity to develop sound projects of such magnitude.

Insufficient cooperation with the other institutions involved in different stages of the implementation generated delays in the absorption process at ROP-level. The deficiencies in collaboration with the Ministry of Public Health or the local Departments of Public Health led to delay in certain interventions under the ROP: rehabilitation, modernization and equipment of health infrastructure (KAI 3.1), because of late submission of the applications; improvement and equipment of the operational units for public safety interventions in emergency situations (KAI 3.3), as a result of late submission by the Ministry of Public Health of the technical specifications for the equipments to be procured; rehabilitation, modernization, development and equipping of social infrastructure (KAI 3.2), as a consequence of delays in issuing permits by the respective Departments of Public Health for the projects related with setting up social centres.

Finally, the State Aid rules, as well as the low level of the aid intensity proved to be major obstacles for progress achieved in the case of KAI 4.1 – *Business Supporting Structures of Local and Regional Interest* and KAI 4.2 – *Rehabilitation of Unused Polluted Industrial Sites*, whereas the financial turmoil and the difficulties in accessing credits have particularly affected the absorption process in case of KAI 4.3 – *Support for the Development of Micro-Enterprises*.

### 3.2.2 SOP Environment

The complexity of the legal framework and late adoption of several laws and national strategies have a major impact on the environment sector. Delays in the procurement of the land necessary for the envisaged investment, the limited capacity of the local authorities to prepare the application files and the technical documents or the difficulties related to the VAT recovery proved to be the main external factors affecting the progress at SOP ENV-level.

The discrepancies resulting from the main legislative acts regulating the organisation and operation of the public utility services (e.g. Local Public Administration Law N° 215/2001, Law N° 51/2006 on Public Utility Services, GEO N° 34/3006 – including subsequent amendments regarding the award of public procurement contracts, public works concession contracts and services concession contracts – and Law N° 241/2006 on Sewerage and Water Supply Systems), as well as the required clarifications concerning the legal status, organisation and operations of Inter-community Development Associations and the need to ensure full compliance with the EU rules for awarding the water and wastewater delegation contracts, all have led to the adoption of GEO N° 13/2008. However, the late enforcement of these specific provisions of sectoral legislation has generated delays in the progress of PA1 – *Extension and Modernization of Water and Wastewater Systems*. In addition, the Romanian authorities encountered significant problems in identifying agglomerations according to Directive N° 91/271/EEC on urban wastewater treatment, due to various interpretations in applying the directive and the lack of relevant data such as local urban plans or the outdated maps. As the identification of agglomerations was a pre-condition for the selection of investment priorities related to urban wastewater treatment, delays occurred in the compilation of a sound project portfolio.

In case of PA2 – *Development of Integrated Waste Management Systems and Rehabilitation of Historically Contaminated Sites*, progress was mainly slowed down by the complexity of the specific legal framework and subsequent amendments of the national legislation on urban sanitation services (Law N° 101/2006), in order to strengthen the role of County Councils in managing waste management projects (GEO N° 92/2007 and Law N° 224/2008). Although three pilot projects were already selected for financing under the SI, the limited progress in case of KAI 2.2 – *Rehabilitation of Historically Contaminated Sites* may be explained by the lack of a national strategy for the management of contaminated sites. A similar situation applies in the case of PA5 – *Implementation of Adequate Infrastructure of Natural Risk Prevention in Most Vulnerable Areas*, where delays in launching the calls for proposals were caused by the late approval of the National Strategy for Flood Risk Management.

For PA4 – *Implementation of Adequate Management Systems for Nature Protection*, potential beneficiaries are the Administrations of Natural Parks (local entities without legal personality) subordinated to the National Forest Administration. As the eligibility criteria set out in the

Applicant Guides clearly state that only entities with legal personality may benefit from support under PA4, the financing agreements with this type of beneficiaries could not be signed, thus affecting the absorption process. In addition, difficulties were encountered in setting up the competent body with the responsibility for endorsing the management plans for protected areas (National Agency for Protected Areas).

Besides the late adoption of several laws or national strategies, SOP ENV progress was skewed by the limited capacity of beneficiaries to develop sound application files, the low quality of the TA services provided, as well as reluctance on the part of local authorities to approve investment priorities at regional level (including the problems related to the setting up of Inter-Community Development Associations and the identification of appropriate sites for waste management projects).

Finally, the incapacity of regional operators to recover VAT (before the adoption of GEO N° 64/2009) and the delays recorded in providing co-financing by beneficiaries were other major external factors affecting the implementation progress at SOP ENV level.

### *3.2.3 SOP Transport*

The difficulties caused by the legal aspects or the lack of national strategies, the high complexity of the projects to be financed under the SOP T, the difficulties in the cooperation between institutions, the limited capacity of the beneficiaries and public procurement disputes were the main external factors affecting the progress of the SOP T.

The delays associated with the procedures for land expropriation have been reflected in the absorption process at the SOP T level. However, it worth mentioning that several measures for simplification of these procedures were introduced in November 2008 to allow land expropriation in the feasibility stage in the case of highways and national roads (Law N° 184/2008 on Certain Measures prior to the Construction of Highways and National Roads, Amending and Supplementing Law N° 198/2004). Moreover, the lack of coherent strategies for the development of inter-modal transport or for traffic safety helps to explain the noticeable limited progress at KAI 3.1 and KAI 3.2 level.

Another representative external factor related to cooperation between the entities involved in different stages of the implementation of SOP T. The number of institutions taking decisions in case of transport projects (consultants, beneficiaries, different departments within the Ministry of Transport and Infrastructure, MA, EIB and EC), the limited experience in systematic cooperation between the aforementioned institutions and the time needed for exchanging information (including interruptions of the evaluation process (of almost 50 working days in the case of the MA and 80 working days in the case of the EC) have led to significant reductions in SOP T progress.

The high degree of complexity of the projects to be financed under SOP T, the limited capacity of the beneficiaries, the low quality of the projects prepared by the beneficiaries and poor quality of the TA received have resulted in a small number of mature projects. On the other hand, the low absorption rate at SOP T level might also be explained by the late accreditation of the MA for SI implementation (August 2009) and the delays attaching to public procurement claims and disputes.

### *3.2.4 SOP Increase of Economic Competitiveness*

The lack of essential strategies, such as the National Strategy for Poles of Competitiveness or the National Strategy for Excellence Poles, as well as the late adoption of other strategic documents (the National Strategy for Broadband Communication) have led to delays in launching the calls for proposals targeted on these specific areas. The need to ensure compliance with applicable State Aid rules and the requirement to notify the State Aid schemes to the EC (as in the case of certain interventions in the energy sector) have also slowed down progress in the implementation of SOP IEC.

A significant external factor affecting the absorption at SOP IEC level was the negative impact of the crisis. As SOP IEC is the main OP targeting the private sector and SMEs turned out to be the most vulnerable firms during the financial turmoil, the economic crisis has severely affected the implementation of this programme. The worsening of the credit climate, and the difficulties encountered by firms in raising development funds, reduced SMEs' capacity to secure their co-financing contributions. This situation also led to an increase in the number of withdrawals after contracts had been signed.

On the other hand, as a result of the economic crisis, the exchange rate has been constantly depreciated. This generated additional difficulties for beneficiaries in the private sector. Delays at the evaluation stage, combined with the fact that initial proposal budgets had been presented in the national currency, and the exchange rate depreciation led to substantially lower budgets of approved projects. Under these circumstances, many SMEs either had to find additional financial resources or to withdraw the project for which they had sought SOP IEC support.

The negative consequences of more difficult access to finance and the need for additional guarantees to obtain credit might have partially been overcome by launching Jeremie calls for expression of interest. However, the high degree of complexity of Jeremie instruments and the requirement of obtaining *a priori* endorsement by the EC in respect of the compatibility of the proposed products with the eligibility criteria led to delays in launching these instruments and impeded positive effects of SOP IEC on the private sector during the crisis period.

### 3.2.5 SOP Human Resources Development

Progress in respect of SOP HRD was limited by several legal constraints, including: (i) the provisions of GD 29/2007, which prevented the delegation of commitment and payment of expenses towards relevant tertiary credit holders (the National Agency for Employment and the National Centre for the Development of Vocational and Technical Education); and (ii) the unclear status and fiscal situation of pre-university education and research institutions, which caused difficulties in including these entities amongst the eligible beneficiaries.

The large number of projects submitted under SOP HRD and the insufficient number of external evaluators has also had a major impact on progress achieved at SOP HRD-level. Other external factors related to the late launch of relevant State Aid schemes (vocational training, employment and the *de minimis* aid scheme), as well as the difficulties of the private sector to ensure their own contribution due to the economic downturn.

The limited capacity of applicants to prepare sound projects, the large number of projects submitted during the last few days before the closing date of the calls for proposals, failure to observe the deadlines for submitting additional documents required for the contracting stage and submission of incomplete or inadequately completed proposals also led to significant delays in the absorption process at SOP HRD-level.

### 3.2.6 OP Development of Administrative Capacity

Late adoption or absence of the legal framework for the priority sectors identified in the OP DAC (decentralization of the pre-university, vocational and technical education, decentralization of health services) turned out to be major factors affecting the progress of the programme. In addition, the insufficient staff of the beneficiaries from the priority sectors and their lack of experience in respect of proposal development have resulted in a limited number of project submissions under the OP DAC.

Beside the insufficient inter-institutional cooperation, the communication syncope between the MA and relevant legal and financial departments within the Ministry of Administration and Interior had a significant impact on the progress achieved at OP DAC level. In addition, support from the

relevant departments of the Ministry caused considerable delays in the case of launching the tenders for TA projects under OP DAC.

The rate of progress of the OP DAC can further be explained by the low capacity of applicants to deliver high-quality projects proposals, which is a direct result of their limited experience in implementing projects of similar complexity. The large number of rejections on administrative and eligibility grounds demonstrates this.

A final factor, and one beyond the control of the MA, that led to a relatively low rate of absorption for PA3 (TA), was the large number of complaints in the course of the procurement process for the TA projects.

### *3.2.7 OP Technical Assistance*

The low capacity of beneficiaries and insufficient staff available for preparing tender documentation, as well as the implementation of TA contracts, negatively affected the progress of the OPTA. Moreover, the complexity of the organisations involved led to intricate approval chains and longer lead times as compared to the case of TA available under the pre-accession instruments.

Delays in the preparation stage of TA tender documentation (e.g. the formulation of selection criteria) and subsequent problems in contract implementation were also the result of lack of multi-annual budgets (delays in approval of the public procurement plans with significant impact on launching the contracts), difficulties in approving and endorsing the contracts within the Ministry of Public Finance, as well as unclear regulations for certain categories of TA expenditures.

Finally, limited experience of key stakeholders in coordinating their actions, as well as the large number of claims associated with the procurement procedures for TA projects also contributed to a slow progress at OPTA level.

### *3.2.8 ETC Romania-Bulgaria*

Delays in setting up the Joint Technical Secretariat (JTS), which became operational only in December 2008, due to difficulties with regard to the hiring of staff and finding proper office premises were major factor affecting progress at the ETC RO-BG level. As the JTS is responsible for project selection, the delays in setting up the JTS have also led to a late start of the evaluation stage. In addition, the complexity of both partner state legislations and the lack of sufficient knowledge of the programme features by the potential applicants were also significant external factors affecting the absorption at ETC RO-BG level.

### *3.2.9 Black Sea Basin JOP*

One of the main external factors affecting progress under the Black Sea Basin Joint Operational Programme (JOP) was the late establishment of the JTS, due to difficulties related to the hiring of staff. Following the financial turmoil, the Romanian Government imposed severe restrictions in respect of staff recruitment for the public administration. This led to significant delays in setting up the JTS within the Ministry of Regional Development and Tourism. Consequently, the JTS was only set up at the beginning of 2010, following a derogation of the PRAG<sup>31</sup> rules, which allowed the Joint Managing Authority (JMA) to procure external expertise instead of hiring new staff for JTS establishment.

Delay in the appointment of the Selection Committee, caused by difficulties in signing the Financing Agreements between the EC and several partner states (e.g. Ukraine in December 2009),

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<sup>31</sup> Practical Guide to Contract Procedures for EC External Actions, EC, Brussels, 2008.

also affected the progress of Black Sea Basin JOP. In addition, lack of clarity in respect of the implementing rules related to the European Neighbourhood and Partnership Instrument (ENPI) – related to funds recovery and control system in particular – led to the delayed signing of the collaboration protocol with Turkey and the Memorandum of Understanding between Romania, Bulgaria and Greece.

Finally, lack of progress in terms of contracting and absorption can be explained by delays in the approval of the application forms to be used under the Black Sea Basin JOP. As the Turkish partners participate into the programme in the context of IPA (Instrument for Pre-Accession Assistance) funds, the JMA had to submit the application forms, prior to their launch, to the EC Delegation in Turkey for endorsement. Insufficient correlation between ENPI and IPA procedures (common application and implementation procedures for joint projects, but different rules in respect of contracting, monitoring and financial management) and the need for adjustment of PRAG rules to the ENPI context, combined with the requirement of clear distinction between ENPI and IPA activities, caused significant delays in the approval of the application forms. The first call for proposals was launched only in June 2009.

### *3.2.10 Romania-Ukraine-Moldova JOP*

Delays in signing the Financing Agreements between the EC and the partner states (Republic of Moldova in December 2008 and Ukraine in December 2009) have affected the progress of Romania-Ukraine-Moldova JOP. In addition, the need to introduce derogations to the PRAG rules regarding the contract template (amendment of Special Conditions and Expenditure Verifications form) and the large number of stakeholders involved in approving supporting documents to be filled in by potential beneficiaries led to substantially delayed approval of the application package. The late start of the evaluation stage can further be explained by difficulties encountered in setting up the evaluation committees.

### *3.2.11 Romania-Serbia IPA CBC Programme*

In case of Romania-Serbia IPA CBC Programme, obstacles encountered in establishing the JTS, in particular the hiring appropriate staff, combined with late approval of the application package and the problems related to the appointment of the evaluation committees, hampered programme progress. Other difficulties, including compliance with article 121 of the IPA Implementing Regulation N° 718/2007 (single set of procurement rules applicable on both sides of the border, including CBC programmes between beneficiary third countries and Member States), as well as delays in obtaining answers from the EC on certain programme implementation issues, contributed to the delayed launching of procurement procedures.



## 4. ADVERTISEMENT AND AWARENESS

Q4 Have adequate information and publicity measures been taken for reaching the targeted audience?

In order to assess whether the information and publicity (I&P) measures undertaken under the NSRF and Operational Programmes in Romania were adequate for their target groups, an analysis of the effectiveness of these measures was carried out.

### *Scope of the Analysis*

According to the ToR, the analysis extended beyond SI-funded actions, encompassing I&P related activities since the approval of the programmes, although financed from other funds, e.g. Phare.

It is reiterated that the cut-off date of this evaluation, and consequently of this analysis, was 30 June 2009. However, where data was available, the figures presented and the conclusions drawn are updated to 31 December 2009.

### *Approach*

The general approach followed to provide an answer to this specific evaluation question entailed the following steps:

- carrying out of an analysis of the communication plans (CPs) developed by each MA, as well as of the NSRF Communication Strategy and ACIS Communication Plan;
- checking the consistency of the CPs with the National Communication Strategy (NCS) and the Framework Documents for Implementation (FDIs), in terms of objectives and achievements – the later entailing both a static analysis of the measuring/monitoring mechanisms of the I&P measures and a dynamic one which assesses the progress towards meeting initially set up targets (see under);
- undertaking a thorough analysis of the I&P indicators for output and results inserted in the FDIs, in terms of their measurability and performance to date; and
- reviewing the effectiveness of the I&P measures by comparing the current situation with the stated objectives/ targets.

The results of this effectiveness analysis were underpinned also by the questionnaire-based survey carried out in the framework of this evaluation.

### *Structure of the Chapter*

The present chapter presents the findings related to the I&P strategy and concrete I&P measures undertaken for SIs in Romania in the current programming period.

It sets out by presenting the ‘overarching’ structure of this specific area, by, respectively, investigating the NCS and its coherence with the ACIS and MA Communication Plans (Section 4.1), as well as the management and coordination mechanism in place for communication (Section 4.2).

It continues by assessing the progress of I&P measures at NSRF- (Section 4.3) and OP-level (Section 4.4.). In the latter section, each OP is assessed separately (7 *Convergence* OPs and 4 *ETC* OPs). In order to have an evidence-based answer to the evaluation question, a coherent approach to this OP-related analysis was ensured, to the extent that data was available, by focusing on 4 items:

- a short introduction about the I&P operations at OP-level;
- results achieved – physical performance of the I&P operations;

- financial performance of the I&P operations – financial absorption; and
- OP-related assessment of the I&P operations effectiveness.

Following the analysis at OP-level, and presenting our findings, we conclude the chapter with a short assessment of the overlapping and synergies of these measures – horizontally, i.e. among OPs, and vertically, i.e. between OPs and NSRF.

At the same time, based on the findings in respect of I&P operations, good practice examples have been identified, which are presented in **Sub-Section 4.6**.

## 4.1 National Communication Strategy and Communication Plans

According to Council Regulation (EC) N° 1828/2006, a Communication Plan should be developed either by each MA responsible for OP implementation or by each Member State covering several or all OPs co-financed by European Regional Development Fund (ERDF), the European Social Fund (ESF) or the Cohesion Fund (CF).

The same Regulation sets the minimum content of a Communication Plan. A Communication Plan has to include the *aims and target groups*, the *strategy* of the information and publicity measures to be taken by the Member State or the MA, the *indicative budget* for implementation of the plan, the *bodies* responsible for implementation of the information and publicity measures and an indication of how the information and publicity measures *will be evaluated* in terms of visibility and awareness of OP.

In order to meet EC requirements, ACIS has drawn up a National Communication Strategy (NCS) which covers all OPs, irrespective of the type of EU co-financing (ERDF, ESF or CF), and sets out the general framework for implementing the information and publicity measures. The NCS has three general objectives, five specific objectives related to external communication, three specific objectives concerning internal communication, five target groups and the main I&P measures as set out in the following table [ref: **Table 37**].

**Table 37 – NCS Objectives, Target Groups and Instruments**

| General Objectives (GO) and Specific Objectives (SO)  | Target groups  | Main activities/ instruments  |
|---|--|---|
| <p><b>GO 1:</b> To raise awareness about EU contribution to the modernization of Romania and the results achieved through the use of SI;</p> <p><b>GO 2:</b> To inform correctly and constantly all target groups about financing opportunities in Romania, the objectives and benefits of SI implementation;</p> <p><b>GO 3:</b> To ensure transparency in order to support the absorption of Structural Funds and Cohesion Fund in Romania, and implicitly, Romania's modernization.</p> <p><b>SO 1:</b> To inform correctly and constantly the general public about the role, significance and the expected/ obtained results through the implementation of SF in Romania;</p> <p><b>SO 2:</b> To communicate using common terminology all procedures that may be used in order to obtain EU financing;</p> <p><b>SO 3:</b> To inform correctly, appropriately and completely the general public about the mechanisms and institutions responsible for managing the SI, in order to gain support for the promotion of SI and consequently for their implementation</p> <p><b>SO 4:</b> To build and maintain a high degree of confidence among the general public and potential beneficiaries in transparency and fairness of SI management;</p> <p><b>SO 5:</b> To establish and maintain confidence in the system responsible for managing the SI (consisting of relevant institutions coordinated by ACIS).</p> <p><b>SO 6:</b> To create and continuously improve the coordination mechanism of communication measures;</p> <p><b>SO 7:</b> To support a better understanding of the SI at institutional and individual level;</p> <p><b>SO 8:</b> To create an effective internal information system common to all MAs, IBs and Joint Technical Secretariats.</p> | <ul style="list-style-type: none"> <li>• General public;</li> <li>• Potential beneficiaries;</li> <li>• Internal public;</li> <li>• Stakeholders; and</li> <li>• Media.</li> </ul> | <ul style="list-style-type: none"> <li>• Setting up of the website <a href="http://www.fonduri-ue.ro">www.fonduri-ue.ro</a>;</li> <li>• Setting up of a central call centre;</li> <li>• Setting up of a common internal information system (Extranet);</li> <li>• Drafting the Visual Identity Manual;</li> <li>• Setting up of local information centres;</li> <li>• Media campaigns;</li> <li>• Outdoor advertising;</li> <li>• Cooperation with mass-media;</li> <li>• Promotion materials;</li> <li>• Leaflets, brochures on printed or electronic format;</li> <li>• Preparation of newsletters;</li> <li>• Carrying out surveys;</li> <li>• Organisation of events;</li> <li>• Training and education.</li> </ul> |

In addition, each MA has prepared a Communication Plan (CP) in compliance with European regulations in force and the Romanian guidelines outlined in the NCS. The CPs detail and implement the NCS and contain information on communication measures which are carried out in line with the NCS, the targeted strategic objective, as well as the activities, implementing mechanisms, deadlines, budgets and expected outcomes.

It may be stressed that there is satisfactory coherence between the objectives of the NSC and the ones envisaged in the CPs. Stemming from the NCS, the information and publicity objectives common to all OPs are the following:

- raising awareness among the general public about EU contribution to the modernization of Romania, highlighting the economic and social impact of the SI;
- providing clear, accurate and up-to-date information related to the financing opportunities under SI, the procedures to be followed in order to obtain funding, the eligibility and selection criteria and the institutions responsible for managing SI in Romania;
- ensuring the highest level of transparency for the activities undertaken by the MAs and to increase confidence of the general public and potential beneficiaries in the system responsible for management and implementation of SI in Romania;
- enhancing internal and inter-institutional communication in order to ensure effective coordination of information and publicity measures undertaken by various MAs.

That said, should be emphasised that MAs and IBs implement the information and publicity measures differently, in accordance with the specific features of each OP and MA.

The general character of the I&P objectives (both at CP and NSC level) hampers the setting up of corresponding S.M.A.R.T indicators, and consequently the measurement of their achievement and effectiveness.

The fact that in most cases no final and/or intermediate targets were set for the I&P- related indicators (if these exist and are coherent) adds to the difficulty of measures their effectiveness, as well as possible gaps and duplications. Where at the level of the objectives we can talk about a satisfactory coherence, the targets set for the indicators (both interim and final) poorly reflect the correlation between the CPs and the NSC. For example, the CP for SOP ENV identifies monitoring indicators, but fails to establish interim or final targets to be reached by the end of 2015. Another example showing a lack of coherence between the indicators set out in the NCS and those outlined in the CPs, is the increase in the level of awareness of the general public about the SI and each OP respectively. According to the NCS, the awareness level in respect of the SI should reach 15% in 2010 and 25% by the end of 2015, whereas the SI communication targets mentioned in the most recent version of the CPs for ACIS and OPTA are 10% in 2010 and 15% in 2015<sup>32</sup>.

It is, furthermore, unclear how the targets set at OP level contribute towards achieving the NCS targets. For example, the awareness target for 2015 in the case of SOP T is set at 15%, whereas the percentage of potential beneficiaries being aware of SOP IEC is established at 70%. The mechanism linking these targets is unclear, since it is not explained how the 15% and 70% targets translate into the above mentioned 15% and 25% targets specified in the NCS. As the NCS covers all OPs, and is *inter alia* the strategic document for promoting a coherent and balanced communication process, the CP targets should have been directly linked with the NSC indicators, to enable effective monitoring of I&P measures at national level. In reality, only the OPTA and ACIS CP indicators seem to be consistent with the ones set out in the NSC.

The CPs appear to have been developed as strategic documents to promote a *general* approach for I&P measures at OP level, and not a *targeted* one (in respect of specific target groups, KAIs and operations). The CP indicators seem tailored to each type of *activity/instrument* (helpdesk, website, advertising campaign, publications and promotional materials) rather than focused on different *types of target groups* (general public, potential beneficiaries, internal audience, stakeholders and media). In addition, the targets tend to be set at OP level, rather than the KAI or operation levels, especially in the case of those relating to the increase of awareness levels among general population and potential beneficiaries. All these issues suggest that the CPs are not tailored to the specific interventions mentioned in each OP. This in turn means that they are not explicitly targeted to improve the low popularity ratios experienced by certain interventions. As there is no direct link between the CPs and the overall objectives of each OP, it is difficult to ascertain the contribution of the I&P measures to improving the SI absorption rate.

It can be highlighted that there exists poor linkage between the CP target indicators and the *Framework Implementation Document* (FID) indicators related to I&P measures. As the CPs are the main tools for the efficient implementation of I&P measures at OP level, it is somewhat surprising to note that the CPs' indicators are not correlated and properly reflected in the FID.

## 4.2 Management and Coordination of Communication Activities

According to the NSC, ACIS is responsible for providing the general messages on the SI, whereas the MAs communicate specific messages on their respective OPs. In order to avoid duplication between the NSRF and OP communication activities, each MA undertakes the I&P measures in close correlation with the actions carried out by other MAs and IBs. Thus, a central coordination mechanism is in place, which allows a coherent and balanced communication process. The structure of the communication system includes:

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<sup>32</sup> The indicators mentioned in the OPTA and ACIS CPs were recently amended, but these changes are not reflected in the NSC indicators.

- the National Coordination Committee (composed of the Ministers in charge of the MAs) which ensures strategic guidance and decision-making at political level, including the I&P related activities;
- the Management Coordination Committee (whose members are the heads of the ACIS, MAs and CPA) which is responsible for taking technical, procedural and institutional decisions in order to increase the efficiency of communication actions;
- the Communicators' Forum, which includes all the communicators from the institutions involved in the management and implementation of the SI (especially the MAs and IBs). The Communicators' Forum ensures compliance of the I&P activities with the provisions of the NCS and the CPs, as well as smooth coordination of the I&P activities in order to avoid overlaps between NSRF and OP communication activities;
- the Working Group for Communication, which includes the MAs representatives in charge with the communication activities (heads of the communication departments within each MA) and is responsible for operational coordination of all I&P related activities;
- the Communication Unit within the System Coordination Directorate (ACIS), which coordinates all the I&P related activities carried out by ACIS, but also the communication teams at OPs level.

### 4.3 Progress of I&P Measures at NSRF level

#### *Financial Progress*

In December 2009<sup>33</sup>, the total eligible budget<sup>34</sup> for contacted I&P measures at NSRF<sup>35</sup> level amounted to approximately 32.7 MRON, whereas the total eligible budget of the I&P projects under implementation and *in the contracting stage* was around 35.7 MRON. Progress in respect of I&P measures is relatively low at NSRF level. Only 3.97% of the initial allocations<sup>36</sup> [ref: **Figure 38**] for the I&P actions had actually been contracted at the evaluation cut-off date (i.e. projects completed and under implementation). This can be explained by the fact that the TA implementation (including I&P activities financed under SI) started mainly in 2008 because of the late adoption of several CPs, delays in the procurement process (caused by insufficient experience regarding the preparation of sound I&P projects and the large number of complaints following the procurement procedure) and difficulties related to the eligibility of expenditure related to certain types of activities to be financed from TA resources.

Although the same indicator shows a higher figure (4.33%) when taking into account the total eligible budget of the contracts still under preparation, the pace of approval and contracting appears insufficient for a complete absorption of the funds allocated for I&P actions. This is especially true for OPTA, SOP IEC and SOP HRD, which have budgeted large amounts for I&P measures. In addition, although the budgets allocated for the I&P actions under OP DAC and SOP T are smaller than in the case of the other OPs, progress achieved up to the evaluation cut-off dated raises doubt in respect of full absorption.

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<sup>33</sup> As no accurate data were available as of the cut-off date (30 June 2009), the analysis was extended to include the I&P actions undertaken by the end of 2009.

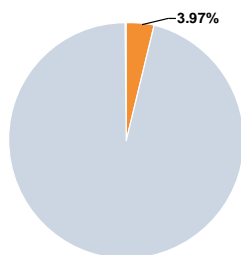
<sup>34</sup> The total eligible budget for the finalised I&P contracts was obtained based on December 2009 TA forms filled in by each MA as part of their reporting tasks concerning the progress achieved at TA level (<http://www.poat.ro>).

<sup>35</sup> The analysis covers all OPs, as well as the Romania-Bulgaria CBC Programme.

<sup>36</sup> Initial allocations from the CPs have been taken into account. The initial allocations were transformed into the national currency using the InfoEuro exchange rate available for December 2009 (EUR 1 = RON 4.2788).

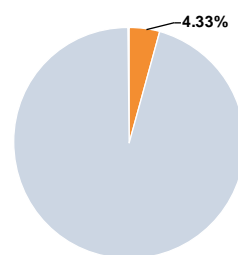
**Figure 38 – Share of I&P Contracted Amounts – NSRF Level**

Share of the I&P contracted amounts under NSRF in 2007-2013  
NSRF I&P allocation (December 31, 2009)



December 2009 TA forms filled in by each MA

Share of the NSRF I&P contracted and in the  
contracting stage projects in 2007-2013 NSRF I&P  
allocation (December 31, 2009)



December 2009 TA forms filled in by each MA

### **Effectiveness**

The slow progress in contracting and implementing I&P activities, as well as the quality of the limited outputs and results achieved, is reflected in beneficiaries' answers to the questionnaire-based survey undertaken in the context of the evaluation. More than 50% of respondents gave the lowest scores ('1' and '2') for the usefulness of the information provided by the promotion campaigns during the application preparation process, with only 5% giving the promotion campaigns the highest score ('6') [ref: **Table 39**].

**Table 39 – Rate of Usefulness of Information Provided in Promotion Campaigns**

|              | 1          | 2          | 3         | 4         | 5         | 6         | Total      |
|--------------|------------|------------|-----------|-----------|-----------|-----------|------------|
| ROP          | 38         | 25         | 23        | 18        | 7         | 9         | 120        |
| SOP ENV      | 5          | 6          | 6         | 1         |           |           | 18         |
| SOP T        |            |            | 1         |           |           |           | 1          |
| SOP IEC      | 39         | 34         | 14        | 9         | 6         | 9         | 111        |
| SOP HRD      | 50         | 38         | 29        | 12        | 11        | 2         | 142        |
| OP DAC       | 7          | 14         | 2         | 3         | 3         |           | 29         |
| OPTA         |            | 1          |           | 1         |           |           | 2          |
| <b>Total</b> | <b>139</b> | <b>118</b> | <b>75</b> | <b>44</b> | <b>27</b> | <b>20</b> | <b>423</b> |

The low impact of the communication activities is also shown in the answers received from beneficiaries concerning the usefulness of several sources of information. Beneficiaries' answers show that promotion campaigns, newsletters and brochures, MA/IB personnel, call centres and official websites are among the least useful sources of information, whereas the information obtained from the FIDs, Applicant Guides, the internet, legislation, consultants, presentation seminars, workshops and trainings is considered to be of real help [ref: **Table 40**]. However, it should be noted that promotion/ mass media campaigns are usually perceived as not very useful source of information, their main purposes being to raise awareness on the funding opportunities as well as to comply with EU requirements concerning visibility rules.

**Table 40 – Sources of Information: Least Useful**

| The least useful source of information:                 |               |
|---|---------------|
| Answers category  | No of answers |
| Newsletters, brochures                                  | 42            |
| Promotion campaigns, mass media (radio, TV spots)       | 173           |
| Presentation seminars, workshops, trainings             | 12            |
| Legislation   | 21            |
| MA/IB personnel, call center, official website of MA/IB | 40            |
| Consultants   | 19            |
| Applicant's guide                                       | 15            |
| Internet  | 29            |
| Implementation framework                                | 3             |
| Other sources   | 12            |
| <b>TOTAL</b>  | <b>366</b>    |

## 4.4 Progress of I&P Measures at OP level

### 4.4.1 Regional Operational Programme

The MA for ROP has the overall responsibility for the management and implementation of I&P activities included in the ROP CP. As the IBs play a major role in passing the communication messages at regional and local level, the ROP MA has delegated to them, through a framework agreement, several tasks related to I&P measures. The communication activities related to the ROP are financed under PA6 – TA, KAI 6.2 – *Support for the Publicity and Information Activities regarding ROP*.

#### **Results Achieved**

During 2007, the I&P measures carried out at ROP level were mainly financed under the Phare programme, whereas between 2008 and 2009, nine communication-related projects were successfully contracted and implemented under the TA PA.

The following results were obtained as a result of the I&P actions financed under Phare assistance: development of the Regio brand and the visual identity manual, organisation of the ROP launching national conference, editing, printing and disseminating of the brochure *Regio – Funds for Regions*, aimed at promoting the financing opportunities under this OP, producing and broadcasting of two Regio TV spots, two Regio radio spots, one Regio promotion movie and one Regio press model, organisation of eight informal meetings with media and eight regional events for ROP promotion, conducting of a survey for assessing the awareness level of ROP among the general public. In addition, the ROP IBs provided information to the potential beneficiaries through help desk services and several communication and promotion events: press conferences, workshops and training seminars targeted to the local public administration authorities, potential beneficiaries or consulting firms, events providing information on the progress of ROP.

Under the TA PA, the MA for ROP contracted and finalised one project to support implementation of information and publicity measures. The main purpose of the project was to raise awareness among the potential beneficiaries about financing opportunities available under ROP and to inform potential applicants on the steps and procedures to be followed in order to access the funds. The main components of the project were: organisation of promotion and information events targeted to mass-media and potential beneficiaries, organisation of a media campaign for ROP promotion, updating the content of brochures and printing, improvement of the website design and creation of a newsletter system (<http://www.inforegio.ro>) and conducting a survey among potential beneficiaries and beneficiaries. The MA for ROP contracted another I&P project before the cut-off date, but the closure date of that project is beyond December 2009. The communication activities

were almost similar to the ones carried out under the previous project: organisation of mass-media campaigns, organisation of communication and promotion events, TV filler development, producing information and advertising materials and website development and maintenance.

Based on ROP CP and the NCS, each Regional Development Agency (RDA) has also developed regional communication plans (RCP) which include the main activities of information and publicity to be carried out in order to achieve a high level of awareness of ROP financing opportunities. During 2008 and 2009, the RDAs contracted and implemented 8 regional projects (one per region), most of them dealing with development of media campaigns, organisation of communication and promotion events, elaboration of information and promotion materials.

**Table 41** and **Annex 5** present the list of all I&P projects contracted under the ROP between 2007 and 2009.

**Table 41 – I&P projects Contracted – ROP**

| Information and publicity contracts under ROP (RON)  |  |             |   |  |                      |         |
|--|--|-------------|---|--|----------------------|---------|
| Project  | Contracts/ type of expenditure   | Beneficiary | Results and targets (2010)  | Status at December 2009                            | Eligible budget      |         |
| <b>Contracts finalised at December 31, 2009</b>  |  |             |   |  |                      |         |
| Support for ROP MA in order to implement the I&P measures  | Organisation of events for ROP promotion   | MA for ROP  | - number of mass-media campaigns: 1; number of communication and promotion events: 18; number of I&P materials: 14,400  | completed  | 266,007              |         |
|  | Design and maintenance of www.inforegio.ro website   |             |   |  | 30,031               |         |
|  | Purchase of advertising space (Internet)   |             |   |  | 430,669              |         |
|  | Purchase of advertising space (newspapers)   |             |   |  | 460,455              |         |
|  | Production of Regio banners  |             |   |  | 5,964                |         |
|  | Organisation of events for the potential beneficiaries   |             |   |  | 176,145              |         |
|  | Conducting of surveys  |             |   |  | 127,395              |         |
|  | Design, layout and printing of publications (ROP information support materials) and producing of promotional materials |             |   |  | 697,900              |         |
| Support for the efficient implementation of I&P activities from ROP CP in "West" Development Region            | I&P activities   | RDA W       | - number of mass-media campaign -1, number of communication and promotion events - 37, number of I&P materials - 25,398; number of guides and other methodological documents -3,200                                 | completed  | 18,714               |         |
| Support for the efficient implementation of I&P activities from ROP CP in "South-West" Development Region      | I&P activities   | RDA SW      | - number of mass-media campaign -1, number of communication and promotion events - 42, number of I&P materials - 5,200  | completed  | 16,209               |         |
| Support for the efficient implementation of I&P activities from ROP CP in "Centre" Development Region          | I&P activities   | RDA C       | - number of mass-media campaign -1, number of communication and promotion events - 81, number of I&P materials - 34,824   | completed  | 622,990              |         |
| Support for the efficient implementation of I&P activities from ROP CP in "North-East" Development Region      | I&P activities   | RDA NE      | - number of training sessions for the beneficiaries - 24; number of communication and promotion events - 35, number of I&P materials - 9,908  | completed  | 632,700              |         |
| Support for the efficient implementation of I&P activities from ROP CP in "South" Development Region           | I&P activities   | RDA S       |   | completed  | 536,690              |         |
| Support for the efficient implementation of I&P activities from ROP CP in "North-West" Development Region      | I&P activities   | RDA NW      | - number of mass-media campaign -1; number of training sessions for the beneficiaries - 22  | completed  | 582,172              |         |
| Support for the efficient implementation of I&P activities from ROP CP in "South-East" Development Region      | I&P activities   | RDA SE      | - number of mass-media campaign -1; number of training sessions for the beneficiaries - 120; number of participants to the training sessions: 15 participants per training session; number of I&P materials: 11,150 | completed  | 376,900              |         |
| Support for the efficient implementation of I&P activities from ROP CP in "Bucharest-Ilfov" Development Region | I&P activities   | RDA BI      | - number of communication and promotion events - 29, number of I&P materials - 35,000   | completed  | 1,063,168            |         |
| <b>TOTAL</b>   |  |             |   |  | <b>6,044,109</b>     |         |
| <b>Project pipeline at December 31, 2009</b>   |  |             |   |  |                      |         |
| Regio: Information and promotion (2009-2010)   | Organisation of a promotion campaign for Regio (TV, radio, newspapers, Internet, billboards)                           | MA for ROP  | - number of mass-media campaigns: 2   | under implementation                               | 3,541,977            |         |
|  | Production of a TV filler for promotion of Regio   |             |   | under implementation                               | 714,214              |         |
|  | Organisation of events for information and promotion of the financing opportunities under Regio                        |             |   | - number of communication and promotion events: 26 | under implementation | 636,932 |
|  | Publications and promotional products for Regio  |             |   | - number of I&P materials: 34,850                  | under implementation | 210,927 |
|  | Design and maintenance of www.inforegio.ro website   |             |   | - awareness level about ROP: 10%                   | contracting stage    | 42,900  |
| <b>TOTAL</b>   |  |             |   |  | <b>5,146,949</b>     |         |
| <b>GRAND TOTAL</b>   |  |             |   |  | <b>11,191,058</b>    |         |

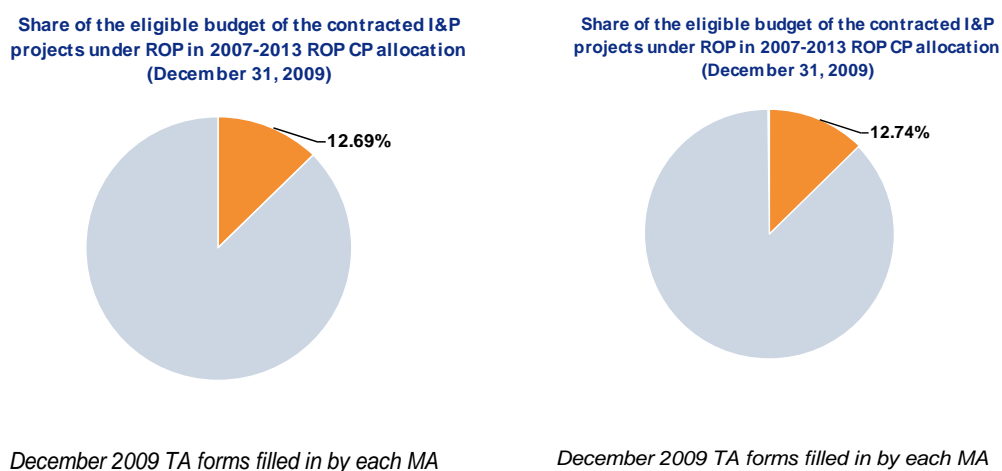
December 2009 TA forms filled in by each MA



## Financial Performance

The share of the eligible budget of the contracted I&P projects in the total ROP CP allocation shows moderate progress of the ROP I&P measures (12.69%). Although the eligible budget of the projects in the contracting stage is taken into account, the prospective performance is not significantly improved (12.74%) [ref: **Figure 42**]. Therefore, the prospects for achieving the communication objectives and for using the amounts allocated in the ROP CP seem relatively low.

**Figure 42 – Share of I&P Contracted Amounts – ROP**



## Analysis of I&P Measures at ROP Level

In general, the I&P measures undertaken were adequate for reaching the target groups and in line with the overall objectives outlined in the ROP CP. The portfolio analysis shows that both the MA and the IBs supported potential applicants and beneficiaries in the preparation and implementation stages of their projects, by providing diversified information and communication activities. On the other hand, the structure of the project portfolio shows that more promotion activities are needed to address potential applicants (TV/radio campaigns), especially those that might benefit from support under interventions with low popularity rates (including: equipping the operational units for public safety interventions in emergency situations, continuous rehabilitation of unused polluted industrial sites, development of sustainable business support structures). Further measures for the improvement of the information network should also be envisaged, as it seems to be not fully operational.

In order to evaluate the impact of information and publicity measures, a survey of awareness was undertaken in 2008. This survey shows that 30% of questioned entities consider themselves to be 'very well informed' or 'informed enough' about ROP. The survey also revealed however that the entities most informed about the ROP seem to be local public authorities, universities and NGOs (with each type of entity showing awareness levels over 40%), whereas only 14% of the private entities consider themselves informed about the ROP. This shows that specific information and publicity measures should be taken to address different types of target groups (including communication activities tailored for specific interventions). As indicated by the survey, the main sources of information about ROP are the internet (32%), leaflets (20%), TV (17%), seminars (16%) and national newspapers (14%). Since MA ROP used the internet and mass media as its main communication channels, the results of the survey indicate that the most appropriate tools were chosen to ensure an efficient communication with the target groups.

Several factors limit the analysis of the effectiveness of I&P measures at the ROP level. First of all, the CP objectives are improperly set in terms of their measurability as they are not specifically connected with the target indicators (e.g. it is not very clear what types of indicators are supposed to be used in order to assess whether the I&P measures effectively promote or not the economic and social impact of the EU financial support and accurately inform or not the general public on the value added of the Community assistance). Secondly, there is no clear connection between some of

the OP indicators set out in the FID and the ones mentioned in the ROP CP. For example, the first FID indicator refers to the I&P activities undertaken according to the ROP CP, establishing an annual target of 100%, which means that all the I&P measures mentioned in the CP are supposed to be annually implemented. However, it is not very clear the methodology to be used for estimating the share of achieved I&P activities. Furthermore, as the first FID indicator covers all the I&P actions mentioned in the ROP CP, it means that the remaining FID indicators are not reflected by the ROP CP indicators. This is not the case of the result indicator concerning the awareness level on the financing opportunities available under the ROP (which is set at 20% in both the ROP CP and the ROP FID). Finally, there is no consistent monitoring exercise of the results obtained following the implementation of the I&P measures. Consequently, a comparison between what has been obtained (output and result indicators) and what has been planned (initial objectives expressed quantitatively in terms of expected outputs or target indicators) cannot be made. Taking into account the aforementioned shortcomings, the analysis of the effectiveness of the ROP information and publicity measures has inherent limitations.

The progress of FID indicators is presented in **Table 43**.

**Table 43 – FID Indicators - ROP**

| ROP FID indicators   |      |        |  |   |                   |
|--|------|--------|--|---|-------------------|
| FID indicator  | 2007 | 2008   | Progress achieved at December 31, 2009 (finalised contracts) | Prospective progress at December 31, 2009 (finalised, under implementation or in contracting stage) | FDI Target (2015) |
| I&P activities carried out according to the CP (%)   | -    | 82.16% | -  | -   | 100%              |
| Number of participants at training seminars (beneficiaries)  | -    | 12,105 | 450  | 450   | 1,500             |
| Increased level of awareness among the general public and potential beneficiaries on the financing opportunities available under the ROP (%) | -    | 30%    | -  | 10%   | 20%               |

Source: The figures for 2008 were taken from the ROP Annual Implementation Report; The figures for December 2009 were taken from the TA forms filled in by ROP MA

As mentioned above, in case of the first indicator, there is no accurate methodology for estimating the share of the achieved CP activities. The number of the participants at training seminars in 2008 include the number of beneficiaries, potential beneficiaries and journalists who attended all the training seminars organized under the ROP irrespective of the financial assistance received (TA or Phare program), thus being irrelevant for the assessment of the effectiveness. The progress achieved at December 30, 2009 in terms of the number of beneficiaries (450 beneficiaries trained under KAI 6.2 as per the TA forms filled in by the ROP MA) shows good prospects for achieving the final FID target. Finally, the last FID target seems to be very low as the awareness level is already at 30%, as stated in the Annual Implementation Report for 2008. On the other hand, following the implementation of the *Regio – Information and Promotion* project, the level of awareness is expected to reach 10%. These inconsistencies clearly show either the fact that the initial targets were set at a very low level or the survey carried out in December 2008 provided inaccurate results.

#### 4.4.2 SOP Environment

The MA is the main authority responsible for information and publicity activities on SOP ENV. The IBs are also responsible for promoting the OP and disseminating information on the calls for proposals, the eligibility and selection criteria or the eligible activities and expenditures. They are also involved in the information and publicity measures included in the SOP ENV CP, which was developed during 2007 and received the approval of the EC in June 2008. The communication activities related to the SOP ENV are financed under PA6 – TA, KAI 6.2 – *Support for the Publicity and Information Activities regarding SOP ENV*.

### ***Results Achieved***

One of the major I&P actions was the organisation of a press conference for the official launch of the SOP ENV in 2007. The most important national and local newspapers and TV stations covered the event. An I&P campaign for PA4 was organized between October and November 2007 and consisted in the acquisition of advertising space in 2 national and 21 regional/ local newspapers in order to increase the visibility of the first call for proposals dedicated to the protected areas. Similar events held by the IBs were targeted to the PA4 potential beneficiaries and various I&P materials (brochures, posters etc.) were disseminated during the events. In addition, a brochure was edited and printed in 2007 being aimed at informing potential beneficiaries and general public on the financing opportunities for environment infrastructure projects. The brochure was financed from the Ministry of Environment and was disseminated by the MA and IBs during the training sessions held in order to ensure information dissemination and promotion of the OP during 2007. Finally, throughout 2007, a total number of 52 meetings with the local authorities (municipalities, local and county councils etc.), NGOs in the environment sector and Regional Development Agencies were organized by the IBs in each development region.

In 2008 two I&P projects were contracted by the MA for SOP Env: *Producing information materials on the SOP ENV* and *Campaign for promoting the SOP ENV*. Brochures in Romanian, English and Hungarian, posters, pens, bags or CDs containing documents relevant to the implementation of the OP were created under the first project. The information materials were disseminated during the events organized by the MA and IBs or upon request of the central and local public authorities (Ministry of Interior, Ministry of Regional Development and Tourism, County Councils). The campaign for promotion of SOP ENV started in 2008 and consisted of: creation of the visual identity and the brand strategy for SOP ENV, producing of 4 TV spots for promotion of PA1, PA2, PA4 and PA5, producing a radio spot, creating of billboards and media ads, organization of events, monitoring the awareness level of SOP ENV and assessing the impact of the campaign. In addition, eight conferences were organized in December 2008 in order to promote the progress of SOP Env implementation. A website ([www.posmediu.ro](http://www.posmediu.ro)) was launched in November 2009. Besides the progress in implementing the OP, the conferences provided information on the experiences of beneficiaries whose projects had been approved, presented the latest version of the PA4 Applicant Guide and promoted the second call for proposals for PA4.

By the end of 2009, the TA PA financed the projects set out in the following table [ref: **Table 44**] and in **Annex 5**.

**Table 44 – I&P Projects Contracted – SOP ENV**

| Information and publicity contracts under SOP ENV (RON) |  |                |  |                         |                   |
|---|--|----------------|--|-------------------------|-------------------|
| Project   | Contracts/ type of expenditure   | Beneficiary    | Results and targets (2010)   | Status at December 2009 | Eligible budget   |
| <b>Contracts finalised at December 31, 2009</b>         |  |                |  |                         |                   |
| Support for publicity of SOP ENV                        | Production of information materials for SOP ENV                              | MA for SOP ENV | - CDs: 3,000; folders: 5,000; brochures disseminated: 20,000; posters: 2000; pens: 5,000; bags: 500; banners: 1.         | completed               | 170,037           |
|   | Acquisition of advertising space in the newspapers                           | MA for SOP ENV |  | completed               | 21,032            |
|   | Promotion campaign for PA3   | MA for SOP ENV | - number of TV spots: 1; number of audio spots: 1; number of press releases: 1; number of banners: 1                     | completed               | 61,420            |
|   | Promotion campaign for SOP ENV - Design                                      | MA for SOP ENV | - number of TV spots: 4; number of audio spots: 2; number of banners: 4; number of press releases - 4                    | completed               | 880,230           |
|   | Promotion campaign for SOP ENV - Broadcasting and dissemination              | MA for SOP ENV | - number of TV spots per day: 3; number of audio spots per day: 3; number of banners: 100; number of press releases: 100 | completed               | 3,507,690         |
|   | Promotion campaign for SOP ENV - Events organized                            | MA for SOP ENV | - number of events: 20   | completed               | 1,995,414         |
|   | Promotion campaign for SOP ENV - Reports, studies, analyses                  | MA for SOP ENV | - number of reports, studies, analyses: 8  | completed               | 160,381           |
|   | Pilot project for monitoring mass-media                                      | MA for SOP ENV | - daily analyses: 120; reports: 1  | completed               | 259,790           |
| <b>TOTAL</b>  |  |                |  |                         | <b>7,055,994</b>  |
| <b>Project pipeline at December 31, 2009</b>            |  |                |  |                         |                   |
| Support for publicity of SOP ENV                        | Promotion campaign for SOP ENV - Broadcasting and dissemination - additional | MA for SOP ENV | - number of TV spots per day: 3; number of audio spots per day: 3; number of banners: 25; number of                      | under implementation    | 1,715,118         |
|   | Organisation of the national conference for SOP Env implementation           | MA for SOP ENV | - number of participants: 150; number of I&P materials: 900; number of communication events: 1                           | under implementation    | 5,791,500         |
| <b>TOTAL</b>  |  |                |  |                         | <b>7,506,618</b>  |
| <b>GRAND TOTAL</b>                                      |  |                |  |                         | <b>14,562,612</b> |

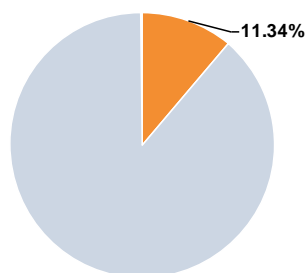
December 2009 TA forms filled in by each MA

### **Financial Performance**

Although the undertaken I&P measures seem well diversified, the progress of the KAI 6.2 is moderate: the share of the eligible expenditure of the contracted I&P projects represents only 11.34% of the initial allocation for the I&P related activities [ref: **Figure 45**]. Moreover, it should be noted that no project was in the contracting stage in December 2009, which shows that the prospects for achieving full absorption are difficult to reach.

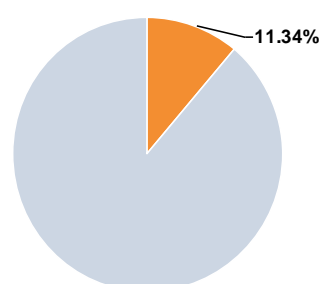
Figure 45 – Share of I&P Contracted Amounts – SOP ENV

Share of the eligible budget of the I&P contracted projects under SOP ENV in 2007-2013 SOP ENV CP allocation (December 31, 2009)



December 2009 TA forms filled in by each MA

Share of the eligible budget of the I&P finalised/ under implementation/ in the contracting stage projects under SOP ENV in 2007-2013 SOP ENV CP allocation (December 31, 2009)



December 2009 TA forms filled in by each MA

### *Analysis of I&P Measures at SOP ENV Level*

In general, the I&P measures carried out at SOP ENV level were adequate for reaching the target audience. The I&P activities focused especially on promoting SOP ENV among the target groups, with the information tailored to their profile. For the next period, the emphasis should be placed on providing information to the beneficiaries on the practical aspects of the project implementation, by means of intensive training sessions. In addition, special attention should be paid to instruments of direct communication, including help desk services, in order to provide useful information to potential beneficiaries. This applies in particular to potential applicants for the least popular interventions (waste management systems).

It is difficult to assess comprehensively the programme achievements in this area, mainly because of the weak linkage between the CP objectives and the CP target indicators. A cause of this might be that the objective and related indicators lack the necessary S.M.A.R.T character. Moreover, although the CP list of indicators is extensive, there is no quantification of the expected results, which prevents an efficient monitoring of the achieved progress. Furthermore, there is an insufficient coherence between the CP indicators and the FID ones. For example, one of the CP indicators related to the website access monitors the monthly number of website visitors, whereas the FID indicator refers to the overall number of website hits. As a matter of fact, the inconsistencies between FID and CP indicators apply for most of the types of instruments envisaged which duplicate the efforts for keeping good track of the actual progress. Although the FID may not contain all CP indicators (in accordance with the *proportionality principle*), more coherence and consistency between the FID and CP indicators should be sought. Finally, in the case of several indicators, there is no assessment of the actions implemented in terms of results achieved, as no evaluation of the CP actions has been carried out.

The progress of FID indicators is presented in **Table 46**.

**Table 46 – FID Indicators – SOP ENV**

| SOP ENV FID indicators  |      |      |  |   |                   |
|---|------|------|--|---|-------------------|
| FID indicator   | 2007 | 2008 | Progress achieved at December 31, 2009 (finalised contracts) | Progress perspective at December 31, 2009 (finalised, under implementation or in contracting stage) | FDI Target (2015) |
| Number of various types of leaflets/ brochures disseminated             | 2    | 4    | 5  | -   | 200               |
| Number of press conferences   | 1    | 13   | 22   | -   | 20                |
| Number of I&P materials   | -    | -    | 30,362   | 31,362  | 250,000           |
| Number of mass-media campaigns  | -    | -    | 1  | 1   | 3                 |
| Number of requests for information received from the Information Centre | -    | -    | -  | -   | 1,000             |
| Number of communication and promotion events                            | -    | -    | 24   | 24  | 118               |
| Number of website hits  | -    | -    | -  | -   | 4,500             |
| Awareness level of population (%)                                       | -    | 23%  | 38%  | -   | 75%               |

Source: The figures for 2008 and 2009 were taken from the SOP ENV Annual Implementation Report;

In case of the number of various types of leaflets/brochures disseminated. However, taking into account the figures available for 2008 and 2009 show that the targeted value seems to be too high. Regarding the indicators concerning the number of press conferences, the number of mass-media campaigns and the number of communication and promotion activities, the actual progress shows that the targets might be reached and even exceeded. On the other hand, the progress achieved in terms of number of I&P materials seems to be insufficient for meeting the FID target. There is no record of the number of requests for information and the number of website hits ([www.posmediu.ro](http://www.posmediu.ro) was launched in November 2009), which makes impossible the progress assessment. The target for the awareness level seems attainable as the indicator level reached at 38% in September 2009.

#### 4.4.3 SOP Transport

According to the CP, the Evaluation and Communication Department within the MA is responsible for carrying out I&P activities at SOP T level. The communication actions related to SOP T are financed under PA4 – *Technical Assistance*, KAI 4.2 – *Support for Information and Publicity regarding SOP T*.

##### **Results Achieved**

In 2007, no I&P measure were financed from the TA priority axis. The SOP T CP was prepared and submitted to the EC in October 2007, but the official approval was obtained in March 2008. Although no funds were used from PA4 during 2007, the MA carried out several I&P measures which were mainly financed from the national budget. Thus, the MA representatives participated in eight regional conferences organized by ACIS within the framework of the campaign *Structural and Cohesion Funds for Romania*. On this occasion, relevant information was provided to the SOP T potential beneficiaries. In addition, SOP T was promoted within the framework of other conferences, organized by different public entities (e.g. the Romanian Chamber of Commerce, the Romanian Government, and the Ministry of Regional Development and Tourism). Following the approval of SOP T by the EC, a press conference was held at MA premises following the official launch of SOP T. The events and conferences were promoted through the central and local newspapers and TV stations. Finally, a newsletter targeted to the potential beneficiaries was released and several information materials containing details about the financing opportunities under SOP T were produced and disseminated to the participants at the events held throughout 2007.

Only one I&P contract was financed from SOP T TA during 2008. The main purpose of the contract consisted in the organisation of a national conference to inform the public on the progress of SOP T implementation. More than 120 participants from the central and local public administration authorities, construction companies, consulting firms, SOP T beneficiaries and

journalists, attended the event. Two roll-up banner stands were designed and a number of 150 information materials were produced and disseminated to the participants, each kit containing a folder, a brochure and a pen. In addition to the above-mentioned contract, the MA representatives carried out several I&P measures which were supported from the national budget. Thus, five training sessions for the beneficiaries were organized on communication topics such as: presentation of the Annual CP for SOP T, elaboration of CPs by the beneficiaries, rules and procedures to be observed when issuing press releases, visual identity rules for EC-financed contracts or organisation of communication and promotion events. Moreover, a number of three newsletters targeted to the internal public were released throughout 2008.

During the same year, the MA for SOP T prepared the ToRs for a contract to be financed under SOP T PA4 – *TA for the Development of a National Public Information Campaign on SOP T*. The campaign is targeted to the increase of the awareness level among the general public about the EU contribution to the development of the national transport infrastructure, but also to the beneficiaries and potential beneficiaries of SOP T interventions in order to improve the absorption process. Although the call for proposals was launched in December 2008, the project was still in the contracting stage in December 2009 because of the high number of claims following the public procurement process.

By the end of 2009, TA PA had financed the projects set out in **Table 47** and in **Annex 5**.

**Table 47 – I&P Projects Contracted – SOP T**

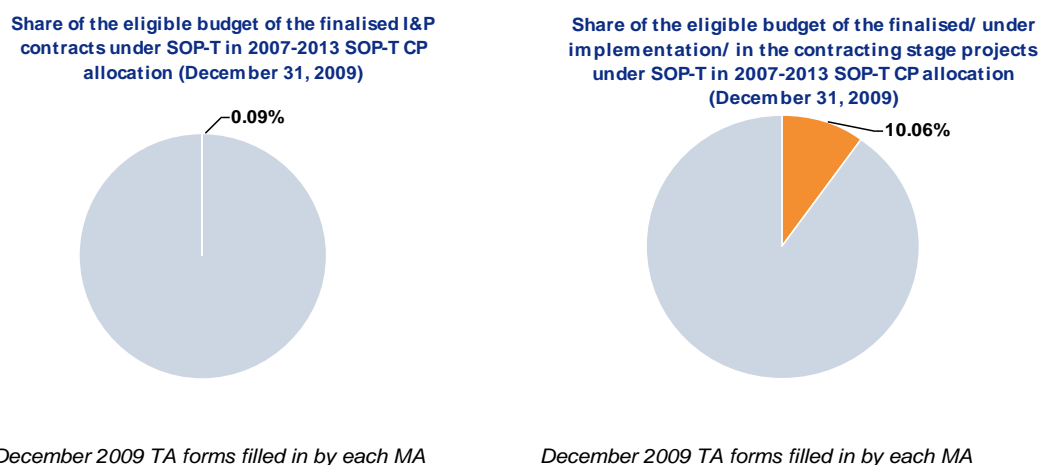
| Information and publicity contracts under SOP T (RON)                                       |  |              |   |                         |                  |
|---|--|--------------|---|-------------------------|------------------|
| Project   | Contracts/ type of expenditure                               | Beneficiary  | Results and targets (2010)  | Status at December 2009 | Eligible budget  |
| <b>Contracts finalised at December 31, 2009</b>   |  |              |   |                         |                  |
| Organisation of the National Conference for SOP-T (2008)                                    | Organisation of conference and issuing information materials | MA for SOP-T | - number of conferences: 60; number of participants: 150; number of brochures: 150; number of pens: 150; number of folders: 150; number of roll up banner stands: 2   | completed               | 29,778           |
| <b>TOTAL</b>  |  |              |   |                         | <b>29,778</b>    |
| <b>Project pipeline at December 31, 2009</b>  |  |              |   |                         |                  |
| Technical Assistance for the development of a national public information campaign on SOP-T | Organisation of conference and issuing information materials | MA for SOP-T | - number of brochures: 40,000; number of CDs: 40,000; number of TV spots: 1; number of radio spots: 1; number of press releases: 48; number of folders: 40,000; number of pens: 40,000; number of posters: 40,000; number of banners: 3; number of billboards: 80; number of websites: 1; number of surveys: 2; number of website visits: 200,000 | contracting stage       | 3,186,125        |
| Acquisition of specific equipments for communication  | Acquisition of specific equipments for communication         | MA for SOP-T |   | contracting stage       | 11,700           |
| <b>TOTAL</b>  |  |              |   |                         | <b>3,197,825</b> |
| <b>GRAND TOTAL</b>  |  |              |   |                         | <b>3,227,603</b> |

*December 2009 TA forms filled in by each MA*

### **Financial Performance**

The progress of SOP T I&P actions is poor. The low share of the eligible budget of the contracted I&P projects in the allocation set out in the SOP T CP (0.09%) reflects this. Although the share of the I&P contracts being in the contracting stage looks promising (10.06%), it should be noted that no project was under implementation stage in December 2009 and also the “under contracting” status of the projects seem to be extremely long (since December 2008). Therefore, the prospects for achieving full absorption seem relatively low [ref: **Figure 48**].

**Figure 48 – Share of I&P Contracted Amounts – SOP T**



### **Analysis of I&P Measures at SOP T Level**

The I&P measures carried out at SOP T level seem insufficient to reach the target audience. The analysis of the project portfolio shows a lack of vision in terms of prioritizing the communication actions and also a lack of concerted actions in order to increase the absorption rate of I&P related funds. Special attention should be paid to the promotion actions in order to enhance awareness among the population. On the other hand, additional information measures should be envisaged in order to increase the knowledge of the potential beneficiaries in terms of preparation and implementation of projects (eligibility and selection criteria, CBA, procurement plan, timetable of activities, financial plan etc.). Practically, intensive I&P measures are needed to address all the target groups mentioned in the SOP T CP (internal, specialised and general public) and to cover all the communication activities set out in the SOP T CP.

The CP objectives are not adequate in terms of S.M.A.R.T criteria<sup>37</sup>, as they seem relatively general, difficult to be measured and not time-specific. There is also a poor correlation between FID indicators and those mentioned in the CP. Thus, one of the CP indicators related to the website access sets out the number of website visitors (100,000 visitors), whereas the FID indicator refers to the overall number of website hits (100,000 hits). Moreover, there are additional indicators in the SOP T CP, which are not reflected in the FID.

The progress of FID indicators is presented in the table below [ref: **Table 49**].

**Table 49 – FID Indicators – SOP T**

| SOP-T FID indicators                       |      |      |  |   |                   |
|--|------|------|--|---|-------------------|
| FID indicator                              | 2007 | 2008 | Progress achieved at December 31, 2009 (finalised contracts) | Progress perspective at December 31, 2009 (finalised, under implementation or in contracting stage) | FDI Target (2015) |
| Number of information materials and events | -    | 1    | 2  | 4   | 15                |
| Number of website hits                     | -    | -    | -  | 200,000   | 100,000           |

Source: The figures for 2008 were taken from the SOP-T Annual Implementation Report; The figures for December 2009 were taken from the TA forms filled in by SOP-T MA

The physical progress of the FID indicators is relatively good, but it should be mentioned that they are not an accurate reflection of all communication objectives and activities as set out in the SOP T CP. The number of events (and the associated number of information materials disseminated during the events) seems to be sufficient for reaching the target. In addition, the target related to the

<sup>37</sup> Specific, Measurable, Available, Relevant and Time-bound.



number of the website hits seems to be achievable in case the project which was under contracting stage in December 2009 is implemented.

#### *4.4.4 SOP Increase of Economic Competitiveness*

The MA has the overall responsibility for the management and implementation of the I&P measures at SOP IEC level. The SOP IEC IBs support the MA in implementing the CP by informing the potential beneficiaries about procedures, eligibility and selection criteria, the progress of each PA implementation and by providing the relevant information to the MA in order to assess the impact of the communication actions. The I&P measures related to SOP IEC are financed under PA5 – TA, KAI 5.2 – *Support for Communication, Evaluation and IT/Other Equipment Acquisition*. The main tool for implementing the I&P activities is the SOP IEC CP, which was approved by the EC in April 2008.

##### **Results Achieved**

During 2007 no I&P projects were financed under SOP IEC TA, but several measures were carried out by the MA and IBs. These I&P actions were financed by the Ministry of Economy or under Phare CES programme. Throughout 2007, the MA for SOP IEC participated in 55 events organized by various institutions and organizations where relevant information about SOP IEC was disseminated. Assistance to the beneficiaries and potential applicants was also provided through help desk service (set up under the project financed by Phare CES programme). In addition, two press releases were issued, one related to the official approval of SOP IEC and the other one concerning the first meeting of the Monitoring Committee. Finally, the MA website was constantly updated in order to provide the most recent information for all target groups identified in the CP.

On the other hand, during 2007 the SOP IEC IBs carried out specific I&P actions at PA level: organisation/ participation in various conferences, seminars, workshops and communication sessions (all IBs), issuing of press releases (IB for SMEs, IB for RDI), participation in TV/ radio interviews (IB for RDI, IB for Energy), regularly updating the information on the IB websites (all IBs), producing of TV/ radio spots (IB for RDI, IB for Energy), issuing of information materials (IB for RDI), organisation of training sessions with the beneficiaries (IB for RDI), providing assistance to the beneficiaries and potential applicants by e-mail and telephone (all IBs), conducting surveys on the awareness level of the potential beneficiaries (IB for Energy).

Starting with 2008 the I&P measures set out in the SOP IEC CP were carried out as part of several contracts financed under the PA5, but also as part of various projects/ actions supported from the MA/ IBs own financial resources. The MA/ IBs representatives organised and participated in several communication events focused on providing information on the financing opportunities under SOP IEC. The main communication events held in 2008 were as follows: organisation of a national conference related to the official launch of SOP IEC, organisation of an annual conference on the implementation status of SOP IEC, participation in various regional events organised by the local chambers of commerce or development agencies, providing training to the potential beneficiaries (as part of Phare 2005 project), issuing of newsletters and press releases, participation in TV/ radio interviews, issuing of information materials (brochures, CDs, leaflets, banners, pens etc.), providing assistance to the beneficiaries/ potential beneficiaries via help desk service, producing and broadcasting 2 TV/ radio spots for increasing the awareness level of the general public about the financing opportunities under PA2, continuously updating the information presented on the IBs websites.

The list of all I&P contracts financed under SOP IEC TA between January 2007 and December 2009 is presented in the table below [ref: **Table 50**] and in **Annex 5**.

**Table 50 – I&P Projects Contracted – SOP IEC**

| Information and publicity contracts under SOP IEC (RON)            |  |               |   |                         |                  |
|--|--|---------------|---|-------------------------|------------------|
| Project  | Contracts/ type of expenditure   | Beneficiary   | Results and targets (2010)  | Status at December 2009 | Eligible budget  |
| <b>Contracts finalised at December 31, 2009</b>                    |  |               |   |                         |                  |
| Support for communication/ publicity activities for SOP IEC PA2    | Publicity campaign in order to promote the financing opportunities under SOP IEC PA2 | IB for RDI    | - number of conferences/ seminars: 60   | completed               | 359,705          |
| Acquisition of publicity services                                  | Acquisition of publicity services  | IB for ICT    | - number of press releases: 12  | completed               | 196,800          |
| Acquisition of promotional products                                | Acquisition of promotional products  | IB for ICT    | - brochures: 4,340; CDs: 3,600; leaflets: 4,680; posters: 6,000; notebooks: 500; folders: 5,000; roll ups: 10; banners: 10; pens: 3,000 | completed               | 103,376          |
| <b>TOTAL</b>   |  |               |   |                         | <b>659,881</b>   |
| <b>Project pipeline at December 31, 2009</b>                       |  |               |   |                         |                  |
| Support for communication/ publicity activities for SOP IEC PA2    | Publicity campaign in order to promote the financing opportunities under SOP IEC PA2 | IB for RDI    | - number of conferences/ seminars: 4; number of participants: 1,000   | under implementation    | 170,000          |
|  | Information materials for promotion of SOP IEC                                       | IB for RDI    | - number of information materials: 30   | under implementation    | 61,330           |
| Development of an efficient information system for the IB for SMEs | Update of the website  | IB for ICT    | - number of updates: 1  | under implementation    | 39,710           |
| Support for the organisation of events by the IB for Energy        | Organisation of events   | IB for Energy | - number of conferences: 10; number of participants: 600; number of information materials: 4,400  | contracting stage       | 137,709          |
| <b>TOTAL</b>   |  |               |   |                         | <b>408,749</b>   |
| <b>GRAND TOTAL</b>   |  |               |   |                         | <b>1,068,630</b> |

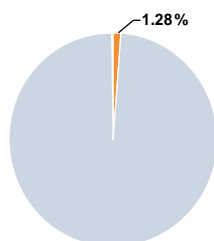
December 2009 TA forms filled in by each MA

### Financial Performance

The contracted projects related to the SOP IEC I&P measures show a poor progress. The share of the eligible budget of the I&P contracted projects in December 2009 was approximately 1.3%, whereas the share of the contracted projects and projects in the contracting stage in the initial CP allocation was around 1.5% [ref: **Figure 51**]. Therefore, the prospects for achieving the communication objectives and for using the allocated amounts seem to be relatively low.

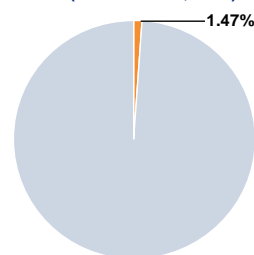
**Figure 51 – Share of I&P Contracted Amounts – SOP IEC**

Share of the eligible budget of the I&P contracted projects under SOP IEC in 2007-2013 SOP IEC CP allocation (December 31, 2009)



December 2009 TA forms filled in by each MA

Share of the eligible budget of the I&P finalised/ under implementation/ in the contracting stage projects under SOP IEC in 2007-2013 SOP IEC CP allocation (December 31, 2009)



December 2009 TA forms filled in by each MA

### *Analysis of I&P Measures at SOP IEC Level*

The I&P measures carried out so far seem sufficiently diversified to address all target groups. It must be pointed out that most of these measures were financed either from Phare assistance or from the national budget. The analysis of the project portfolio shows that the I&P measures financed under the TA PA were mainly focused on the promotion of the SOP IEC. Consequently, additional information measures should be taken under the ERDF to provide further assistance to potential beneficiaries and beneficiaries. Emphasis should be placed on thematic training seminars to support these target groups in the preparation and implementation stages. As a more focussed approach it also should be envisaged to provide information to the targeted groups in the form of help desk assistance. Special attention should be paid to the I&P measures targeting potential applicants for the interventions with low popularity ratios (access to new markets and internationalisation, support for the innovative start-ups and spin-offs, SMEs access to Internet and related connections, development of e-business, investment facilities to reduce energy consumption).

The analysis of effectiveness shows that the CP objectives are improperly set in terms of S.M.A.R.T criteria, in that they are not clearly connected with target indicators. In addition, there is a poor connection between some of the OP indicators set out in the FID and those mentioned in the SOP IEC CP. For example, the FID sets out as target indicator the number of OP website visits, whereas the SOP IEC CP monitors the monthly number of visitors. In addition, in case of the SOP IEC CP, the number of organised events is kept on a monthly basis, while the FID keeps track of the number of participants in information events. Taking into account the aforementioned shortcomings, a complete comparison between what has been obtained and what has been planned cannot be made.

The progress of FID indicators is presented in **Table 52**.

**Table 52 – FID Indicators – SOP IEC**

| SOP IEC FID indicators                                    |        |         |  |   |                   |
|---|--------|---------|--|---|-------------------|
| FID indicator   | 2007   | 2008    | Progress achieved at December 31, 2009 (finalised contracts) | Prospective progress at December 31, 2009 (finalised, under implementation or in contracting stage) | FDI Target (2015) |
| Number of staff participating to training actions         | -      | -       | -  | -   | 200               |
| Number of communication campaigns (TV, radio, press etc.) | -      | 1       | 2  | 2   | 20                |
| Number of OP website visits                               | 70,000 | 359,000 | 411,000  | -   | 200,000           |
| Number of assistance actions towards beneficiaries        | -      | -       | -  | -   | 20                |
| Number of participants to information events              | -      | -       | -  | -   | 4,000             |
| Number of studies, surveys, polls, financed               | -      | -       | -  | 2   | 7                 |
| Number of beneficiaries trained                           | -      | -       | -  | -   | 1,000             |

*Source: The figures for 2008 and 2009 were taken from the SOP IEC Annual Implementation Reports;*

There is currently no monitoring and record keeping<sup>38</sup> of the number of staff participating in training actions, the number of participants to information events or the number of beneficiaries

<sup>38</sup> The MA is currently revising the list of indicators set out in the FID for SOP IEC. According to the Annual Implementation Report, the list of I&P indicators includes: number of participant days to training sessions (achieved progress: 0; 2015 target: 7,000), number of promotion and communication events (achieved progress: 287; 2015 target: 500-550), number of mass media campaigns (achieved progress: 3; 2015 target: 20); number of website visits (achieved progress: 840,000; 2015 target: 200,000) and number of requests for information received from the Information Centre (achieved progress: 17,600; 2015 target: 7,000).

In light of the FID amendment, the physical progress of I&P activities shows good prospects for achieving the final FID targets, particularly for the number of promotion and communication events. In case of the number of website visits and the number of requests for information received from the Information Centre, the targets seem to have been initially set at

trained. In case of the number of communication campaigns, the target seems to be unattainable, whereas in the case of the number of OP website visits, the target indicators seem to have been set at a low level.

#### 4.4.5 SOP Human Resources Development

According to the SOP HRD CP, the MA has the overall responsibility for the I&P measures at national level, whereas the IBs coordinate the communication actions to be carried out at regional and local level, but also the I&P activities tailored for the KAIs they are responsible for. While the MA is responsible for providing general information on the SOP HRD, increasing the awareness level among the target groups and also for ensuring compliance with visibility rules, the IBs are in charge with communication activities addressed to the specific needs of the potential applicants and beneficiaries. The I&P measures related to SOP HRD are financed under PA7 – TA, KAI 7.2 – *Support for SOP HRD Promotion and Communication*. The main tool for implementing the I&P activities is the SOP HRD CP.

##### **Results Achieved**

The SOP HRD was approved by the EC in late November 2007, therefore no I&P measure was financed from the TA PA during that year. However, several communication activities aimed at increasing the awareness of SOP HRD were carried out under financial support of various Phare projects. The list of the I&P events organized throughout 2007 include: the ESF launch conference *Invest in People: the Role of the European Social Fund in Human Recourses Development*, organisation of eight local events for promoting ESF targeted to the local and central public administration representatives, business environment and civil society representatives, regional pacts subscribers, project promoters in the region and the IBs representatives, organisation of the conference *The Social Enterprises in a Dynamic Economy – from Non-profit Organizations to Social Enterprises*, organisation of training sessions for SOP HRD potential beneficiaries, organisation of photo exhibition *50 Years of ESF*, development of information and promotional materials.

The I&P activities undertaken in 2008 were mainly aimed at assisting the potential applicants in the preparation of high quality proposals and providing support to beneficiaries in project implementation by explaining the rules of sound financial and project management. Thus, during 2008 the MA for SOP HRD and the IBs organised several training sessions for the potential applicants and the beneficiaries of SOP HRD. The main topics of the seminars held were related to project cycle management, planning and project organization, project monitoring, financial reporting, auditing, pre-financing and reimbursement claims, public procurement and quality control. On the other hand, promotion measures were carried out to ensure the visibility of the EU support, to present the benefits and impact of the ESF assistance for the development of human resources in Romania and to also increase the awareness level on funding opportunities available under SOP HRD. In this respect, various national press conferences and communication seminars for mass-media representatives were held. In addition, the following I&P measures were carried out between 2008 and 2009: a call centre (blue call) was made available to the potential beneficiaries in order to allow them to address their inquiries, a State Aid scheme and minimis scheme launch conference was organized for the potential beneficiaries in the eight development regions and help desks were set up at MA or IBs level.

There was one I&P project financed under TA completed in 2009, i.e.: *Organisation of a National Conference on SOP HRD Implementation*. The conference, which was attended by 353

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a low level, since they have been already exceeded. Finally, progress achieved in terms of number of participant days to training sessions and number of mass media campaigns seems to be insufficient for reaching the targets.

participants, presented information on the programming documents, the SOP HRD implementation stage, the status of the contracted projects and the undertaken communication and promotion activities. The second project was aimed at increasing the awareness level among the general public regarding the benefits of accessing ESF through SOP HRD, raising the level of understanding concerning the operational and access mechanisms, and also bringing the attention of the public to some appropriate topics and concepts regarding financing received from EU. The undertaken activities included production and broadcasting radio spots (in 2008) and development of one banner to be posted on the Internet.

The list of all promotion and communication projects contracted under the TA PA between January 2007 and December 2009 is presented in the next table [ref: **Table 53**] and in **Annex 5**.

**Table 53 – I&P Projects Contracted – SOP HRD**

| Information and publicity contracts under SOP HRD (RON)                             |  |                |  |                         |                  |
|---|--|----------------|--|-------------------------|------------------|
| Project   | Contracts/ type of expenditure                               | Beneficiary    | Results and targets (2010)   | Status at December 2009 | Eligible budget  |
| <b>Contracts finalised at December 31, 2009</b>                                     |  |                |  |                         |                  |
| Annual national conference on the implementation SOPHRD 2007-2013 in Romania - 2009 | Organisation of conference and issuing information materials | MA for SOP HRD | - number of communication and promotion events: 1; number of I&P materials: 4,050; number of participants: 353 | completed               | 257,635          |
| National public campaign for SOP HRD promotion                                      | National public campaign for SOP HRD promotion               | MA for SOP HRD | - number of campaigns: 1; number of TV spots: 2; number of radio spots: 2; number of flash banners: 1          | completed               | 1,811,937        |
| <b>TOTAL</b>  |  |                |  |                         | <b>2,069,572</b> |
| <b>Project pipeline at December 30, 2009</b>  |  |                |  |                         |                  |
| -   | -  | -              | -  | -                       | -                |
| <b>TOTAL</b>  |  |                |  |                         | <b>-</b>         |
| <b>GRAND TOTAL</b>  |  |                |  |                         | <b>2,069,572</b> |

December 2009 TA forms filled in by each MA

### Financial Performance

The contracting process of the I&P funds shows an unsatisfactory performance of the SOP HRD. The I&P contracted projects under the ESF represent only 0.74% of the total allocation set out in the SOP HRD CP [ref: **Figure 54**]. As no projects were either under implementation or in the contracting stage, the prospects for achieving full absorption of the SOP HRD I&P funds seem relatively low.

**Figure 54 – Share of I&P Contracted Amounts – SOP HRD**



December 2009 TA forms filled in by each MA

December 2009 TA forms filled in by each MA

### Analysis of I&P Measures at SOP HRD Level

The analysis of the I&P actions shows satisfactory performance in terms of the capacity to address the target groups mentioned in the SOP HRD CP. Although the I&P measures seem to be diversified and in accordance with the provisions of the SOP HRD CP, it should be noted that most

of the communication actions were carried out under Phare assistance or projects financed from the domestic budget. The low number of projects financed within the SI framework might be explained by the late adoption of the SOP HRD (November 2007) and delays generated by a lack of expertise in the preparation of sound communication-related projects, insufficient quality of the services provided by I&P experts contracted under TA, as well as difficulties encountered as a result of the large number of complaints following the public procurement process. The analysis of the project portfolio supported under TA PA shows that the undertaken I&P measures were focused mainly on promoting the SOP HRD. Consequently, additional actions can be envisaged to increase the information level of potential applicants and beneficiaries. In line with the provisions of the SOP HRD, a more focused approach might be adopted to raise the interest of potential applicants through face-to-face events (road-shows, workshops). In addition, special attention should be paid to the development of the channels to communicate relevant information to potential applicants and beneficiaries.

In general, the objectives set out in the CP are poorly correlated with the CP indicators. This means that the CP objectives were inappropriately defined in terms of S.M.A.R.T criteria with negative impact on the capacity to accurately assess the effectiveness of the I&P measures. In addition, there is an insufficient coherence between the CP indicators and the ones established in the FID. For example, in case of website access, the CP monitors the number of Internet pages visits (360,000 for 2008), while the FID keeps record of the annual average of website visits (90,000 visits). Furthermore, according to the SOP HRD CP, the share of people aware of ESF and SOP HRD financing opportunities should reach 7% by the end of 2015, while the awareness level among population is set at 10% in case of FID.

The progress of FID indicators is presented in the following table [ref: **Table 55**].

**Table 55 – FID indicators – SOP HRD**

| SOP HRD FID indicators  |      |         |  |   |                   |
|---|------|---------|--|---|-------------------|
| FID indicator   | 2007 | 2008    | Progress achieved at December 31, 2009 (finalised contracts) | Prospective progress at December 31, 2009 (finalised, under implementation or in contracting stage) | FDI Target (2015) |
| Number of promotion campaigns (TV, radio, press)                        | -    | 1       | 1  | 1   | 15                |
| Annual average of website visits  | -    | 313,771 | -  | -   | 90,000            |
| Number of published brochures   | -    | -       | -  | -   | 200               |
| Number of promotion and communication events                            | -    | -       | -  | 1   | 340               |
| Number of I&P materials printed   | -    | -       | 4,050  | 4,050   | 875,000           |
| Number of TV/ radio spots   | -    | -       | 4  | 4   | 240               |
| Number of participants to the communication and promotion events        | -    | -       | 353  | 353   | 20,000            |
| Number of requests for information received from the Information Centre | -    | -       | -  | -   | 45,000            |
| Awareness level regarding SOP HRD                                       | -    | -       | -  | -   | 10%               |

Source: The figures for 2008 were taken from the SOP HRD Annual Implementation Report;  
The figures for December 2009 were taken from the TA forms filled in by SOP HRD MA

There is no record of the indicators related to the number of requests received, the level of the awareness or the number of published brochures. In case of the annual average of the website visits, the target indicator seem to have been established at a very low level, while in case of the number of promotion and communication events, the number of TV/ radio spots, the number of promotion campaigns, the number of the I&P printed and the number of participants to the communication and promotion events, the target seem to be unattainable.

#### 4.4.6 OP Administrative Capacity Development

##### Results Achieved

In 2007 no I&P project was contracted under DAC OP, but the MA received support through a framework contract financed from pre-accession instruments (*Support for OP DAC MA to Increase its Capacity for Programming, Management and Evaluation of programmes financed from EU Structural Funds*). Thus, the preliminary version of the DAC OP communication strategy was drafted as part of this project. In addition, throughout 2007, OP DAC MA representatives participated in 8 regional seminars on the ESF, 8 regional conferences organized by ACIS on Structural and Cohesion Funds in Romania and various events held by other entities (chambers of commerce, embassies and municipalities).

The CP for DAC OP was submitted to the EC only in March 2008 and the approval was obtained in July 2008. The late adoption of the CP might explain the lack of progress in terms of approved and contracted communication projects during 2008. Although no project was supported by the ESF, several information and communication actions were carried out: publication of press announcements concerning the launch of the calls for projects and calls for project ideas, participation of OP DAC MA representatives in training seminars for potential beneficiaries, organisation of launching conferences for the calls for projects and calls for project ideas, participation in workshops on structural funds absorption, development, printing and distribution of a brochure on financing opportunities for local authorities, etc.

The first two I&P related projects financed under DAC OP PA3 were signed in 2009: Support for information and publicity measures for OP DAC and Promotion activities for OP DAC, including for priority sectors. The first project includes organisation of 7 regional conferences, organisation of a training seminar in Baia Mare, development of promotional products (over 30,000), issuing of information materials (over 90,000), creation of a visual identity manual, creation of OP DAC website, organisation of other communication events. Out of the aforementioned activities, the OP DAC website was created and a number of three communication and promotion events were completed before December 31, 2009. The second information and publicity project financed under TA PA implies organisation of four regional conferences (out of which only one was completed before December 31, 2009) and one seminar in Bucharest [ref: **Table 56**].

**Table 56 – I&P Projects Contracted – OP DAC**

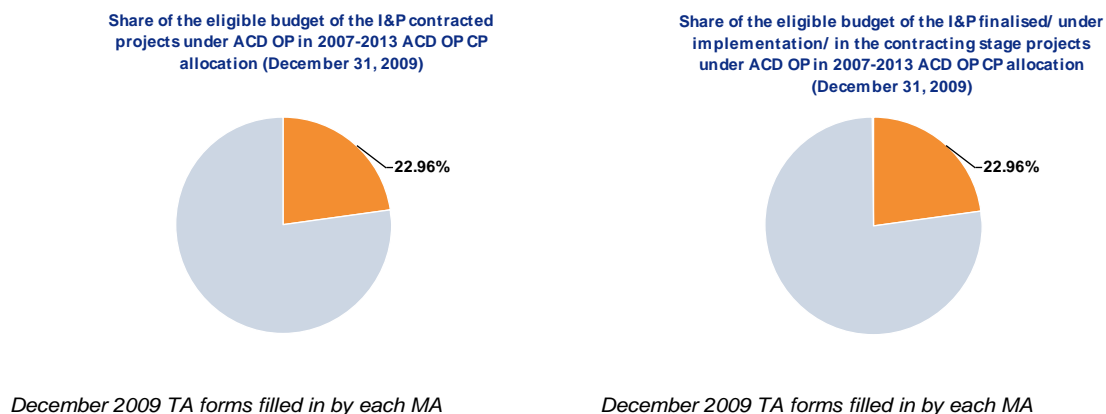
| Information and publicity contracts under ACD OP (RON)   |  |               |  |                         |                  |
|--|--|---------------|--|-------------------------|------------------|
| Project  | Contracts/ type of expenditure   | Beneficiary   | Results and targets (2010)   | Status at December 2009 | Eligible budget  |
| <b>Activities/ contracts finalised at December 31, 2009</b>  |  |               |  |                         |                  |
| Support for information and publicity measures for OP ACD  | Organisation of promotion and communication events   | MA for ACD OP | - number of communication and promotion events: 3;   | completed               | 24,266           |
|  | Creation of MA OP ACD website  | MA for ACD OP | - number of websites: 1  | completed               | 17,992           |
| <b>TOTAL</b>   |  |               |  |                         | <b>42,258</b>    |
| <b>Project pipeline at December 31, 2009</b>   |  |               |  |                         |                  |
| Support for information and publicity measures for OP ACD  | Development of the visual identity manual; producing of promotional objects; creation of information materials; organisation of regional conferences | MA for ACD OP | - number of visual identity manuals: 1; number of promotional products: 30,000; number of information materials: 90,000; number of regional conferences: 7 | under implementation    | 2,586,000        |
| Promotion activities for ACD OP (including for priority sectors) - information and publicity component | Training seminar and regional conferences  | MA for ACD OP | - number of seminars: 1  | under implementation    | 96,700           |
| <b>TOTAL</b>   |  |               |  |                         | <b>2,682,700</b> |
| <b>GRAND TOTAL</b>   |  |               |  |                         | <b>2,724,958</b> |

December 2009 TA forms filled in by each MA

## Financial Performance

Given the fact that the I&P contracted projects represent 22.96% of the total allocation from the OP DAC CP [ref: **Figure 57**], the prospects for using the amounts allocated for this intervention are relatively high.

**Figure 57 – Share of I&P Contracted Amounts – OP DAC**



## Analysis of I&P Measures at OP DAC Level

The analysis of the I&P actions shows a satisfactory progress in terms of I&P activities contracted under OP DAC PA3 before 31 December 2009. However, it worth mentioning that although the performance of I&P interventions by the end of 2009 is satisfactory in terms of contracted amounts, most of these activities are deemed to be implemented in 2010. The slow progress in the implementation of communication projects might be explained by the fact that the procurement for TA (including I&P projects) was not carried out by the MA OP DAC, but by a specific department within the Ministry of Administration and Interior. This situation caused substantial delays in launching the procurement procedures for communication. Moreover, the large number of appeals following a public procurement procedure also led to considerable delays in contracting more providers of I&P services.

The analysis of the progress of I&P actions shows that additional measures should be taken in order to address the target groups mentioned in the DAC OP CP (potential beneficiaries, beneficiaries and general public). Compared to the previous period, information for (potential) beneficiaries should be made in a coherent manner and on a continuous basis, whereas the promotion measures should be intensified in order to increase the awareness level among the general public. Special attention should also be paid to all of the types of instruments envisaged to reach the targets of DAC OP CP, including additional communication and promotion events, development of I&P materials and training sessions targeting beneficiaries. A more focused approach should be taken into account to create an operational network of multipliers, as specified in the CP.

In terms of effectiveness, there is no assessment of the results of the actions, as no national survey has been undertaken and no evaluation of the CP actions carried out. The only source of information that could be used for assessing the effectiveness of I&P measures were the forms for TA progress at OP DAC level. In addition, it should be pointed out that, as the DAC CP is the main tool used in the implementation of I&P measures, the CP indicators should ideally have a high degree of correlation with the ones mentioned in the FID. Unfortunately, the actual situation does not reflect this.

The progress of FID indicators is presented in **Table 58**.



**Table 58 – FID Indicators – OP DAC**

| ACD OP FID indicators  |      |      |  |   |                   |
|--|------|------|--|---|-------------------|
| FID indicator  | 2007 | 2008 | Progress achieved at December 31, 2009 (finalised contracts) | Prospective progress at December 30, 2009 (finalised, under implementation or in contracting stage) | FDI Target (2015) |
| Number of promotion and communication events organised                         | -    | -    | 5  | 21  | 30                |
| Potential applicants reached through communication events                      | -    | -    | -  | -   | 500               |
| Information and publicity materials  | -    | -    | -  | -   | -                 |
| Participant days to the training sessions - beneficiaries                      | -    | -    | 120  | 120   | -                 |
| Participant days to the training sessions - MA representatives                 | -    | -    | 359  | 381   | -                 |
| Participant days to the training sessions - other institutions representatives | -    | -    | -  | -   | -                 |

Source: The figures for 2008 were taken from the ACD OP Annual Implementation Report;  
The figures for December 2009 were taken from the TA forms filled in by ACD OP MA

In case of the first indicator, the prospects for reaching the target are high as the number of communication and promotion events, including those for the contracts under implementation, seems to be sufficient to meet and even exceeds the target. For the remaining indicators, no assessment can be made either because of lack of records (potential applicants reached through communication events) or due to unavailability of target values.

#### 4.4.7 OP Technical Assistance

##### **Results Achieved**

The OPTA was launched only on February 22, 2008; therefore, in 2007, no I&P project was contracted from ERDF. However, the MA for OPTA benefited from TA support through two Phare twinning projects (*Strengthening the Administrative Capacity of the MA for the Community Support Framework within the Ministry of Public Finance* and *Support to the MA for Community Support Framework to Ensure Sound and Efficient Management for the EU Structural Fund*). The OPTA CP was prepared and submitted to the EC, but the final approval was obtained in March 2008.

In 2008, one application for financing was approved under KAI 3.1 – *Dissemination of General Information and Development of Publicity Activities related to the SIs allocated to Romania*, but the project implementation started in 2009. The beneficiary of the project *Support for implementation of ACIS Communication Plan* is DSC/ACIS and the main objective consists of providing support in the implementation of the Action Plan for Communication, prepared by ACIS, in order to ensure a nation-wide coordinated dissemination of general messages related to the Structural Instruments. The activities to be carried out include: organising events, workshops and press conferences, editing, printing and distributing publications, issuing newsletters and press articles, conducting surveys, producing TV spots and programs, developing advertising boards, creating promotional products, etc. In addition, the following I&P measures were carried out throughout 2008: organisation of OPTA launching conference and organisation of three training sessions for ACIS and CPA beneficiaries regarding the preparation and implementation of projects and the eligibility of TA expenditures.

Four contracts under the project *Support for Implementation of the ACIS Communication Plan* were completed up to September 2009. These contracts were related to the development and maintenance of the OPTA website, and also to the maintenance of [www.fonduri-ue.ro](http://www.fonduri-ue.ro) website (I&P for OPTA and SI), release of the TA brochure (I&P for OPTA), organisation of an event for celebrating Europe Day (I&P for SI) and production of TV/ radio spots (I&P for SI).

The list of all OPTA contracts (completed/ under implementation or in the contracting stage) available at December 31, 2009 is presented in the next table [ref: **Table 59**] and in **Annex 5**.

**Table 59 – I&P Projects Contracted – OPTA**

| Information and publicity contracts under OPTA (RON)  |   |  |  |                         |                  |
|---|---|--|--|-------------------------|------------------|
| Project   | Contracts/ type of expenditure                                  | Beneficiary                            | Results and targets (2010)   | Status at December 2009 | Eligible budget  |
| <b>Contracts finalised at December 31, 2009</b>       |   |  |  |                         |                  |
| Support for implementation of ACIS Communication Plan | Development and maintenance of OPTA website (web page visits)   | System Coordination Directorate (ACIS) | - number of web page visits: 429,119; number of communication events: 1; number of participants: 50; number of TV spots: 2; number of radio spots: 2; number of brochures: 1 | completed               | 68,170           |
|   | Organisation of an event to celebrate Europe Day                |  |  | completed               | 5,008            |
|   | Production of TV/ radio spots for promotion of SCF in Romania   |  |  | completed               | 272,000          |
|   | Release of TA brochure  |  |  | completed               | 13,000           |
| <b>TOTAL</b>  |   |  |  |                         | <b>358,178</b>   |
| <b>Project pipeline at December 31, 2009</b>          |   |  |  |                         |                  |
| Support for implementation of ACIS Communication Plan | Broadcasting of TV/ radio spots for promotion of SCF in Romania | System Coordination Directorate (ACIS) | - number of TV spots: 2; number of radio spots: 2;   | contracting stage       | 1,832,596        |
|   | Surveys   | System Coordination Directorate (ACIS) |  | contracting stage       | 176,400          |
| <b>TOTAL</b>  |   |  |  |                         | <b>2,008,996</b> |
| <b>GRAND TOTAL</b>                                    |   |  |  |                         | <b>2,367,174</b> |

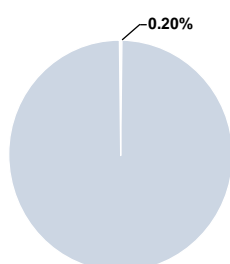
December 2009 TA forms filled in by each MA

### Financial Performance

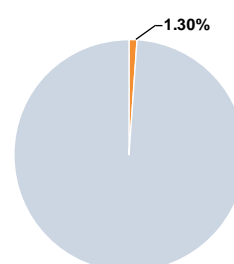
The low number of contracts under the OPTA PA3 shows a poor progress of the OPTA I&P measures: the eligible budget of the contracts (completed and under implementation) by the end of 2009 represents only 0.20% of the total allocation for PA3 (2007-13) [ref: **Figure 60**]. Therefore, the prospects for using the amounts allocated for this PA are rather low. Although the progress of PA3 is higher if contracts in the contracting stage in December 2009 are taken into account, the gap between actual progress and the initial allocation remains considerably large.

**Figure 60 – Share of I&P Contracted Amounts – OPTA**

Share of the eligible budget of the I&P contracted projects under OPTA in 2007-2013 OPTA CP allocation (December 31, 2009)



Share of the eligible budget of the I&P finalised/ under implementation/ in the contracting stage projects under OPTA in 2007-2013 OPTA CP allocation (December 31, 2009)



December 2009 TA forms filled in by each MA

December 2009 TA forms filled in by each MA

### Analysis of I&P Measures at OPTA Level

In general, OPTA performance regarding the I&P measures undertaken up to December 2009 is unsatisfactory. This is explained by difficulties encountered in carrying out the public procurement contracts related to the projects approved for financing from OPTA, which generated delays in the implementation stage and also in receiving payment claims and in making payments by the MA. In

addition, there were delays caused by late approval of annual public procurement plans and the fact that certain categories of TA expenditure are not defined in relevant national legislation. The latter resulted in divergence in the interpretation of certain categories of expenditure by the actors involved in approving and signing applications for financing (legal divisions and, sometimes outsourced, financial control).

Further I&P measures should be envisaged to inform the general public and potential beneficiaries better and increase the awareness level about SI and OPTA financing opportunities. Special attention is to be paid to the development of the Information Centre for SI, communication and promotion events and press conferences, training sessions for the beneficiaries with regard to the preparation of applications, the eligibility of expenditures and the rules, procedures and mechanisms of projects evaluation and assessment, development of surveys in order to measure the impact of the messages transmitted to the general public through media campaigns.

In terms of effectiveness, there is no assessment of the actions implemented in terms of results achieved as neither a national survey has been undertaken, nor and evaluation of CPs actions has been carried out. Therefore, the only source of information that could be used for the assessment of the effectiveness of I&P measures were the forms for TA progress at OPTA level. In case of OPTA, there is a perfect correlation between the indicators set out in the ACIS and OPTA CPs and those referred to in the FID/OP. The progress of FID indicators is presented in the following table [ref: **Table 61**].

**Table 61 – FID Indicators - OPTA**

| OPTA FID indicators                                    |      |      |  |   |                   |
|--|------|------|--|---|-------------------|
| FID indicator  | 2007 | 2008 | Progress achieved at December 31, 2009 (finalised contracts) | Prospective progress at December 31, 2009 (finalised, under implementation or in contracting stage) | FDI Target (2015) |
| Number of studies, analyses, reports, strategies       | -    | -    | -  | -   | 28                |
| Number of communication and publicity events           | -    | -    | 1  | 3   | 120               |
| Number of I&P materials                                | -    | -    | 1  | 5   | 72                |
| Number of mass-media campaigns                         | -    | -    | -  | 1   | 10                |
| Number of web page visits                              | -    | -    | -  | 429,119   | 1,000,000         |
| Number of inquiries received by the Information Centre | -    | -    | -  | -   | 40,000            |
| Degree of population awareness                         | -    | -    | -  | -   | 15%               |

Source: The figures for 2008 were taken from the OPTA Annual Implementation Report;  
The figures for December 2009 were taken from the TA forms filled in by OPTA MA

No studies, analyses, reports or strategies related to the I&P measures had been elaborated by the end of December 2009, although the interim target for this year was set at five documents. In the case of the communication and publicity events and also the I&P materials, the actual progress turned out to be very slow which makes the targets achievement questionable. The prospects for reaching the targets related to the number of OPTA/ACIS website visits are high as the actual progress is already above the interim targets. The level of awareness has not been measured yet, while no progress has been obtained in the development of the Information Centre.

#### 4.4.8 ETC Romania-Bulgaria

According to the CP, Information Points and the Joint Technical Secretariat (JTS) are responsible for carrying out the I&P actions at CBC Programme level. However, during 2008, the MA and the National Authority performed the I&P actions until the JTS became functional. The MA and the Joint Technical Secretariat (JTS) are responsible for carrying out the I&P actions at CBC Programme level. The MA ensures that the programme is widely disseminated, while the JTS (based in Calarasi – Romania) carries out promotion activities in coordination with the MA, by establishing direct contacts with the eligible organizations in the area covered by the programme.

The I&P measures related to CBC Programme are financed under PA4 – TA, KAI 4.2 – *Support to the Communication and Information of the Programme*. The main tool for implementing the I&P activities is the CBC Programme CP.

### Results Achieved

The programme was approved by the EC in December 2007; therefore no amounts from TA budget were spent in 2007. However, several I&P measures were carried out throughout 2007, but the activities were financed either from the national budget or from Phare assistance. The main I&P activities were the following: organisation of a workshop in the framework of the launching conference for the ETC objective, organisation of four seminars for the potential beneficiaries of the Romania-Bulgaria CBC Programme, organisation of an information road-show targeted to the potential beneficiaries of the programme (local authorities, business environment and NGOs), editing and disseminating information materials (brochures on ETC Programmes or Romania-Bulgaria CBC Programme, communication guidelines, visual identity manual), production of promotion materials (pens, notebooks, folders, banners, posters), continuous update of the information presented on the websites.

In 2008, the MA started to contract I&P projects under the TA PA, but also carried out additional communication activities financed from other sources than the CBC Programme. The main I&P activities undertaken under TA PA included: organisation of the official kick-off conference of the Romania-Bulgaria CBC Programme, organisation of seminars targeted to the potential beneficiaries in order to launch the first call for proposals, editing and disseminating of a brochure containing information on the progress achieved during 2008, production of leaflets presenting the second call for proposals, development of promotion materials, development of a media campaign on three media channels: TV, newspapers and Internet.

The list of all promotion and communication contracts under the TA PA between January 2007 and December 2009 is presented in table below [ref: **Table 62**] and in **Annex 5**.

**Table 62 – I&P Projects Contracted – ETC RO-BG**

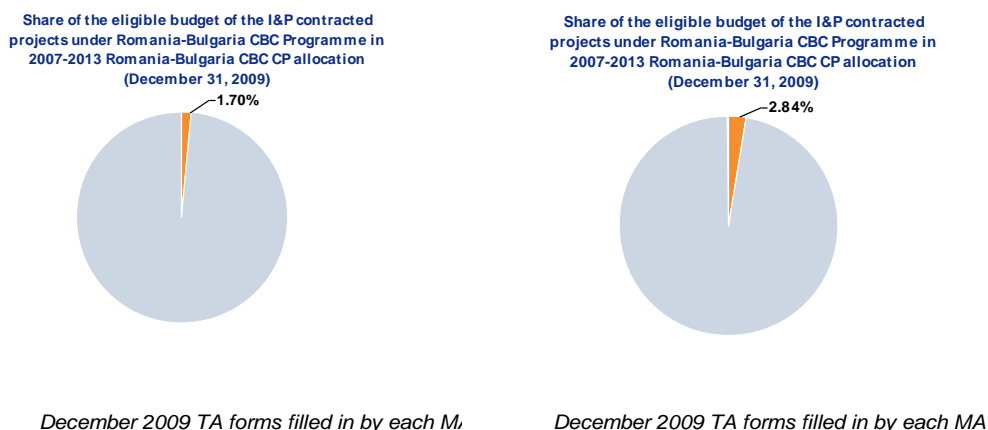
| Information and publicity contracts under Romania-Bulgaria CBC Programme (RON)  |   |   |  |                         |                 |
|---|---|---|--|-------------------------|-----------------|
| Project   | Contracts/ type of expenditure  | Beneficiary                                       | Results and targets (2010)   | Status at December 2009 | Eligible budget |
| <b>Contracts finalised at December 31, 2009</b>   |   |   |  |                         |                 |
| Support for the communication and information of the programme  | Organisation of events (organisation of a seminar on communication issues for the MA, the Joint Technical Secretariat - JTS and the National Authority - NA; organisation of a seminar for mass-media within the eligible area; organisation of a national conference for promoting Bulgaria-Romania CBC Programme) | MA, JTS, NA                                       | - number of participants at the communication seminar: 30;<br>- number of participants at the seminar for mass-media: 50;<br>- number of participants at the national conference: 120  | completed               | 6,568           |
| Support for the communication and information activities of the Regional Office for Cross-Border Cooperation Calarasi (RO CBC Calarasi) | Organisation of events  | RO CBC Calarasi                                   | - number of events: 64   | completed               | 18,100          |
| Support for the communication and information activities of the Regional Office for Cross-Border Cooperation Calarasi (RO CBC Calarasi) | Update and maintenance of the website   | RO CBC Calarasi                                   |  | completed               | 21,394          |
| Support for the communication and information activities of the Regional Office for Cross-Border Cooperation Calarasi (RO CBC Calarasi) | Issuing of promotional materials  | RO CBC Calarasi                                   | - number of banners -5, folding maps of the eligible area - 200  | completed               | 7,146           |
| <b>TOTAL</b>  |   |   |  |                         | <b>53,208</b>   |
| <b>Project pipeline at December 31, 2009</b>  |   |   |  |                         |                 |
| Support for the communication and information of the programme  | Issuing of information and promotional materials  | Ministry of Regional Development and Tourism (MA) | - number of notebooks: 500; number of desk calendars: 500;<br>- number of USB sticks: 300; number of laptop bags: 100; number of pens: 500; number of gift bags: 600; number of leaflets: 200;<br>- number of brochures: 500 | under implementation    | 96,818          |
|   | Outdoor advertising   |   | - number of billboards: 6  | under implementation    | 234,000         |
|   | Maps for eligible area  |   | - number of maps: 500  | under implementation    | 52,900          |
| Conducting surveys in order to assess the awareness level   | Conducting surveys in order to assess the awareness level   | Ministry of Regional Development and Tourism (MA) |  | contracting stage       | 294,000         |
| <b>TOTAL</b>  |   |   |  |                         | <b>677,718</b>  |
| <b>GRAND TOTAL</b>  |   |   |  |                         | <b>730,926</b>  |

December 2009 TA forms filled in by each MA

### Financial Performance

The contracting process of the I&P funds shows an unsatisfactory performance of the Romania-Bulgaria CBC Programme. The share of the eligible budget of the contracts (completed and under implementation) represents only 1.70% of the total allocation set out in the CBC Programme CP, whereas the share of the finalised, under implementation and in the contracting stage projects under Romania-Bulgaria CBC Programme is 2.84% [ref: **Figure 63**].

**Figure 63 – Share of I&P Contracted Amounts – ETC RO-BG**



### ***Analysis of I&P Measures at ETC RO-BG Level***

The analysis of the I&P measures shows satisfactory performance in terms of the diversity of actions carried out. However, similar to other programmes, many communication actions were financed from Phare assistance or the state budget (part of them to be reimbursed by the EC). The low number of projects financed under TA PA might be explained by the difficulties and challenges raised by the late adoption (May 2008) of the framework documents of the Programme's TA priority axis (*Annual Technical Assistance Strategy and the Global Financing Decision*), which means that the funds were available for expenditure only in the second half of the year. In addition, the low progress is explained by the delays in the implementation schedule or because the financing sources were missing until the reimbursement by the programme. The analysis of the project portfolio shows that additional actions should be envisaged in order to increase the information level of the potential applicants and beneficiaries through organisation of thematic seminars and workshops. In line with the provisions of the CBC Programme CP, special attention should be paid to the development of the information network.

In case of the number of I&P events, the target indicator seem to be achievable, while in case of the number of different times of printed publications, the target seem to be unattainable.

#### ***4.4.9 Black Sea Basin JOP***

##### ***Results Achieved***

The communication activities under the Black Sea Basin JOP started only in 2009, as a result of the late approval of the programme (November 2008). In accordance with the Annual Communication Action Plan, the main I&P activities carried out in 2009 were the following: communication events (launching conference of the programme for the first call for proposals, three partner search forums held in Romania and Bulgaria and five project preparation workshops in Greece and Turkey), production and dissemination of promotion materials, issuing press releases and newsletters, and training seminars targeting internal assessors, as well as the Joint Managing Authority (JMA) and the National Info Points (NIP) staff.

It should be noted that, besides the TA funds, the cost of most I&P activities was also covered from other financing sources, such as Phare, the budget of the Regional Capacity Building Initiative (RCBI) and the national authorities' own funding. This was mainly result of an inappropriate Romanian legislative framework, which prevented the JMA from organising events and incurring expenditure abroad. It is worth mentioning that this particular inconvenience was removed through the adoption of the 2010 State Budget Law, which allows the institutions managing ETC programmes to issue ministerial orders regulating expenditure abroad under the TA component.

The list of all promotion and communication contracts under the TA PA between January 2007 and December 2009 is presented in table below [ref: **Table 64**].

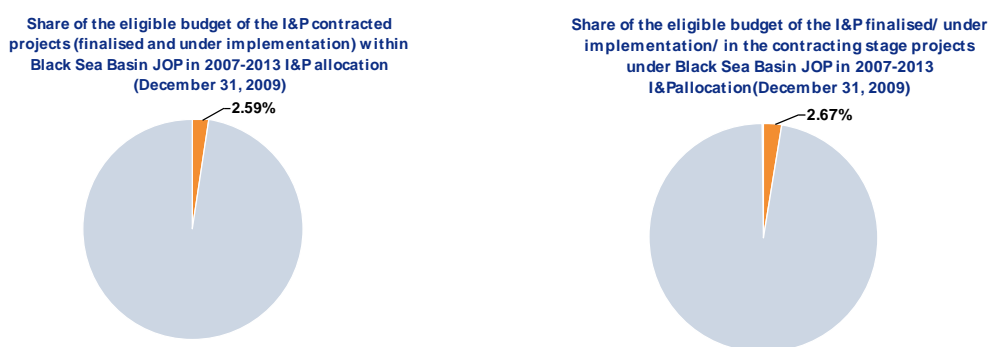
**Table 64 – I&P Projects Contracted – Black Sea Basin JOP**

| Information and publicity contracts under the Black Sea Basin JOP (RON) |   |  |  |                         |                 |
|---|---|--|--|-------------------------|-----------------|
| Project   | Contracts/ type of expenditure  | Beneficiary  | Results and targets (2009/2010)  | Status at December 2009 | Eligible budget |
| <b>Contracts finalised at December 31, 2009</b>                         |   |  |  |                         |                 |
| 2009 Global Financing Decision for the Black Sea Basin JMA              | Issuing of promotion materials  | Ministry of Regional Development and Tourism (JMA) | - number of badges: 500; number of business cards: 1,100   | completed               | 2,300           |
|   | Issuing of promotion materials  | Ministry of Regional Development and Tourism (JMA) | - number of folders: 1,000; number of banners: 4; number of pens: 1,000; number of badges: 1,000 | completed               | 12,202          |
|   | Launching conference for the programme and the first call for proposals | Ministry of Regional Development and Tourism (JMA) | - number of conferences: 1; number of participants: 150  | completed               | 31,416          |
|   | Project preparation workshop for the beneficiaries                      | Ministry of Regional Development and Tourism (JMA) | - number of workshops: 1; number of participants: 150  | completed               | 19,605          |
|   | Training session for the JMA and NIP staff                              | Ministry of Regional Development and Tourism (JMA) | - number of training sessions: 1; number of participants: 27                                     | completed               | 1,080           |
|   | Project preparation workshop for the beneficiaries                      | Ministry of Regional Development and Tourism (JMA) | - number of workshops: 1; number of participants: 150  | completed               | 4,332           |
| <b>TOTAL</b>  |   |  |  |                         | <b>70,935</b>   |
| <b>Project pipeline at December 31, 2009</b>                            |   |  |  |                         |                 |
| 2010 Global Financing Decision for the Black Sea Basin JMA              | Improvement of website functionality                                    | Ministry of Regional Development and Tourism (JMA) | - n/a  | under implementation    | 14,805          |
|   | Project preparation workshop for the beneficiaries                      | Ministry of Regional Development and Tourism (JMA) | - number of calendars: 1,000; number of notebooks: 1,000   | under implementation    | 28,512          |
|   | Website maintenance   | Ministry of Regional Development and Tourism (JMA) | - n/a  | contracting stage       | 3,600           |
| <b>TOTAL</b>  |   |  |  |                         | <b>46,917</b>   |
| <b>GRAND TOTAL</b>  |   |  |  |                         | <b>117,852</b>  |

### Financial Performance

The low number of I&P contracts under the Black Sea Basin JOP reflects poor progress: the eligible budget of the contracts (completed and under implementation) by the end of 2009 represented only 2.59% of the total I&P allocation for the Black Sea Basin JOP (2007-13). The prospects for using the amounts allocated for I&P measures remain rather poor, even taking into account the I&P projects in the contracting stage in December 2009 (2.67%) [ref: **Figure 65**]. Therefore, the prospects for using the amounts allocated for the I&P activities are rather low.

**Figure 65 – Share of I&P Contracted Amounts – Black Sea Basin JOP**



December 2009 TA forms filled in by each MA

December 2009 TA forms filled in by each MA

### Analysis of I&P Measures at Black Sea Basin JOP Level

Analysis of the I&P measures shows that several communication activities included in the 2009 Communication Action Plan could not be initiated throughout 2009. For example, no Info Days or project preparation workshops were organised by the JMA, due to legal restrictions on incurring expenditure abroad. In addition, no leaflets were issued in 2009, as the JMA still had leaflets published under the Phare project *Awareness Campaign for the Regional Operational Programme* available for distribution.

Moreover, although the Annual Communication Plan explicitly stated that a press conference should be held in 2009, no such event was organised throughout 2009. The same applies to the setting up of the information network. As a result, the performance of the Black Sea Basin JOP is unsatisfactory in terms of I&P measures undertaken up to December 2009. The low share of the eligible budget of the I&P contracts in the total TA allocation under the programme [ref: **Figure 65**] also reflects this.

In terms of effectiveness, no assessment could be made as no targets have been initially set in the programme or the communication plan [ref: **Table 66**].

**Table 66 – FID Indicators – Black Sea Basin JOP**

| Black Sea Basin JOP indicators                     |      |      |  |  |                   |
|--|------|------|--|--|-------------------|
| OP indicator                                       | 2007 | 2008 | Progress achieved at December 31, 2009 (finalised contracts) | Progress achieved at December 31, 2009 (finalised, under implementation or in contracting stage) | CBC Target (2015) |
| Number of information and promotion events         | -    | -    | 41   | 41   | -                 |
| Number of printed publications (types)             | -    | -    | -  | -  | -                 |
| Number of publicity campaigns carried out          | -    | -    | -  | -  | -                 |
| Number of visitors on the programme website        | -    | -    | 36,500   | 36,500   | -                 |
| Number of events organised for final beneficiaries | -    | -    | -  | -  | -                 |
| Number of participants in the events               | -    | -    | 1,800  | 1,800  | -                 |

Source: The figures were taken from the 2009 Black Sea Basin JOP Annual Implementation Report;

#### 4.4.10 Romania-Ukraine-Moldova JOP

##### Results Achieved

The I&P activities under the Romania-Ukraine-Moldova JOP started only in 2009, following the approval of its Annual Information and Communication Plan. In accordance with that document, the following information and communication activities were carried out by the end of 2009: organisation of the launching conference, issuing of press releases and advertisements, elaboration of promotional items, continuous updating of the website, editing and dissemination of Applicants' Guidelines and an annual brochure, dissemination of the leaflets and the Visual Identity Manual produced under the Phare project "Awareness campaign for the Regional Operational Programme", creation and distribution of an electronic bulletin, as well as information and training seminars. Similar to other OPs, several I&P activities, undertaken throughout 2009, were financed from other financing sources such as Phare, INTERACT ENPI or the RCBI budget.

The list of all promotion and communication contracts under the TA PA between January 2007 and December 2009 is presented in the table below [ref: **Table 67**].

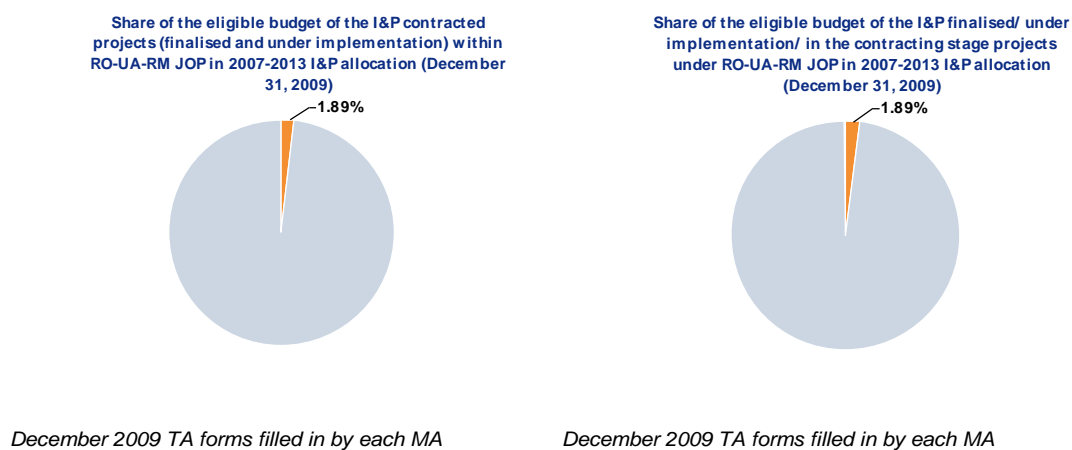
**Table 67 – I&P Projects Contracted – Romania-Ukraine-Moldova JOP**

| Information and publicity contracts under the Romania-Ukraine-Republic of Moldova JOP (RON) |                                     |  |  |                         |                 |
|---|-------------------------------------|--|--|-------------------------|-----------------|
| Project   | Contracts/ type of expenditure      | Beneficiary  | Results and targets (2009/2010)  | Status at December 2009 | Eligible budget |
| <b>Contracts finalised at December 31, 2009</b>   |                                     |  |  |                         |                 |
| 2009 Global Financing Decision for the Romania-Ukraine-Republic of Moldova JMA              | Issuing of promotion materials      | Ministry of Regional Development and Tourism (JMA) | - number of Applicants' Guidelines: 600; number of Visual Identity Manuals: 100; number of brochures: 400; number of business cards: 1,600; number of CDs: 300   | completed               | 24,479          |
|   | Issuing of promotion materials      | Ministry of Regional Development and Tourism (JMA) | - number of notebooks: 300; number of calendars: 300; number of pens: 1,000; number of mousepads: 500; number of optical mice: 500; number of memory sticks: 800; number of laptop bags: 200; number of paper bags: 500; number of roll-up banners: 3; number of banners: 3; number of bags: 500; number of folders: 1,000; number of wallets: 150; number of posters: 200 | completed               | 133,744         |
| <b>TOTAL</b>  |                                     |  |  |                         | <b>158,223</b>  |
| <b>Project pipeline at December 31, 2009</b>  |                                     |  |  |                         |                 |
|   | Website improvement and maintenance | Ministry of Regional Development and Tourism (JMA) | - n/a  | under implementation    | 17,802          |
| <b>TOTAL</b>  |                                     |  |  |                         | <b>17,802</b>   |
| <b>GRAND TOTAL</b>  |                                     |  |  |                         | <b>176,026</b>  |

## Financial Performance

As the communication contracted projects represent only 1.89% of the total allocation for the information and promotion activities [ref: **Figure 68**], the prospects for using the allocated amounts are rather low. This is also reflected by the fact that no projects were at the contracting stage in December 2009.

**Figure 68 – Share of I&P Contracted Amounts – Romania-Ukraine-Republic of Moldova JOP**



### Analysis of I&P Measures at Romania-Ukraine-Moldova JOP Level

According to the Annual Communication Action Plan, a media campaign should have been carried out in 2009. However, delays in gathering relevant information on existing mass media channels in Ukraine and the Republic of Moldova, as well as Romanian legal restrictions on publicity procurement, prevented the JMA from organising the media campaign. Romanian legislation requires service providers to submit a rating certificate for both TV and radio. As the campaign was intended only for the local media of the eligible area, rating certificates for the local media channels needed to be submitted. Neither of the partner states has an entity authorised to provide this type of document. Therefore, the JMA decided to organise the campaign beyond the eligible area of the programme. Consequently, the procurement procedure was launched only in the last trimester of 2009. Unfortunately, the tender had to be cancelled in 2010, due to the insufficient number of bids received.

The programming document fails to identify the monitoring indicators, as well as any interim or final targets, to be attained by the end of 2015. An assessment of the effectiveness of the I&P measures could therefore not be made.

#### 4.4.11 Romania-Serbia IPA CBC Programme

##### **Results Achieved**

The communication activities under the Romania-Serbia IPA CBC Programme started only in 2009, due to a lack of financing sources until reimbursement, the late adoption of the Romanian legal framework on the eligibility of expenditure, as well as difficulties in using TA funds in accordance with the provisions of Article 121 of the IPA Implementing Regulation. The main I&P activities carried out throughout 2009 were the following: programme promotion in the eligible area of the partner states by means of a media campaign, the official launching conference of the programme, two launching conferences of the first call for proposals in Romania and Serbia, continuous update of the website, development and dissemination of promotion materials. However, several activities aimed at promoting the programme and supporting potential beneficiaries were financed not only from the TA of the programme but also from Phare resources or from the national state budget.



The list of all promotion and communication contracts under the TA priority between January 2007 and December 2009 is presented in the table below [ref: **Table 69**].

**Table 69 – I&P Projects Contracted – Romania-Serbia IPA CBC Programme**

| Information and publicity contracts under the Romania-Serbia IPA CBC Programme (RON)  |   |  |  |                         |                 |
|---|---|--|--|-------------------------|-----------------|
| Project   | Contracts/ type of expenditure  | Beneficiary  | Results and targets (2009/2010)                  | Status at December 2009 | Eligible budget |
| <b>Contracts finalised at December 31, 2009</b>   |   |  |  |                         |                 |
| 2009 Global Financing Decision for the Romania-Serbia JMA   | Organisation of the launching conference of the first call for proposals                  | Ministry of Regional Development and Tourism (JMA)     | number of events: 1; number of participants: 150 | completed               | 13,125          |
| Financing contract for the Regional Office for Cross-border Cooperation in Timisoara for the implementation of the Romania-Serbia IPA CBC Programme | Organisation of events, seminars and workshops for launching the first call for proposals | Regional Office for Cross-border Cooperation Timisoara | number of participants: 30 per county            | completed               | 78,822          |
| <b>TOTAL</b>  |   |  |  |                         | <b>91,947</b>   |
| <b>Project pipeline at December 31, 2009</b>  |   |  |  |                         |                 |
| 2010 Global Financing Decision for the Romania-Serbia JMA   | Website administration  | Ministry of Regional Development and Tourism (JMA)     | n/a  | contracting stage       | 42,000          |
| <b>TOTAL</b>  |   |  |  |                         | <b>42,000</b>   |
| <b>GRAND TOTAL</b>  |   |  |  |                         | <b>133,947</b>  |

### *Analysis of I&P Measures at Romania- Serbia IPA CBC Programme Level*

Only one global financing decision for the JMA and a financing contract with the Regional Office for Cross-border Cooperation in Timisoara were signed in 2009 as part of the TA of the programme. Although the effective expenditure of the budget represented almost 43%, the activities undertaken in 2009 provided a balanced information and publicity across target audiences<sup>39</sup>. The satisfactory performance of the I&P activities is also reflected by the achievement of all target indicators set out in the 2009 Annual Communication Plan [ref: **Table 70**].

**Table 70 – Programme Indicators – Romania-Serbia IPA CBC Programme**

| Romania-Serbia IPA CBC Programme indicators  |      |      |  |  |                   |                   |
|--|------|------|--|--|-------------------|-------------------|
| Programme indicator  | 2007 | 2008 | Progress achieved at December 31, 2009 (finalised contracts) | Progress achieved at December 31, 2009 (finalised, under implementation or in contracting stage) | CBC Target (2009) | CBC Target (2015) |
| Number of information materials for the publicity and information of the programme (types)           | -    | -    | 2  | 2  | 2                 | 10                |
| Number of events organised for the information and publicity of the programme                        | -    | -    | 33   | 33   | 20                | 100               |
| Number of seminars and training sessions delivered for building skills capacity                      | -    | -    | -  | -  | -                 | 6                 |
| Number of participants to different events (conferences, workshops, seminars, trainings, networking) | -    | -    | 1,045  | 1,045  | 500               | 2,000             |
| Number of people reached by the publicity and information campaigns                                  | -    | -    | -  | -  | -                 | 1,000,000         |

Source: The figures were taken from the 2009 Romania-Serbia IPA CBC Programme Annual Implementation Report and the 2010 Communication Plan;

As a result of the difficulties encountered in the procurement procedures, no survey was contracted during 2009. In respect of the number of events organised for the I&P activities and that of participants to different events, the initial targets appear to be set at a very low level.

## **4.5 Synergies and Overlaps**

The adoption of the NSC and the existence of a central communication mechanism have led to a clear division between the communication activities at NSRF level. The communication activities supported under TA priority axes of the various address specific needs of each OP's target groups. The I&P interventions financed under OPTA cover SI-related, as well as OPTA-related

<sup>39</sup> In the case of the Romania-Serbia IPA CBC Programme, the communication activities are included in a Multi-Annual Communication Plan for 2007-13. The total budget allocated to the communication activities for the entire programming period, as well as the established targets for the indicators are not specified in the Plan. However, the Plan is implemented through annual communication plans, which establish annual budgets for I&P activities and annual targets for communication indicators. In addition, there is no split between the different types of TA activities within the programming document. Given the fact that there is no communication budget covering the entire programming period (2007-2013), the share of contracted I&P of the total communication budget could not be determined.

communications. The I&P measures carried out by the MAs at NSRF level are consistent, with overlaps was avoided in both the set-up phase and the implementation phase. The key role in ensuring this coherence of the communication activities is played by the coordination structure created on ACIS level, i.e. the Working Group for Communication.

The meetings of the Working Group have provided the representatives of MAs' communication departments with the opportunity to present their achievements in terms of I&P activities, exchange examples of good practice and continuously monitor the I&P activities implemented at horizontal or OP level. There appear to have been no overlaps between the OPTA I&P activities and the communication interventions carried out under the OPs' TA priority axes.

Although no overlaps between the OPTA and the TA priority axes of the other OPs could be identified, it should be noted that most of the I&P activities were in the inception phase at the cut-off date. With the use of I&P constantly increasing, the frequency of the meetings of the Working Group for Communication should also be intensified.

It is further worth mentioning that, until the cut-off date, it was Phare, which substantially supported the I&P activities envisaged to be carried out under the SI. This situation may explain the slow progress of the I&P interventions financed under the SI, as the existence of pre-accession instruments may have weakened potential beneficiaries' motivation to use the SI resources. Finally, as part of the I&P interventions were financed under Phare assistance, it is highly recommendable to update the CPs, thus eliminating any activities that have in the meantime become obsolete.

Regarding synergies, these are most probable to be produced bottom-up but in both 'core fields' of the I&P measures, on the one hand, awareness – general public and, on the other hand, information – potential beneficiaries (obviously, the two groups overlap to a certain extent).

The OP-related I&P measures may be considered to determine an increase of the general awareness related to SIs, as the OPs promote specifically their opportunities and requirements, but also the general concept of the SI. Having OP-related promotion materials display the logos of both the EC and the SI in Romania<sup>40</sup>, in addition to the OP-specific logo could further increase the level of awareness.

The fact that most of the OP-related I&P activities (from presentations during seminars to different applicants' guides) set the OP against the wider background of the EU's Cohesion Policy and its implementation in Romania (through the NSRF and other OPs), increases potential beneficiaries and project promoters' knowledge on this policy as a whole, its interface in Romania, and the existence of other programmes and funding opportunities.

## 4.6 Examples of Good Practice

### Case study 1: Information and Publicity

|                             |  |
|-----------------------------|--|
| <b>Project</b>              | <b>Publicly accessible homepage of the Single Monitoring Information System (EMIR) - developed by the Hungarian National Development Agency</b>  |
| <b>Project Description:</b> | In the context of this project an informative web page was set up and launched. The web site provides information on the main statistics and up-to-date status at OP-, PA-, KAI- and operation level. The statistics cover the data of submitted applications, approved grants, contracted grants, as well as the payments made, along with the number of applications at each stage. It also provides data in tables and graphs. Some of the regional statistics can also be seen on maps.<br><br>The operation of the homepage promotes transparency by providing publicity on the utilisation of EU funds in Hungary. The project was financed from the Hungarian TA OP.<br><br>Link: <a href="http://emir.nfu.hu/nd/kozvel/?link=umft_1_1">http://emir.nfu.hu/nd/kozvel/?link=umft_1_1</a> |
| <b>Adoptability</b>         | The project can be adapted by in Romania, using the OPTA budget.   |

<sup>40</sup> Ref: ROP leaflet at [http://www.inforegio.ro/user/file/Leaflet\\_Regio.pdf](http://www.inforegio.ro/user/file/Leaflet_Regio.pdf)

### **Case study 2: Information and Publicity**

|                             |   |
|-----------------------------|---|
| <b>Project</b>              | <b>Annual international evaluation and methodology conference in Budapest – organised by the ECOP MA in Hungary</b>   |
| <b>Project Description:</b> | <p>The achievements and problems encountered in Hungary in recent years provide an opportunity to present the evaluations of development programmes at level of the EU.</p> <p>The Hungarian National Development Agency – responsible for the management of EU funded development programmes, in cooperation with the European Commission, holds every year an international evaluation conference in Budapest.</p> <p>Invited specialists from <i>inter alia</i> the EC, World Bank and the Visegrad Countries present their evaluations and methodological approaches, and share lessons learnt with the participants in the conference.</p> <p>Link:<br/> <a href="http://www.nfu.hu/international_evaluation_methodology_conference_budapest_6_7_may_2010">http://www.nfu.hu/international_evaluation_methodology_conference_budapest_6_7_may_2010</a></p> |
| <b>Adoptability</b>         | The project can be simply adapted by the Romanian authorities, with financing from TA resources.  |

### **Case study 3: Information and Publicity**

|  |  |
|--|--|
| <b>Programme:</b>                        | Regional Operational Programme   |
| <b>PA/KAI:</b>                           | PA6: <i>Technical Assistance</i> ; KAI 6.2 – <i>Support for the Publicity and Information Activities of the ROP</i>  |
| <b>Project Title:</b>                    | Support for the ROP Managing Authority to implement the information and publicity measures in 2008   |
| <b>Total Budget:</b>                     | RON 2,657,060  |
| <b>Reasons for choosing the Project:</b> | <ul style="list-style-type: none"> <li>▪ The project has the advantage of an integrated approach, covering a large number of information and promotion actions within the indicative list of eligible activities;</li> <li>▪ Using simultaneously a wide set of communication instruments and mass media channels has increased the awareness level among the target groups (according to the survey for measuring the impact of the information and publicity activities, 30% of the interviewees consider themselves highly or rather well informed as regards the ROP).</li> </ul>  |
| <b>Project Description:</b>              | <p>The main purpose of the project consisted in ensuring the communication and information function of the ROP MA. As specific objectives the project included: increasing the awareness of the potential beneficiaries on the financing opportunities under the ROP, providing information to the potential applicants on the modalities to obtain funds under the ROP, supporting the MA in the implementation of the activities set out in the Communication Plan for 2008.</p> <p>The following information and publicity activities were carried out as part of the project:</p> <ul style="list-style-type: none"> <li>▪ Organisation of regional meetings with the mass-media representatives in order to present the status of implementation;</li> <li>▪ Organisation of workshops for potential beneficiaries attended by representatives of local public administration, SMEs, NGOs and education institutions;</li> <li>▪ Organisation of a media campaign for promoting the ROP through posting electronic banners on the most visible newspapers websites;</li> <li>▪ Updating the content of the brochures containing information on the financing opportunities targeted to micro-enterprises and NGOs respectively;</li> <li>▪ Updating the Info Regio website with the relevant information on financing opportunities and development of a newsletter system for all individuals registered in the database.</li> </ul> |
| <b>Adoptability</b>                      | The integrated approach of the project may recommend it to other Romanian MAs. It may be financed from the TA budget under each OP.  |

### **Case study 4: Information and Publicity**

|                   |  |
|-------------------|--|
| <b>Programme:</b> | Sectoral Operational Programme Human Resources Development   |
| <b>PA/KAI:</b>    | PA7: <i>Technical Assistance</i> ; KAI 7.2 – <i>Support for the Promotion and Communication of the SOP HRD</i> |

|  |  |
|--|--|
| <b>Project Title:</b>                    | National Public Information Campaign for the Promotion of SOP HRD  |
| <b>Total Budget:</b>                     | RON 1,811,946  |
| <b>Reasons for choosing the Project:</b> | <ul style="list-style-type: none"> <li>▪ Project contribution to the increase of the awareness level among potential beneficiaries of SOP HRD.</li> <li>▪ Improved visibility of the opportunities, benefits and results of the ESF interventions on the development of the human capital in Romania.</li> </ul>   |
| <b>Project Description:</b>              | <p>The project aimed at introducing to the general public the accurate concepts related to the EU financing, increasing the degree of awareness among the general public on ESF benefits and opportunities, improving the level of understanding on the modalities to access the funds available under SOP HRD.</p> <p>The activities carried out under this project included the following:</p> <ul style="list-style-type: none"> <li>▪ Development of three media plans for TV, radio and Internet;</li> <li>▪ Production of two TV spots and their broadcasting using the most relevant TV stations according to the audience level;</li> <li>▪ Development of two radio spots and their broadcasting using the most relevant radio stations according to the audience level;</li> <li>▪ Production and posting of an Internet banner on the 30 well-known websites selected by the number of unique users.</li> </ul> |
| <b>Adoptability</b>                      | The project contribution in respect of increasing the general public awareness level may recommend itself to other Romanian MAs and can be financed from the TA budget under each OP.  |

## 5. INTERNAL FACTORS

The assessment of internal factors pertaining to the SI management and implementation concerns finding the answer to the second of the main evaluation questions:

Q2 Which are the major critical factors (internal) influencing the SI performance?

### 5.1 Appropriateness of the Programme

The appropriateness of the programme and the selection criteria was assessed using feedback provided by applicants/beneficiaries (i.e.: *Do the criteria match their development needs and capacities?*) and the opinion of the planners of the relevant interventions (i.e.: *Are the selection criteria capable of reflecting the policy objectives and hence of filtering the applicants and applications?*). This two-fold approach was conceived to arrive at a balanced view of the topic.

The first of the two sources of information cannot be controlled, because it is an external factor, and must therefore be considered a primary source of information. To complement the primary information deriving from (potential) beneficiaries, questions on the appropriateness of the selection criteria also formed part of the questionnaire used for the interviews with each MA Head. As a result, relevant views on the appropriateness of the selection criteria were channelled into the knowledge base for this evaluation.

During the planning phase of OP Priority Axes, as well as during the preparation of the call for proposals, it is crucial to understand the needs and expectations of beneficiaries. Two questions in the questionnaire concerned this aspect; one addressed the project idea and the other the felt need for SI financing.

**Table 71** shows beneficiaries' answers to the question: **Was your project idea in an advanced state at the moment of the call for projects?** The response shows that 75% of the project ideas were already in an advanced stage of preparation at the time of the call for projects. This demonstrates that for most beneficiaries it was likely not the availability of external funding and support that initiated the project idea.

**Table 71 – Preparedness of Project Idea**

|              | Yes        | No         | Total      |
|--------------|------------|------------|------------|
| ROP          | 100        | 23         | 123        |
| SOP ENV      | 12         | 6          | 18         |
| SOP T        | 1          |            | 1          |
| SOP IEC      | 88         | 23         | 111        |
| SOP HRD      | 109        | 35         | 144        |
| OP DAC       | 15         | 15         | 30         |
| OPTA         | 3          | 1          | 4          |
| <b>Total</b> | <b>371</b> | <b>124</b> | <b>495</b> |

**Table 72 – Likelihood of Project Implementation without EU Support**

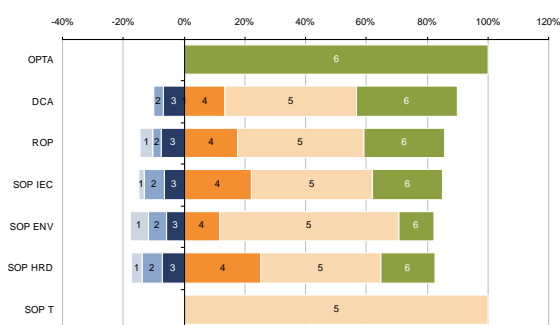
**Table 72** shows the answers to the question: **Could you have financed your project idea without the support received? (1: No; 6: It would not have caused any problem):**

The response shows that 63% of beneficiaries could not have implemented their project ideas without SI support. Only 2% would have been able to finance the project from other financial sources. In the jargon this means that there was no ‘dead weight’ in the programme. The programme was thus relevant in respect of meeting beneficiaries’ project financing needs, since without the support a majority of project ideas would not have been realised.

Another question concerned the overall quality of the calls for tenders: **Please rate the appropriateness of the selection criteria in selecting the adequate applications in your opinion’ on a scale from 1 to 6 (with 6 being the most adequate).**

|              | 1          | 2         | 3         | 4         | 5         | 6         | Total      |
|--------------|------------|-----------|-----------|-----------|-----------|-----------|------------|
| ROP          | 82         | 20        | 11        | 4         | 1         | 4         | 122        |
| SOP ENV      | 16         |           | 1         | 1         |           |           | 18         |
| SOP T        | 1          |           |           |           |           |           | 1          |
| SOP IEC      | 62         | 15        | 22        | 4         | 5         | 2         | 110        |
| SOP HRD      | 90         | 20        | 17        | 8         | 6         | 2         | 143        |
| OP DAC       | 22         | 2         | 3         | 1         |           | 1         | 29         |
| OPTA         | 3          |           |           |           | 1         |           | 4          |
| <b>Total</b> | <b>305</b> | <b>68</b> | <b>62</b> | <b>22</b> | <b>14</b> | <b>11</b> | <b>482</b> |

**Figure 73a – Appropriateness of Selection Criteria**



**Table 73b – Appropriateness of Selection Criteria**

|              | 1         | 2         | 3         | 4         | 5          | 6          | Total      |
|--------------|-----------|-----------|-----------|-----------|------------|------------|------------|
| ROP          | 5         | 3         | 9         | 21        | 49         | 31         | 118        |
| SOP ENV      | 1         | 1         | 1         | 2         | 10         | 2          | 17         |
| SOP T        |           |           |           |           | 1          |            | 1          |
| SOP IEC      | 2         | 7         | 7         | 24        | 43         | 25         | 108        |
| SOP HRD      | 5         | 9         | 10        | 35        | 55         | 25         | 139        |
| OP DAC       |           | 1         | 2         | 4         | 13         | 10         | 30         |
| OPTA         |           |           |           |           |            | 3          | 3          |
| <b>Total</b> | <b>19</b> | <b>23</b> | <b>39</b> | <b>97</b> | <b>187</b> | <b>107</b> | <b>472</b> |

A main characteristic of the call for tenders from the beneficiary point of view appears to have been the correctness of the selection criteria used. Some 83% of beneficiaries were at least satisfied with the appropriateness of the selection criteria. Only 7% were dissatisfied [ref: **Figure 73a & Table 73b**].

## 5.2 Capacity and Quality of Management and Implementation

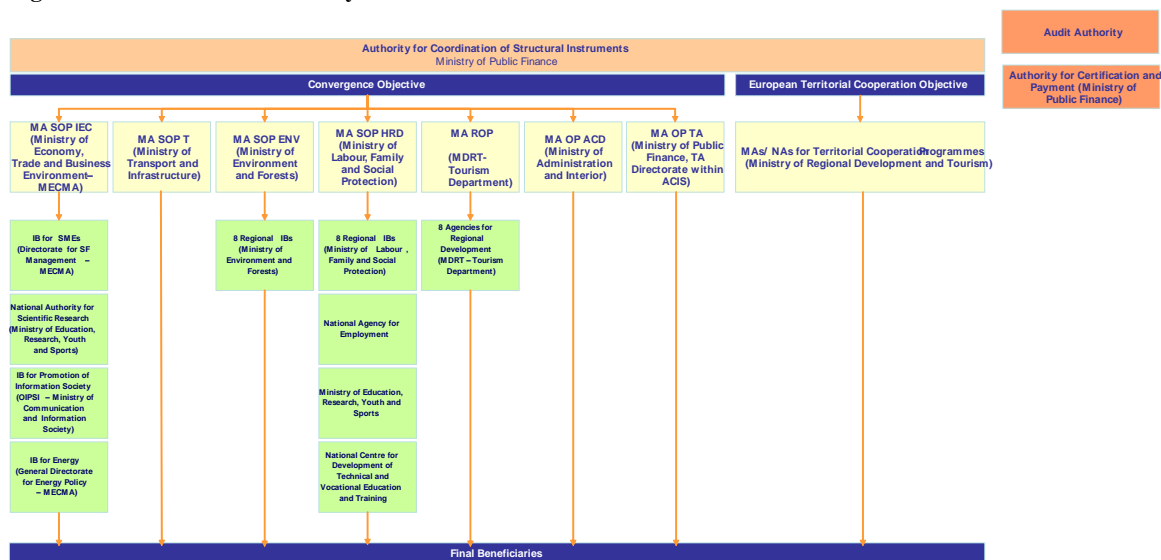
**Q1b** What is the real performance of SI in Romania implementation, related to the capacity of the entities involved in their implementation?

The answer to the second part of Main Evaluation Question Q1 is based on capacity data request results, interviews at the MAs and ACIS, as well as a focus group identifying relevant internal factors with the participation of representatives of MAs and IBs located in Bucharest.

## 5.2.1 Institutional Structure

The institutional structure of the SI consists of MAs and IBs. Coordination among the OPs and harmonising the operation of the institutional system is the task of ACIS. There are also horizontal organisations participating in the process: the Certifying and Paying Authority, and the AA. **Figure 74** provides the details of the institutional system for SI management and implementation.

**Figure 74 – NSRF Institutional System**



## Managing Authorities

Each MA is operating as a directorate or department of the ministry responsible for the ambit of a particular OP. MAs typically report directly to the responsible State Secretary.

In terms of organisational structure MAs may differ but they share many characteristics. There are typically three main organisation units, each of which report to the Head (usually a Director General) of the MA;

- Strategy Unit (programming, programme monitoring, programme evaluation);
- Implementation Unit (contracting, project monitoring);
- Financial Unit (verification, financial control and payments).

In some cases there is a separate unit for TA, as well as one for those support activities that are implemented within the MA.

MA SOP IEC has two deputy General Directors and a separate organisational unit for financial management and control. MA SOP IEC has a specific feature, it also fulfils the tasks of an IB for large enterprises.

Support functions in respect of SI management and implementation, such as human resources, accounting, and legal, procurement and IT services are usually the responsibility of the relevant unit of the ministry hosting the MA.

In practice, different solutions in respect of the support functions exist:

- The relevant unit of the ministry provides support functions **by request, but without priority**. This typically leads to problems with keeping deadlines, because the support units are not familiar with the special requirements of SI management and implementation and support requests may therefore differ from the ministry's routine.
- Some MAs tried to position themselves in different ways to get better access to support services within their ministry. The first of these involves the appointment of a **dedicated contact person** within the support units concerned, who can channel requests to the appropriate persons within

those support units. Although this improves cooperation, there typically remain problems with access to and delivery of support, because the contact person is not setting the priorities for the support units work. Another solution is to have **dedicated person(s) within the support units**, familiar with the special requirements of the MA and charged with servicing that MA. In the case of organisational changes within the ministry, these dedicated staff members can move together with the MA and thus maintain a constant level of good quality support services (the MA for the ROP has adopted this solution).

- In some cases **MAs themselves employ staff** with responsibility for the most important support functions. The MA for SOP ENV, for instance, has a small legal unit. Alternatively, externally funded TA is used, as in the case of the MA for SOP T, which has external legal advisers.

### **Intermediate Bodies**

IBs are responsible for the implementation (as opposed to the management) of the OPs and maintaining direct contact with the OPs final beneficiaries.

The MAs of SOP Transport, SOP DAC and OPTA have not established IB, because of their size or limited number of beneficiaries.

The IBs also form part of the public administration. They are typically ministerial departments (with the exception the IBs involved in the ROP, which are NGOs). The MA and its IBs are operating in some cases within the same ministry, although in the case of the MAs for the SOPs IEC and HRD, some IBs belong to another ministry than their MA. In the latter cases, the cooperation between the MA concerned and its IBs outside of the vertical line of responsibility tends to be complicated.

The heads of both MAs and IBs are nominated by the responsible minister, whose ministry is the their employer. The head of an IB typically reports to the Head of the relevant MA (sometimes through a Director General). Heads of MAs typically report to their Minister through the responsible State Secretary.

The organisational structures of various IBs share features, but also show up differences. IBs tend to make financial management and control the responsibility of a separate unit within their organisation. However, the way in which the technical management is organised may differ considerably, even within the same IB.

The following may illustrate the organisational differences:

#### **SOP IEC**

- Clear, simple and flat structure;
- Typically separate units for Programming and Communication;
- Project appraisal, contracting and monitoring tend to be separate units.

#### **SOP HRD**

- Three main units, respectively, Quality Management (technical verification and information management), Contracting (including legal support) and Economic;
- Separate departments for: Programming, Selection & Operation, Antifraud & Irregularities, and Audit.

#### **SOP ENV**

- Typically four units: Programming, Monitoring & Reporting, Financial Control, and TA.

#### **ROP**

- IBs are independent NGOs with their own support functions;
- IBs typically do not deal with SI interventions only, but also have other activities (such as Phare);
- Typically four units, respectively, Selection & Contracting, Monitoring; Evaluation, and TA.



## ETC

- The Directorate General encompasses four MAs, namely Black Sea, Romania-Serbia, Romania-Bulgaria, Romania-Moldova-Ukraine, with Information Points within the territory of partner countries, and a separate Programme Assistance Unit;
- the MAs have three departments: Contracting, Programming & Communications, and Monitoring;
- the number of full-time employees within the territorial cooperation offices working on the ETC OPs tends to be very limited.

During the interviews conducted in the course of the evaluation, respondents often referred to the positive influence on the development of the management and implementation structures currently in place, of the experience gained by their institution in implementing projects funded from Phare and ISPA.

### 5.2.2 Operation of the Institutional System

Although MAs and most of the IBs are operating within ministries their processes and procedures are different than the operation of the other departments of the ministries.

Organisations of the institutional system are operating according to special internal regulations of the SI.

#### Operational Manuals

There exists a ‘family’ of SI implementation manuals in Romania. One of these manuals is the *OP Implementation Guidance Manual*. This manual provides detailed guidance on the whole of the OP implementation cycle and covers all elements of the SI-related institutional structure.

In addition to the shared procedures set out in the above-mentioned manual, there are separate manuals for each OP, reflecting its specific detailed procedures and its institutional structure (MAs/IBs).

Yet other manuals cover particular aspects of the SI implementing regulations and include: an Overview of SI Implementation; the Publicity Guide; the SMIS Users Manual; and a Human Resources Manual.

The very important **Payment** and **Certification Manuals** are based upon and detail the stipulations of the *OP Implementation Guidance Manual*, whereas the **Audit Manual** is based on the European Commission’s SI Audit Manual, as well as applicable Romanian law.

In the opinion of the MAs, regular updates of procedures and manuals would be useful, since they also cover the rules of pertaining to the collaboration between the various actors within the SI management and implementation structure. Regular updates might help to improve the consistency of procedures and correlating their application.

#### Relationship between MAs and IBs

The relationship between an MA and its IBs is typically based on a framework agreement. Although there is a template for the framework agreement, the individual agreements tend to contain stipulations specific to the MAs and IBs concerned. The framework agreement template includes an indicative list of the functions that the MA can delegate to the IB, but there is no obligation on the part of the MA to delegate any or all of the functions listed. MAs tend to have strong views on which functions they are prepared to delegate, because they remain ultimately responsible for all, including delegated, functions. Delegation decisions tend to be based on an IB’s institutional capacity. Typically delegated functions include project selection, monitoring, site visits and on-the-spot checks.

It is the practice of the MA for the ROP to carry out annual checks of its IBs' operations and report on them to the Certifying Authority and the AA. Joint site visits (i.e. with the IB) offer further opportunities for monitoring the quality of the IBs' work.

Under SOP ENV, the IBs form part of the same ministry as the MA, which delegates functions in accordance with its assessment of the capacity of individual IBs. It used to be the case that all IBs were entrusted with the same functions, but the delegation of responsibilities was later differentiated in line with IB workloads and quality of work. The MA carries out joint on-the-spots checks together with the IBs.

The MA for SOP HRD carries out checks of the functions delegated to IBs on the basis of quarterly reports filed by the latter, as well as joint site visits.

In theory, MAs have the right to initiate termination of agreement in case they are not satisfied with the performance of an IB. In practice however, they would take this step only in the case of the risk of fraud, in close consultation with the AA. MAs do tend to take back the responsibility for some functions in the case of capacity or quality problems on the part of IBs. The interviews (e.g. with MA Environment) revealed that initially some functions were delegated to IBs, but later, based on the evaluation of workload and quality of IBs, this delegation of functions was undone. Since the MA remains responsible also for delegated functions, they prefer to undertake the task themselves, instead of running the risk to have to redo the IBs work. This tendency may cause capacity problems on the part of the MA.

## **Coordination**

Overall coordination of SI management and implementation is the responsibility of the National Coordination Committee, which also provides the link with the political level.

The responsibility for operational coordination (i.e. decisions that affect the operations of the whole SI structure) rests with the Management Committee for SI Coordination, which consists of the Heads of the MAs, as well as representatives of the Certifying and Paying Authority (CPA) and ACIS. The Management Committee meets on a monthly basis, but MAs have the right to request extraordinary meetings.

ACIS provides operational and secretarial support to the Management Committee and the Presidency.

Working groups composed of MA representatives in specific areas, including Communication, Monitoring, Training, Evaluation and SMIS, provide other coordination services.

There exists no coordination and cooperation between OPs at regional level, because no entity within the SI management and implementation structure is mandated to that effect.

## **Financing of Operations**

The SI management and implementation system is financed mainly from the state budget, through the budget of the ministries to which the MAs and IBs belong. The expenditure of MAs and IBs does not show up as separate lines in the budgets of the ministries.

Staff involved in the SI management and implementation system is entitled to a salary top-up of up to 75% financed from the OPTA budget, in the form of dedicated projects.

Because of the financial crisis, starting with January 2009 the incentive scheme was unevenly used among the system because of different interpretation of the new salary norms. The scheme was completely applied only 4 months later.

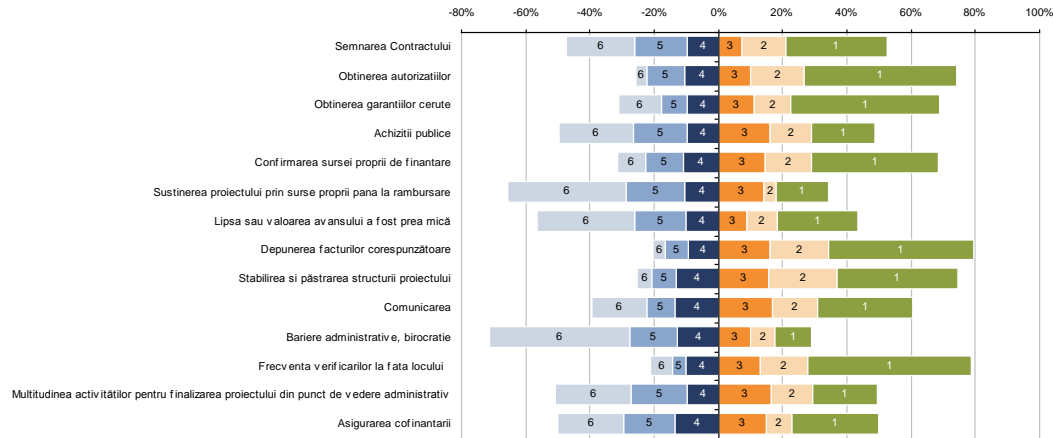
The IBs in the individual regions for the ROP are NGOs likewise financed from TA resources, in this case under the ROP itself. The financing allotted to each IB is related to the nature and quantity of delegated functions and the size of the staff of the IBs.

### 5.2.3 Feedback on Implementation from Beneficiaries

Figures 75 & 76 summarise beneficiaries' response to the question: **Please rate to what extent the following items have hindered the implementation of your project.**

#### Private

Figure 75 – Hampering Factors of Project Implementation

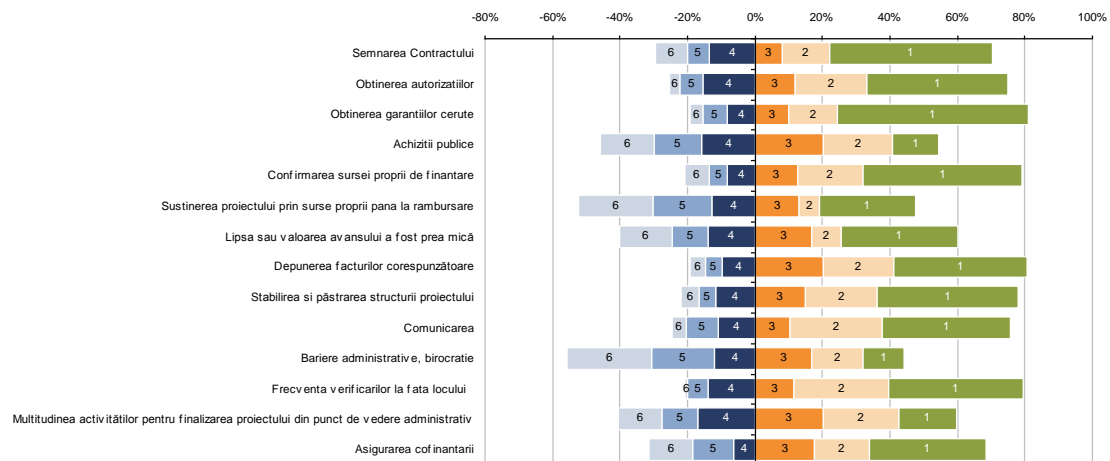


According to the beneficiaries of private businesses the most hindering factors were the reimbursement system, the lack of or too small sum of advance payment and administrative burden, paperwork, bureaucracy.

Moreover, based on the beneficiaries' answers obtaining permissions, submission of appropriate invoices; the setup and maintenance of project organisation; and frequency of on the spot checks can be judged as least hindering issues in the application and implementation processes.

#### Public

Figure 76 – Hampering Factors of Project Implementation



The public institutions beneficiaries stressed that the factors causing the greatest challenge to meet concerned public procurement, the post-financing system, as well as the administrative burden, paperwork and bureaucracy.

The beneficiaries have identified the required guarantees; confirmation of own sources; submission of appropriate invoices; setup and maintenance of project organisation; the communication; and at

last the frequency of on the spot checks as the least hindering issues in the application and implementation processes.

#### 5.2.4 Capacity

The evaluation focused on human capacity as one of the most important factors for SI performance.

##### **Human Capacity**

The institutional capacity of entities – and to a certain degree their structure – tends to be linked to their exposure to handling pre-accession funds provided under the Phare and ISPA Programmes. The experience thus gained with regard to fund management, programme planning and implementation, including the application of strict eligibility criteria, forms a good basis for the management and implementation of SI.

Negotiations between the Government and the European Commission with regard to the institutional arrangements for SI management and implementation resulted in indicative staffing levels for the entities involved. Since the establishment of the structure in 2006 the number of allocated positions has increased, mainly because of:

- the establishment of the MA for the additional OP DAC;
- the introduction of the ‘four-eyes’ rule, following the 2008 compliance assessment.

Capacity problems remain, mainly because of the following factors:

- the current staff hiring stop at ministries, which also apply to the MAs and IBs within ministries, in spite of the growth in the number of projects that require handling;
- the labour market only rarely offers candidates with adequate relevant SI experience;
- the high ‘inactivity’ rate amongst positions. At the end of 2009, some 87% of positions on the roster were filled, but ‘active’ staff – i.e. staff not on maternity leave or detachment – occupied only 77% of positions. The number of active positions was lower than 70% at nearly 20% of the entities canvassed. In most cases, applicable regulations do not allow filling the positions with permanent staff, whilst it is difficult to interest good candidates to fill in these positions on fixed term contracts.

Beneficiaries’ general lack of experienced human resources also leads to workload and capacity problem within the SI management and implementation system. Often MAs and IBs have to provide support to beneficiaries in respect of developing and managing projects, in particular where it concerns the preparation of reimbursement claims in accordance with SI rules.

It is sometimes for MAs and IBs possible to recruit suitable staff from within ministries, but this generally runs counter to the interest of the ministerial department concerned, unless it wants to shed staff.

Using externally recruited expertise is an option. In fact, most MAs use external resources for technical evaluations in the context of public procurement. However, delays in recruiting external expertise may be the cause of additional capacity problems and related delays in the phase of project selection and contracting.

However, in spite of the high probability young female employees taking maternity leave, the high proportion of younger employees constitutes an institutional strength, by dint of their strong educational background, language skills, and willingness to learn and develop.

##### **Employment Types**

Most of the employees within the MAs and IBs spend 100% of their time on SI related tasks [ref: **Figure 77**]. Permanent employment is the norm at MAs. Some employees work full-time for a ministry, but only part time for an MA or IB (mainly in support functions, as well as

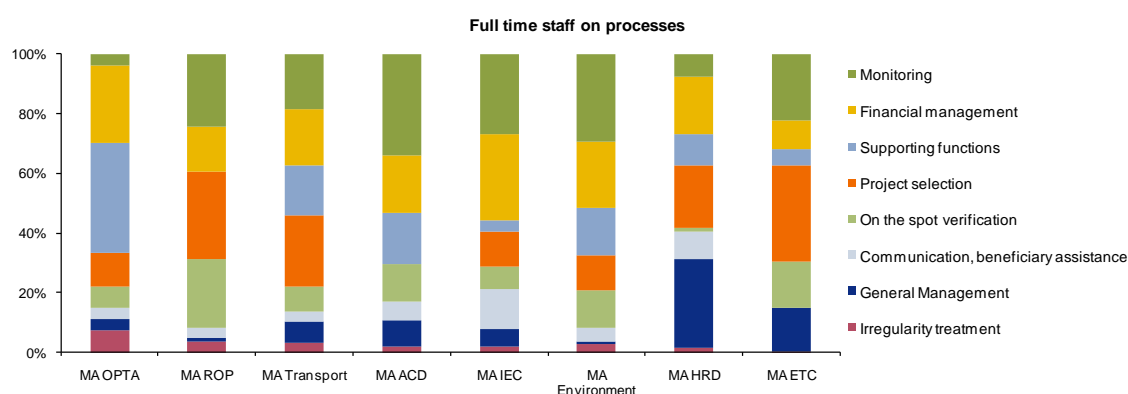
communication and financial management). Contract staff, funded from TA resources, is typically only used for technical appraisal and project selection.

Full-time employment is also the norm within IBs, with part-time staff being used mainly by entities involved in the ETC programmes. Also here, external resources are typically used for technical evaluation in the context of project selection. Such is the practice for instance within the IB Research of the OP IEC and the IBs for the ROP, for which the MAs contract external expertise. The directors of some IBs for the SOP HRD are contracted employees. A number of employees within some entities are not dedicated to a single activity, but may be involved in a variety of functions (e.g. staff dealing with project selection may also engage in on-the-spot verification and monitoring).

## Fluctuation

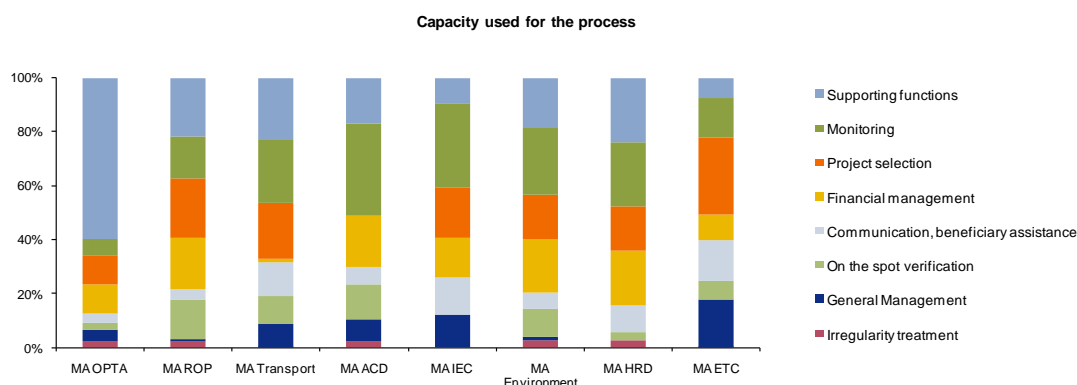
Many MAs consider the risk of experience employees leaving a distinct and real threat. However, the data generated by the present evaluation does not support existing anxieties in this regard. The average staff turnover rate at the entities within the SI system is not particularly high. In 2009 there were seven entities (out of 43) with a turnover rate higher than 10%. Only three of these saw staff turnover in excess of 15%. The data included in the figures below rely on data provided by the relevant organisations. The reason for the lacking data and presentation with regard to MA SOP HRD is that this entity has not provided data [ref: **Figure 77**].

**Figure 77 – Full-time HR Resource Allocations at MAs**



Within the MA for OPTA staff may also work on other duties than those directly related to the operations of the MA, but related to the other activities of the relevant department (in this case of the MoPF).

**Figure 78 – Use of MA HR Capacities**



If we look at the use of HR capacities across the OPs [ref: **Figure 78**], we note that attending to support functions makes up the larger part of HR use within the MA for OPTA. In addition, the

share of support functions is the largest of all OPs. These support functions included *inter alia* Finance, HR Administration and Procurement.

The MA for DAC is somewhat exceptional because – according to the information received – the share of time spent on particular functions matches the allocation of HR capacities available for those functions. It is also noteworthy, that the MA for DAC uses only contract staff and not own staff for the technical and financial evaluation stage of the project selection process.

## Summary of the Capacity of the Institutional System

**Table 79 – Overview of the Capacity of the Institutional System**

|  | ROP        | SOP ENV    | SOP T      | SOP IEC    | SOP HRD    | SOP DAC   | OPTA      |
|--|------------|------------|------------|------------|------------|-----------|-----------|
| Allocation (2007-2013, MRON)                                     | 18 470     | 23 641     | 24 007     | 12 687     | 17 231     | 1 037     | 897       |
| Requested grant (MRON)   | 15 975     | 4 511      | 3 360      | 10 781     | 10 773     | 400       | 95        |
| Number of projects   | 1 960      | 110        | 33         | 3.471      | 3.251      | 352       | 16        |
| Average grant (MRON)/project                                     | 8.2        | 41         | 101.8      | 3.1        | 3.3        | 1.1       | 5.9       |
| Number of projects expected in 2007-13 period                    | 2 252      | 577        | 236        | 4 093      | 5 222      | 943       | 152       |
| Number of project-related staff at MA <sup>41</sup>              | 64         | 73         | 34         | 33         | 35         | 19        | 15        |
| <b>Allocated grant (MRON)/project-related staff at MA</b>        | <b>289</b> | <b>324</b> | <b>706</b> | <b>384</b> | <b>492</b> | <b>55</b> | <b>60</b> |
| <b>Number of projects/project-related staff at MA</b>            | <b>35</b>  | <b>8</b>   | <b>7</b>   | <b>124</b> | <b>93</b>  | <b>50</b> | <b>10</b> |
| Number of project-related staff at IB                            | 226        | 83         | -          | 111        | 229        | -         | -         |
| <b>Allocated grant (MRON) / project-related staff (MA+IBs)</b>   | <b>64</b>  | <b>152</b> | <b>706</b> | <b>88</b>  | <b>65</b>  | <b>55</b> | <b>60</b> |
| <b>Expected number of project/project-related staff (MA+IBs)</b> | <b>8</b>   | <b>4</b>   | <b>7</b>   | <b>28</b>  | <b>12</b>  | <b>50</b> | <b>10</b> |

The total number of projects expected for the whole period 2007-13 for each OP and the NSRF at large, is estimated on the basis for total allocation available for the OPs, divided by the average size of the projects requested under each OP. Please note that this approach is less useful in the case of SOP T (where the relatively small number of projects might distort the number of projects expected). It is to be noted that the overall influence of this distortion is likely to be insignificant.

Although the number of employees within the MAs and IBs (taken together) for each OP vary widely, **Table 79** demonstrates that the number of employees for allocated grant differs much less across OPs. Especially within the OPs responsible for larger than average project (SOP T, SOP ENV) the rate of projects per employee is the lowest. Lack of capacity can be a problem at those OPs (SOP IEC, SOP HRD), where rates for both ‘allocated grant/employee’ and ‘expected number of project/employee’ are comparatively higher. Within these OPs, the level and quality of performance of the IBs and the good cooperation and co-ordination between the MA and IBs is very important.

<sup>41</sup> The project-related staff includes the personnel involved in the following activities: project selection, on the spot verification, financial management and irregularity treatment. All employees carrying out activities related to financial management were taken into account when calculating the number of personnel working on projects, the general assumption being that they are usually responsible for making payments.

## Other Capacities

The entities that form part of a ministry usually have offices in the premises of that ministry. The quality and size of office space varies widely. The office space problem is exacerbated by a general lack of storage space for archives. Although electronic communication and digital storage is widely used, communication by fax still occurs and keeping originals of all project related correspondence and documentation remains mandatory. The entities involved in pre-accession related interventions have built up large archives and consequently face the most serious storage problems.

SI management and implementation involves the collection, processing and maintenance of large amounts of data. Various databases exist. The core database is the one maintained by the MoPF, i.e. the Single Management Information System (SMIS). Respondents to the surveys conducted under the present evaluation are generally dissatisfied with the support provided by SMIS. Reference is made in this context to SMIS' inability to deal with the specificities of the different OPs and its need for continuous updates. These factors explain why some MAs have built up their own database systems.

Issues arise especially with regard to the monitoring of the attainment of project level indicators. These issues are related to:

- the quality of the indicators included in projects;
- the number of indicators that could hamper the proper SMIS administration;
- the utility of a large number of project indicators for measuring programmes performances;
- the capacity to measure the value of indicators;
- the tendency to expand the number of indicators under the belief that many indicators lead to obtaining funding;
- the tendency to expand the number of indicators at project level for the sake of financial control.

### 5.2.5 Capability

**Table 80** summarises the response to the question: **Did you receive support during the implementation of the project?**

Some 60% of beneficiaries stated to have received support from either an MA or an IB in the course of implementation their project. This high rate shows that the beneficiaries tend to need support and that the system is often able to provide that support.

#### Education

The educational background of staff at MAs is high. Virtually all staff possess university degrees, with post-graduate degrees being common. At none of the SI system's entities is the proportion of employees without an university degree more than 5%.

#### Language Skills

Staff language skills are generally good. An average of 85% of MA staff has a working level knowledge of English. The English knowledge rate is even higher at the IBs for the SOPs ENV, IEC and HRD. The staff at the IB for the ROP has the lowest rate of English language knowledge, but even there it is close to a respectable 75%.

**Table 80 – Support Received**

|              | Yes        | No         | Total      |
|--------------|------------|------------|------------|
| ROP          | 68         | 45         | 113        |
| SOP ENV      | 7          | 4          | 11         |
| SOP T        | 1          |            | 1          |
| SOP IEC      | 65         | 28         | 93         |
| SOP HRD      | 66         | 56         | 122        |
| OP DAC       | 16         | 10         | 26         |
| OPTA         | 3          | 1          | 4          |
| <b>Total</b> | <b>243</b> | <b>163</b> | <b>406</b> |

## **Experience**

Although the SI management and implementation is relatively new, most of the staff involved have at least 3 years of working experience in it. Some 79% of the MA staff have more than 3 years of relevant experience in fund management or their area of professional expertise.

Within the IBs for SOP HRD an almost normal distribution of the experience exists. There is a small number of persons with less than one year experience, 17% have 1-2 years of experience, but the median consists of 40% of staff with 3-5 years experience. The IBs for the ROP and the SOP IEC have high proportions of staff with more than 5 years of experience (32% and 51%, respectively).

## **Training**

Staff training on SI management and implementation commenced in 2004 with general Structural Funds training. The OPTA provides training on horizontal topics of importance to all OPs. Professional training on topics specific to an OP is provided under the TA priority axis within that OP. The Head of the MA for OPTA chairs the Training Working Group, which coordinates training across the various OPs.

MAs are responsible for ensuring that staff of their respective IBs receive the necessary training. On-the-job training for IB staff is the responsibility of their direct supervisor. Its quality appears to be inversely related to IBs' workload and staff size.

MAs' training plans are generally closely related to their specific activities, but the training actually provided is often too general in character in the opinion of both MAs and IBs, since it does not fit specific practical requirements. The MA for SOP HRD uses case-study-based training, which focuses on specific procedures and offers two levels – basic and advanced – tailored to the individual staff needs. On-the-job training is used widely to familiarise staff with the culture and procedures of the entities to which they belong.

## **Performance Evaluation**

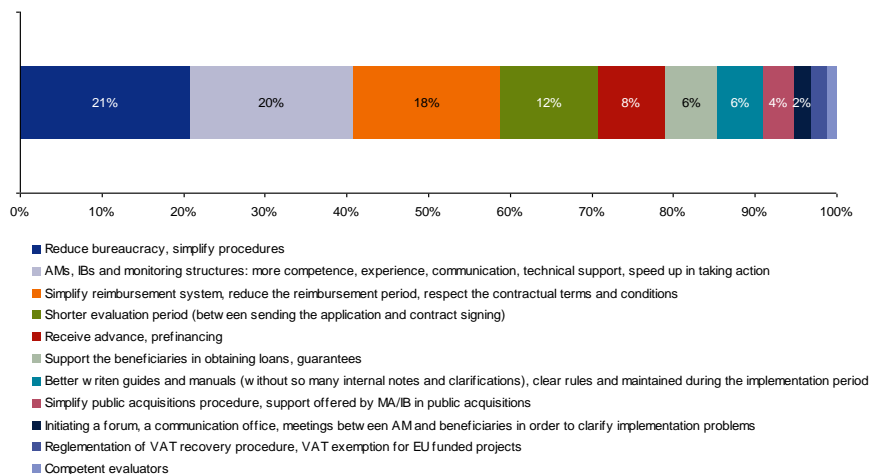
Public entities, including the MAs, generally have staff performance evaluation systems, although the extent of their use often depends on management preferences. Performance evaluation tends to take place at the beginning of the year and is often accompanied by a training needs assessment based on a personal development plan. Management sometimes offers the chance of participation in training events as an incentive for staff. Some MAs stated that they practice a system of quarterly assessments based on personal objectives, linked to the MA's annual working plan.

### *5.2.6 Suggestions from Beneficiaries to Improve the Implementation System*

The on-line questionnaire provided beneficiaries with the opportunity to share their suggestions for improving the SI management and implementation system, which are summarised in **Figure 81**.



**Figure 81 – Survey Response: Beneficiaries’ Suggestions to Improve the Implementation System**



Some 75% of all suggestions concerned only four topics:

More than a fifth (21%) of beneficiaries suggested reducing bureaucracy and simplifying application and implementation procedures. In particular, they suggested to:

- reduce the number of supporting documents and reports to be provided over the implementation period;
- allow signing and sending reports in electronic format which is not currently legally binding under relevant Romanian legislation);
- reduce the quantity of administrative documentation, in order to lessen delays in project implementation and payments, and increase the chance of attaining project objectives.

A fifth of respondents (20%) recommended that MAs, IBs and the coordinating bodies (including ACIS) involved should provide a higher level of competence-based, more experienced support, also on technical issues. In addition they suggested that these entities speed up taking project related action, when needed. Some specific recommendations in this vein concerned:

- monitoring staff should have practical experience in project implementation and specific know-how and experience of beneficiaries’ spheres of activity;
- entities’ staff should react quicker to beneficiaries’ request for information and support and improve their communications with beneficiaries;
- MAs and IBs should provide clear answers with official status in response to beneficiaries requests for assistance with implementation problems;
- staff should monitor an appropriate, manageable number of projects in order to be able to assist beneficiaries within a reasonable period.

Nearly a fifth of beneficiaries (18%) recommended simplifying the reimbursement system, by shortening the reimbursement period and MAs and IBs showing more respect for contractual terms and conditions. Specifically, it was suggested to:

- specify the reimbursement period in the financing contract; (although the reimbursement period is typically stated in the contract).
- reduce the length of the verification period for procurement of items under incidental expenditure, as well as works;
- reduce the number of documents to be submitted with regard to reimbursement of eligible costs;
- shorten the reimbursement period, to reduce size and duration of commercial bank loans;
- avoid changing reimbursement procedures in the course of project implementation.

Another 12% of respondents would like to see a reduction of the length of the period between submitting applications and the signing of contracts.

## 5.3 Appropriateness of Project Pipeline and Selection

Q5 Are the project pipelines and project selection processes appropriate for creating the conditions to achieve efficiency and effectiveness of SI implementation?

### 5.3.1 Introduction

#### Purpose

The purpose of the activity was to generate additional information for the purpose of answering Main Evaluation Question 5 (Q5), i.e.: whether the achieved **project pipelines** and **project selection** processes are appropriate for creating the conditions to achieve efficiency and effectiveness of SI implementation.

#### Task Definition

The task was to assess the effectiveness of the NSRF project selection system by examining the consistency of the NSRF objectives with the selection criteria used in a sample of call for tenders. Efficiency has also been measured through the examination of the selection criteria as against the general factors underlying it. The task involved a series of activities:

##### ■ Sampling

- The purpose of the sampling activity was to select a representative group of calls for proposals (CfP) to be subject of assessment. Ten 10 CfPs were selected and approved by ACIS.
- First, at PA-level, the criteria for selection aimed at a good representation of the four NSRF thematic priorities, as well as the three EU Funds (ERDF, ESF and CF) financing NSRF interventions. The approach to the selection was a proportional one, with its focus on the number of submitted projects.
- Using this approach, a sample of 10 PAs (representing 65% of the entire population in terms of submitted projects) was selected [ref: **Table 82**].

**Table 82 – Sampled Interventions Selected for Assessing the Efficiency and Effectiveness of Project Selection**

| Thematic priorities   | ERDF   |                                  | ESF   |            | CF   |         |
|---|--|----------------------------------|---|------------|--|---------|
|   | PAs in the sample  | pcs                              | PAs in the sample   | pcs        | PAs in the sample                            | pcs     |
| 1 Development of basic infrastructure to European standards;        |  |                                  |   |            | 1. SOPT PA1 - Road<br>2. SOP ENV PA1 - Water | 5<br>10 |
| 2 Increasing the long term competitiveness of the Romanian economy; | 1. SOP IEC PA1 - Productive sector<br>2. SOP IEC PA2 - RTDI<br>3. ROP PA3 - Social infrastructure<br>4. ROP PA4 - Business environment<br>5. ROP PA5 - Tourism | 2140<br>567<br>361<br>812<br>271 |   |            |  |         |
| 3 Development and more efficient use of Romania's human capital;    |  |                                  | 1. SOP HRD PA1 - Education and training<br>2. SOP HRD PA2 - LLL | 760<br>809 |  |         |
| 4 Building an effective administrative capacity.                    |  |                                  | 1. OP ACD PA1 - Public Policy                                   | 207        |  |         |
| Total No. of submitted projects                                     |  | 4 151                            |   | 1 766      |  | 15      |

Second, at CfP-level, one call was selected for each PA from the above PA list, with a focus on those that fall under the respective PAs with the largest number of submitted applications.

##### ■ Document review

The purpose of the activity was threefold:

- reviewing the literature for selecting the elements of project efficiency [ref: Annex 8];

- reviewing the objectives of the NSRF thematic priorities in order to gain a thorough understanding of their substance; and
  - preparing the Project Selection Criteria Template (ref: **Annex 6**) based on the selection criteria described in the respective Applicant Guides (i.e. the main eligibility criteria, plus the factors in the evaluation grid) for each call selected. The table provided a solid basis for including all relevant (implicit and explicit) bid selection criteria used in the CfPs.
- **Assessment**
- Within the **effectiveness assessment** activity, the comparison of the factors identified in the Project Selection Criteria Template (ref: **Annex 6**) with the objectives of the NSRF thematic priorities were covered.
  - As several PAs contribute to more than one objective of the NSRF priorities, first the project team made up a table setting out the interconnections of selected PAs and the objectives of the NSRF priorities (ref: **Annex 6 - PA vs. Objectives Interconnection Template**). In the cells of the table a mark was put against those objectives with a close and direct connection with the PAs selected in the sample. Based on the results, the project team ascertained whether the bid selection criteria of a certain PA had to be matched against one or more than one objectives at the same time.
  - The Assessment Tool (ref: **Annex 6**) is a scoring system (ranging from ‘no coherence’ to ‘perfect coherence’), based on coherence with the objectives of NSRF thematic priorities) and describing the match of each factor with the NSRF objectives, to which the PA of the selected CfP belongs.
  - For the **assessment of project efficiency** reflected in the selection/evaluation criteria, the project team used the list of criteria (including applicant eligibility, project eligibility and project selection criteria). It then tested them against considerations of efficiency (budgetary planning, efficient organisation, administrative, financial and technical capacity of the applicant to implement and sustain the project, factors reducing the risk of project failure, factors excluding inefficient use of SI funds, i.e. double financing, no additionality).
  - A summary table of background materials for the assessment (filled in tables and assessment tools) used for evaluation purposes is appended to the report (ref: **Annex 7**).

### 5.3.2 Preparatory Assessment

The table below (which is the completed PA vs. Objectives Interconnection Template) shows the links between: (i) the objectives of the thematic priorities of the NSRF; and (ii) the calls for proposals selected into the sample for assessing the effectiveness and efficiency of the project selection processes.

The methodology for highlighting the linkages consisted of a thorough review of the NSRF documentation (both the contents of the descriptive chapters and the summary tables) and the purpose and objective of the selected interventions.

The objectives of the thematic priorities of the NSRF are the following [ref: **Table 83**]:

**Table 83 – Objectives of the Thematic Priorities of the NSRF**

|                    |  |
|--------------------|--|
| <b>Objective 1</b> | Development of basic infrastructure to European standards        |
| <b>Objective 2</b> | Increasing the long term competitiveness of the Romanian economy |
| <b>Objective 3</b> | Development and more efficient use of Romania’s human capital    |
| <b>Objective 4</b> | Building an effective administrative capacity                    |
| <b>Objective 5</b> | Promote Balanced Territorial Development                         |

**Table 84 – PA vs. Objectives Interconnection Template for Q5 evaluation**

| N° | Sampled Priority Axes                | Selected Call for Proposals | Objectives of the Thematic Priorities of the NSRF          |   |  |  |  |
|----|--------------------------------------|-----------------------------|--|---|--|--|--|
|    |                                      |                             | Development of basic infrastructure to European standards; | Increasing the long term competitiveness of the Romanian economy; | Development and more efficient use of Romania's human capital; | Building an effective administrative capacity. | Promote Balanced Territorial Development |
| 1  | SOP IEC PA1 - Productive Sector      | SOP IEC 1.1.1               |  | ✓   | ✓  |  | ✓  |
| 2  | SOP IEC PA2 - RTDI                   | SOP IEC 2.2.1               |  | ✓   | ✓  |  | ✓  |
| 3  | ROP PA3 - Social Infrastructure      | ROP 3.4.1                   | ✓  |   | ✓  |  | ✓  |
| 4  | ROP PA4 - Business Environment       | ROP 4.1.1.                  | ✓  | ✓   | ✓  |  | ✓  |
| 5  | ROP PA5 - Tourism                    | ROP 5.2                     | ✓  | ✓   | ✓  |  | ✓  |
| 6  | SOP HRD PA1 - Education and Training | SOP HRD 1.3                 | ✓  | ✓   | ✓  |  | ✓  |
| 7  | SOP HRD PA2 - LLL                    | SOP HRD 2.1                 | ✓  | ✓   | ✓  |  | ✓  |
| 8  | OP ACD PA1 - Public Policy           | OP ACD 1.1                  | ✓  | ✓   | ✓  | ✓  | ✓  |
| 9  | SOPT PA1 - Road                      | SOPT 1.1                    | ✓  | ✓   | ✓  |  | ✓  |
| 10 | SOP ENV PA1 - Water                  | SOP ENV 1.1                 | ✓  | ✓   |  |  | ✓  |

**Table 84** shows that most of the selected interventions support the achievement of multiple objectives of the NSRF. KAI 1.1 of the OP DAC corresponds to all objectives. In addition, the NSRF Objective *Promote Balanced Territorial Development* is supported by each of the selected interventions. However, there is always one objective that is specifically supported by the call. The highlighted ticks indicate objectives specifically supported by the call.

These findings in themselves lead to a conclusion regarding the concentration of interventions toward the achievement of objectives, i.e. the approach of the NSRF (based on the selected sample) is rather to create interventions that consider the largest number of Objectives possible as opposed to another approach of designing dedicated interventions that focus on the achievement of merely one or two objectives.

### 5.3.3 Evaluation by Selected Operations

The presentation of the results of the evaluation of the selected samples follows a three-level structure and a slightly summative (as opposed to formative) approach, in order to establish a solid basis for drawing conclusions and recommendations of a primarily formative character (in line with the nature of the evaluation as a whole). A brief introduction of the intervention is followed by the presentation of findings related to the issues of effectiveness and efficiency, and then backed up by a table containing the most important criteria for and against the promotion of these topics.

#### SOP IEC 1.1.1 – Productive Sector

The objective of SOP IEC operation 1.1.1 is the strengthening and development of the productive sector in Romania by:

- harnessing the productive expansion and modernization by acquiring technology and new equipment, licenses and know-how;
- innovation of production processes and products;
- adopting European standards and international certification of management systems (quality, environment, etc.);

- access to new markets;
- promoting sustainable development, reducing negative environmental impacts and improve international competitiveness.

The preliminary assessment of the eligibility and project selection criteria showed that Objectives 2, 3 and 5 of the NSRF thematic priorities are relevant ones that this intervention is about to promote.

### *Effectiveness*

The general consistency of the objectives and the eligibility criteria is good, though applicant eligibility criteria show less interest in the promotion of Objective 3 (Human Capital). A reason for this might be that the focus of the intervention on technological development, at least in theory implies the necessity to use less human capital for production.

The project selection criteria need no further adjustment to be in line with the objectives.

| <b>Intervention</b>                 | <b>Total number</b>  | <b>Promoting effectiveness</b> | <b>Promoting efficiency</b> |
|-------------------------------------|--|--------------------------------|-----------------------------|
| Applicant eligibility criteria      | 10   | ✓                              | ✓                           |
| Project eligibility criteria        | 8  | ✓                              | ✓                           |
| Project selection criteria          | 18   | ✓                              | ✓                           |
| NSRF objectives affected            | Objectives 2, 3 & 5  |                                |                             |
| Overall assessment on effectiveness | Generally good consistency   |                                |                             |
| Overall assessment on efficiency    | No real efficiency related consideration in the eligibility criteria, but filtering items among the project selection criteria |                                |                             |

### *Efficiency*

Only a few efficiency-related criteria are presented in the Applicant Guide. The applicant eligibility criteria do not seem to contain criteria for ensuring efficient use of the SI funds. The criteria focus on accountability and the formalities involved implementation and do not stress efficiency of implementation.

However, there are project selection criteria, like project maturity and justification of the need for public financing, that help to filter those applications that appear are less efficient to implement. Also, the technical, administrative and financial capacity of the applicant, being an efficiency related issue, serves the purpose of ranking applications based on the likelihood of sound implementation of the project, in terms of (i) less admin work (i.e. cost) for the institutional system side; and (ii) less chance of failure and the necessity to pay back the support received.

From the point of view efficiency, another general issue with regard to SOP IEC 1.1.1 is that of the ‘dead-weight’ effect<sup>42</sup>. There seems to be no real consideration given to this issue in the Applicant Guide and there might be room for improvement. Yet, it is widely acknowledged that there is always a higher level of ‘dead-weight’ in the case of direct support for enterprises, with only a few means to reduce the potential of its existence.

## **SOP IEC 2.2.1 – RTDI**

The objectives of the SOP IEC 2.2.1 intervention are:

- increasing research capacity through R&D infrastructure development for raising the international scientific competitiveness;
- improving the quality and efficiency of R&D conducted in universities and public R&D institutes to stimulate the supply of services for enterprise performance;

<sup>42</sup> The ‘deadweight’-effect is that refers to interventions financed with assistance from the public purse that would also have been undertaken without that support. Deadweight thus significantly reduces the efficiency of public funds use.

- ensuring environmental research and education at a high scientific and technical level to attract foreign experts and young researchers in R&D public institutions in Romania

The assessment of both the eligibility and project selection criteria showed strong linkage with Objectives 2, 3 and 5 of the NSRF thematic priorities.

### *Effectiveness*

As for effectiveness, the consistency of criteria and objectives is good in the case of the applicant eligibility criteria. There are further particularly significant links with the project eligibility criteria. There are several criteria also for the promotion of Objective 5, although in this case their importance is only secondary, in line with the general objective of the intervention.

It is to be noted that two general criteria on project eligibility greatly enhance the potential for effectiveness (i.e., the proposal must fit into one of the ten priority themes eligible for the contest, and there must be an institutional development strategy in place). This aspect therefore needs no significant changes in approach.

| <b>Intervention</b>                 | <b>Total number</b>  | <b>Promoting effectiveness</b> | <b>Promoting efficiency</b> |
|-------------------------------------|--|--------------------------------|-----------------------------|
| Applicant eligibility criteria      | 8  | ✓                              | ✓                           |
| Project eligibility criteria        | 11   | ✓✓                             | ✓                           |
| Project selection criteria          | 14   | ✓                              | ✓✓                          |
| NSRF objectives affected            | Objectives 2, 3 & 5  |                                |                             |
| Overall assessment on effectiveness | Generally good consistency; very good with project eligibility |                                |                             |
| Overall assessment on efficiency    | Considerations for forcing efficient utilisation of funds      |                                |                             |

### *Efficiency*

As for efficiency, there are good considerations on both the applicant (declaration on double financing) and project sides (duration of project implementation within the limits mentioned in the call for proposal). These considerations are based on relevant EU and national regulations. The existence of a project feasibility study generally increases the chances that the project financing for which is sought is technically and financially viable, thus enhancing the efficiency of spending of SI funds.

Among the project selection criteria there are also items promoting efficiency, such as checking the correlation between the proposed activities and resources for the project, as well as the technical, financial and administrative capacity of applicants for project implementation. The treatment of the efficiency criteria requires no substantial improvement.

## **ROP 3.4.1 – Social Infrastructure**

The objective of the ROP 3.4.1 intervention is to improve the quality of education infrastructure, to equip schools, accommodation for students and training centres to ensure a process of education to European standards and increase participation of adult population in educational process.

NSRF thematic priorities Objectives 1, 3 and 5 are the relevant ones for the assessment of consistency. As the operation consists of three separate parts (a, b and c), the assessment below is a general opinion on all of them, concentrating on general issues.

### *Effectiveness*

Despite its expected close relation with Objective 1 (Basic Infrastructure), the eligibility and project selection criteria of the intervention need further improvement to reflect considerations of objective 1.

As for Objective 3, the links are much more well-established (being the one in the focus of the ROP 3.4.1). The objectives are generally well reflected in the

| Intervention                        | Total number  | Promoting effectiveness | Promoting efficiency |
|-------------------------------------|---|-------------------------|----------------------|
| Applicant eligibility criteria      | 7   | ✓                       | ✓                    |
| Project eligibility criteria        | 11  | ✓                       | ✓                    |
| Project selection criteria          | 14  | ✓                       | ✓✓                   |
| NSRF objectives affected            | Objectives 1, 3 & 5   |                         |                      |
| Overall assessment on effectiveness | Generally good consistency, slightly less considerations given to Objective 1 |                         |                      |
| Overall assessment on efficiency    | Considerations for efficient utilisation of funds                             |                         |                      |

eligibility and project selection criteria as well.

### *Efficiency*

There are items in both the eligibility and the project selection criteria aiming to improve the efficiency of the funds.

In respect of the applicant eligibility criteria, there are items for measuring the administrative and human capacity of the applicant and thus for filtering out those without the necessary assets. Evaluation of project maturity and the requirement of feasibility studies can also be linked to promoting efficiency.

In respect of project selection criteria, applicants' capacity to monitor the project and its financial sustainability (e.g. if project also requires financial support from non-reimbursable funds) is also assessed. Therefore, there is no need for substantial improvement of these criteria.

## **ROP 4.1.1 – Business Environment**

The objective of the ROP 4.1.1 intervention is the creation and modernization of regional and local structures for business support, aimed at attracting investment, and reviving and developing regional and local economies.

Four of the five NSRF thematic priorities (Objectives 1, 2, 3 and 5) are relevant for the assessment of consistency.

### *Effectiveness*

Though the link to Objective 1 (Basic Infrastructure) would suggest otherwise, there is no reflection of this objective in the eligibility criteria for applicants. Human Capital (Objective 3) plays a secondary role, because of the clear orientation towards the enhancement of Objective 2 (Competiveness).

Looking at the project eligibility criteria, their consistency with Objectives 1 and 3 is rather weak, but it shows up a high level

| Intervention                        | Total number  | Promoting effectiveness | Promoting efficiency |
|-------------------------------------|---|-------------------------|----------------------|
| Applicant eligibility criteria      | 10  | ✓                       | ✓                    |
| Project eligibility criteria        | 7   | ✓                       | ✓                    |
| Project selection criteria          | 16  | ✓                       | ✓                    |
| NSRF objectives affected            | Objectives 1, 2, 3 & 5  |                         |                      |
| Overall assessment on effectiveness | Generally good consistency with Objective 2; lack of support for other Objectives |                         |                      |
| Overall assessment on efficiency    | Promotion of accountable implementation hence reducing potential risks and costs  |                         |                      |

of representation of Objective 2.

The project selection criteria show a very similar situation to that of the eligibility criteria, i.e. there is no tangible, clear focus. Consequently, there is a clear need for improvement here. This implies that the interpretation of the Objectives (with the exception of Objective 2) should be carried out at the level of the bid selection criteria as part of further improvement.

Despite its expected close relations with Objective 1 (basic infrastructure), the eligibility and project selection criteria of the intervention should better reflect consideration of Objective 1.

As for Objective 3, the links are much more significant (as it is the key Objective in respect of ROP 3.4.1). The objectives are generally well reflected in the eligibility and project selection criteria.

### *Efficiency*

As for efficiency, the only two items with the eligibility of the applicant that reflect this consideration, is the proof of capacity of the applicant or members of the partnership, as well as the three-to-five years minimum period from the estimated date of project completion required for the concession agreement. For project eligibility criteria, the only item loosely linked to the issue of efficiency is the requirement stating that the project has not received public financing in the last five years for the same type of activities. Relevant project selection criteria include considerations for financial sustainability, project maturity and questions on potential co-financing. Though the criteria reflect efficiency considerations to an extent, there remains room for improvement.

## **ROP 5.2 – Tourism**

The objectives of the ROP 5.2 intervention are harnessing natural resources for tourism, diversification of tourism services and creating / extending the leisure tourist structures, to increase the number and duration of tourists stay.

Out of the five NSRF thematic priorities there are four (Objectives 1, 2, 3 and 5) that are relevant for the assessment of consistency.

### *Effectiveness*

The applicant eligibility criteria show a good level of consistency with Objectives 2 (Competitiveness) and 3 (Human Capital) with only traces of links to Objective 1 (Basic Infrastructure).

With regard to project eligibility, the same applies to the support given to Objective 3 although it is less intense, i.e. it is difficult to identify direct connections between the project eligibility criteria and the promotion of the achievement of Objective 3.

| <b>Table 89 – Effectiveness &amp; Efficiency: Tourism</b> |  |                                |                             |
|---|--|--------------------------------|-----------------------------|
| <b>Intervention</b>                                       | <b>Total number</b>  | <b>Promoting effectiveness</b> | <b>Promoting efficiency</b> |
| Applicant eligibility criteria                            | 11   | ✓✓                             | ✓                           |
| Project eligibility criteria                              | 10   | ✓                              | ✓                           |
| Project selection criteria                                | 19   | ✓                              | ✓                           |
| NSRF objectives affected                                  | Objectives 1, 2, 3 & 5   |                                |                             |
| Overall assessment on effectiveness                       | Generally good consistency with Objective 2, moderate to Objective 3             |                                |                             |
| Overall assessment on efficiency                          | Promotion of accountable implementation hence reducing potential risks and costs |                                |                             |

The level of concentration on the issue of effectiveness has greatly enhanced the project selection criteria in comparison to the eligibility criteria. Criterion 1.4 – *Project Implementation Location* – indicates a clear preference on the part of the planners to attract project ideas related to already existing locations, in the expectation of greater economic impact.

Any efforts on improvement of the effectiveness criteria should focus on the enhancement of the eligibility criteria.



### Efficiency

Both the eligibility criteria addressing applicants and applications consist of a few minimum requirements for decreasing the risks of project failure (e.g.: track record and basic capacity). It is therefore recommended to reconsider the importance of efficiency in this intervention.

The project selection criteria of project maturity, project (financial) sustainability and technical capacity of the applicant, all enhance the likelihood of efficient project implementation.

### SOP HRD 1.3 – Education and Training

The specific objectives of this call for proposals for strategic projects are: (i) the training and skill development of teachers in the school system, through regular participation in quality training programs; and (ii) improving management and quality of initial training programs, training continuous training for teachers from educational system.

Objectives 1, 2, 3, 5 of the NSRF thematic priorities are closely linked to this intervention.

### Effectiveness

The applicant eligibility criteria consider all Objectives. Still, the achievement of Objectives 2 and 3 (respectively, Competitiveness and Human Capital) are much more highlighted than the secondary Objectives 1 and 5 (Basic Infrastructure and Territorial Development). This is in line with the purpose of the intervention itself, i.e. education and training for improving overall competitiveness.

The project eligibility criteria have a slightly better focus on the Objectives served than the applicant eligibility criteria. Items on this list show a higher level of consistency with Objectives, and within those, the human capital development objective.

As usual, the project selection criteria focus even better on the representation of the planners' intentions embedded in the Objectives themselves. The criteria in respect of relevance have a clear concentration on consistency, with higher level objectives, development needs (but not the capacity) of the target group, selection of the target group and the necessity to demonstrate value added of the project. It is also highlighted that the Objective of the project is scored (though to a maximum of 4 points only). Also, project selection criterion 2.9 – *Project Contribution to Other Horizontal Themes and Objectives of the OP* constitutes a good test of effectiveness.

### Efficiency

Efficiency as a principle for establishing criteria for minimising potential costs is well represented in the eligibility (for both applicant and project eligibility), as well as the project selection criteria. Efficiency considerations are reflected in criteria that test the soundness and capability of the applicant and the project for the implementation and the sustenance of the project. The project selection criteria put more emphasis on the issue of efficiency, as evidenced by criteria dealing with resources allocated to project implementation, the qualifications and experience of the applicant and sustainability. Award criterion section 4 – *Cost-efficiency* covers items 4.1 – *Project Budget* (8 points), 4.2 – *Efficient Use of Project Budget* (5 points) and 4.3 – *Partnership* (7 points). Out of

| Intervention                        | Total number   | Promoting effectiveness | Promoting efficiency |
|-------------------------------------|--|-------------------------|----------------------|
| Applicant eligibility criteria      | 8  | ✓                       | ✓                    |
| Project eligibility criteria        | 6  | ✓                       | ✓                    |
| Project selection criteria          | 21   | ✓✓                      | ✓✓                   |
| NSRF objectives affected            | Objectives 1, 2, 3 & 5   |                         |                      |
| Overall assessment on effectiveness | Clear focus on Objective 3, consistent with eligibility criteria and good representation in the project selection criteria |                         |                      |
| Overall assessment on efficiency    | Generally good representation with dedicated project selection criteria for cost-effectiveness                             |                         |                      |

these, criterion 4.2 is judged on the basis of a comparison of project cost and prices, so that they are in line with the current limit prices of the respective markets.

## SOP HRD 2.1 – Life-long Learning

The main objective of KAI 2.1 concerns:

- Increased employment for future graduates of secondary and tertiary education;
- Improvement of guidance and counselling;
- Promoting and developing partnerships among schools, universities, businesses and other institutions to facilitate transition from school to working life;
- Monitoring of labour market insertion of young graduates.

This intervention has the purpose of promoting the achievement of thematic Objectives 1, 2, 3 and 5.

### *Effectiveness*

The intervention clearly focuses on Objective 3 (Human Capital), with all other Objectives (1, 2 and 5) being of marginal interest.

The Applicant Guide shows up a focus on higher-level policy objectives, as well as relevant EU and national regulations, in terms of eligibility criteria for both the applicant and the project. Project eligibility criterion 1, must be highlighted in this context, because it states that a project is only eligible if the project is relevant to the specific objectives of the PA and the KAI.

| <b>Intervention</b>                 | <b>Total number</b>  | <b>Promoting effectiveness</b> | <b>Promoting efficiency</b> |
|-------------------------------------|--|--------------------------------|-----------------------------|
| Applicant eligibility criteria      | 8  | ✓                              | ✓                           |
| Project eligibility criteria        | 6  | ✓                              | ✓                           |
| Project selection criteria          | 21   | ✓✓                             | ✓✓                          |
| NSRF objectives affected            | Objectives 1, 2, 3 & 5   |                                |                             |
| Overall assessment on effectiveness | Clear focus on Objective 3, consistent with eligibility criteria and good representation in the project selection criteria |                                |                             |
| Overall assessment on efficiency    | Generally good representation with dedicated project selection criteria for cost-effectiveness                             |                                |                             |

As for the project selection criteria, the representation of Objective 3 is ensured by two criteria, that of, respectively, Relevance (Project Selection Criteria Group 1) and Sustainability (Project Selection Criteria Group 3). Any measures to enhance the weight of the effectiveness considerations as reflected in the criteria should concentrate on the promotion of the eligibility criteria.

### *Efficiency*

The only efficiency related consideration with regard to the applicant eligibility criteria is that the applicant and any partners must demonstrate their financial and operational capacity for the implementation and sustenance of the project.

Efficiency considerations are well reflected in criteria that test the soundness and capability of the applicant and the project for the implementation and the sustenance of the project. The project selection criteria put more emphasis on efficiency, because they include criteria such as resources allocated to project implementation, qualification and experience of the applicant and sustainability. Project selection criteria section 4 – *Cost-efficiency* covers items 4.1 – *Project Budget* (8 points), 4.2 – *Efficient Use of Project Budget* (5 points) and 4.3 – *Partnership* (7 points). Out of these, criterion 4.2 is again judged on the basis of comparison of project cost and prices.

## OP DAC 1.1 – Public Policy

The objective of this KAI is improving decision-making at the political-administrative level. Its specific objective is to develop public policy formulation capacity and the ability to achieve better regulatory and strategic planning, and hence to develop inter-institutional partnerships.

Intervention 1.1 of the OP DAC is intended to support the achievement of all five objectives of the thematic priorities of the NSRF. Yet, in order to maintain strategic focus, the assessment tends to focus on that Objective which is supported only by this intervention amongst all those included in the sample, namely Objective 4 (Administrative Capacity)

### *Effectiveness*

The interventions' eligibility criteria (for the applicant and the project both) reflect very basic considerations on Objective 4. These are mainly limited to compliance with regulatory and policy documents, an issue that could be addressed in later calls. However, compared to other interventions in the assessment sample, the effectiveness issue is rather vaguely addressed by the eligibility criteria overall. Forthcoming calls, therefore need to consider this aspect further.

In contrast, the project selection criteria reflect the idea of administrative capacity building better by introducing the first group of the project selection criteria, i.e. those related to Project Relevance. This set of project selection criteria concentrates on the alignment of the project to higher level objectives (the first three being the most relevant in terms of effectiveness: *Project Contribution to Achieving Objectives of County/Regional/National Development Strategies*; *Contribution to Capacity Development of Public Policy Formulation*, to achieve better regulation and strategic planning and therefore to develop inter-institutional partnerships; and *Contribution to the Objectives of the Funding Requesting Institution*).

### *Efficiency*

The eligibility criteria of the intervention include practically no considerations for the selection of efficient projects, other than ensuring basic compliance with the Applicant Guide. Though the character of the intervention is somewhat hard to handle from the point of view of promoting efficiency on an *ex-ante*-basis, the project selection criteria fulfil this function very well.

The project selection criteria contain many strict elements for scoring the efficiency of a project, most important are Project Selection Criteria Groups 2 and 4 (respectively, *Consistency and Sustainability* and *Cost Efficiency*). These criteria test the project in terms of: potential synergies, overlaps, results vs. resources required, soundness and quality of (budgetary) planning, and capacity for implementation. Bearing in mind that these two groups of criteria constitute 50% of the total scores (30 and 20 points respectively, out of a total of 100 points), this intervention should be considered a good example of how to emphasise project efficiency and should be shared with other MAs and IBs.

## SOP T 1.1 – Road

The intervention addresses two topics:

- funding for the preparation of road infrastructure investment projects located on the route Axis TEN-T 7;

| Intervention                        | Total number  | Promoting effectiveness | Promoting efficiency |
|-------------------------------------|---|-------------------------|----------------------|
| Applicant eligibility criteria      | 4   | ✓                       | -                    |
| Project eligibility criteria        | 10  | ✓                       | ✓                    |
| Project selection criteria          | 16  | ✓✓                      | ✓                    |
| NSRF objectives affected            | Objectives 1, 2, 3, 4 & 5   |                         |                      |
| Overall assessment on effectiveness | Fair consistency with Objective 4, moderate to other Objectives                 |                         |                      |
| Overall assessment on efficiency    | Practically no eligibility and strict project selection criteria for efficiency |                         |                      |

- financing investment in upgrading national roads, building bypasses and in highway route TEN-T 7, as well as related supervision.

Out of the five NSRF thematic priorities, there are four (Objectives 1, 2, 3 and 5) that are relevant for the assessment of consistency.

### *Effectiveness*

Although the applicant eligibility criteria cover all four objectives, they show up stronger linkage to Objective 1. The project eligibility criteria should present a stronger focus on the higher-level policy objectives. With regard to effectiveness, the project selection criteria evidence a tight linkage mainly with Objective 1 (the criterion related to project location).

### *Efficiency*

Both the applicant and project eligibility criteria of the intervention include considerations for the selection of efficient applicants and projects (e.g. *Project applicant has the capacity to implement the project?* or *SOP T land related investments are, where applicable, the property/possession or accessible to beneficiaries for the project?*). The project selection criteria also contain elements, which might promote the efficiency of the selected projects (e.g., project financial and technical sustainability analysis – long-term operation and maintenance), in relation to the topics of, respectively, project maturity and quality of project preparation.

| <b>Intervention</b>                 | <b>Total number</b>   | <b>Promoting effectiveness</b> | <b>Promoting efficiency</b> |
|-------------------------------------|---|--------------------------------|-----------------------------|
| Applicant eligibility criteria      | 4   | ✓                              | ✓                           |
| Project eligibility criteria        | 8   | ✓                              | ✓                           |
| Project selection criteria          | 18  | ✓                              | ✓✓                          |
| NSRF objectives affected            | Objectives 1, 2, 3 and 5  |                                |                             |
| Overall assessment on effectiveness | Good consistency with Objective 1, moderate to Objective 2, 3 and 5 |                                |                             |
| Overall assessment on efficiency    | Strong project selection criteria for efficiency                    |                                |                             |

## **SOP ENV 1.1 – Water and Waste Water**

The objectives of this KAI are:

- providing water and sanitation services at affordable rates;
- ensure proper quality of drinking water for all human agglomerations;
- improving the quality of water courses;
- improving the management of sludge from wastewater treatment plants;
- setting up innovative and efficient structures for water management.

The assessment of both the eligibility and project selection criteria showed up linkages to Objectives 1, 2 and 5 of the NSRF thematic priorities.

### *Effectiveness*

The applicant eligibility criteria of the intervention do not meet the objectives of the NSRF. The project eligibility criteria also contain no considerations for the objectives.

Concerning the project selection criteria, these include several factors mainly for Objective 1 (e.g. improving environmental conditions) and Objective 2 but also some factors related to Objective 5.

### *Efficiency*

The applicant and project eligibility criteria help to select efficient applicants and projects (for example through criteria with regard to project financing and sustainable development), although there is room for improvement in this regard.

Project selection criteria include considerations for the effective selection, regarding project impact, technical, financial and project implementation issues (e.g.: *Is there a schedule of proposed activities? Is this plan realistic?*).

| Table 94 – Effectiveness & Efficiency: Water |   |                         |                      |
|--|---|-------------------------|----------------------|
| Intervention                                 | Total number  | Promoting effectiveness | Promoting efficiency |
| Applicant eligibility criteria               | 7   | -                       | ✓                    |
| Project eligibility criteria                 | 8   | -                       | ✓                    |
| Project selection criteria                   | 30  | ✓                       | ✓✓                   |
| NSRF objectives affected                     | Objectives 1, 2 & 5   |                         |                      |
| Overall assessment on effectiveness          | Weak links to eligibility criteria, project selection criteria are generally in good consistency with Objective 1 and 2, weak with 5. |                         |                      |
| Overall assessment on efficiency             | Some eligibility and strong project selection criteria for efficiency   |                         |                      |

## 5.3.4 Findings

### **Methodology**

The tasks linked to the answering Q5 aimed at assessing both the effectiveness and the efficiency of project selection related to the NSRF. The evaluation question has been investigated by means of a sample of ten interventions, approved by ECU/ACIS as providing a fair representation of the NSRF.

It is to be emphasised that comments or statements based on this sample of ten are not necessarily attributable to any intervention of the NSRF; they first and foremost reflect the evaluators' views.

The **assessment of effectiveness** included a series of reviews of the applicant documentation and thus comparisons of the objectives of the thematic priorities of the NSRF and the bid selection criteria of the selected interventions. The main issue was to reveal the level of alignment of the set of bid selection criteria with the NSRF objectives and the identification of potential inconsistencies. It is to be noted that in this case consistency should be treated as a 'hygienic factor', meaning that it is not essential to have each and every criterion reflect the considerations of the NSRF objectives (because there are other relevant aspects as well), but it is very important that there should be no inconsistencies between them.

The **assessment of efficiency** was based on a review of the bid selection criteria of the ten selected interventions. Just as in the case of the assessment of the effectiveness, the evaluators enlisted all selection (both eligibility and award) criteria and tested them against efficiency considerations, in an attempt to establish whether there criteria that enable the filtering of applicants or applications, by balancing the likely outputs of intervention with the SI resources required to realise them.

The main findings of the assessment are as follows:

## Effectiveness

- A general finding is that the selection criteria of the selected interventions are basically in line with those objectives of the thematic priorities of the NSRF that they were meant to promote. The level of consistency shows a degree variance but in the majority of the cases, consistency ranged from ‘good’ to ‘very good’.
- More importantly, the assessment revealed no contradictions or other major inconsistencies between the NSRF Objectives and the bid selection criteria.
- The NSRF itself bears internal inconsistencies regarding the clear definition and contents of the objectives of the thematic priorities. There are slight differences between the descriptive parts of the objectives, their summary tables and their reflection in the FIDs and Applicant Guides.

## Efficiency

- The assessment results showed less evidence for the presence of considerations regarding efficiency in the ten selected interventions than in the case of effectiveness.
- However, building up consistent programme levels (in terms of programming through breaking down high level objectives to lower level ones consistently thus ensuring effectiveness) is simpler than introducing and operating a system able to facilitate the filtering of applications below a certain level of potential efficiency.
- Contrary to effectiveness, where alignment to higher-level objectives is relatively easy to roll down through the levels of programming prior to the initiation of the programme, efficiency is difficult to assess *ex ante*. Therefore it is also more difficult to set criteria that would assist in the filtering of applications before the launching of the programme.
- Efficiency-related considerations were mainly reflected in criteria that reduce the potential costs attaching to unaccountable implementation, or failure of the projects and any additional factors that might influence the risk of their appearance, e.g.:
  - requirement of feasibility studies;
  - prior assessment of the administrative, financial and technical capacity of the applicant;
  - justification for the lack of double financing;
  - justification for the need of public financing;
  - assessment of project maturity (also influencing potential ‘dead-weight’);
  - assessment of methodologies for application drafting (e.g. budget calculations).
- Only a few of the sampled interventions had a separate, dedicated section of project selection criteria for scoring the cost-effectiveness of the project (SOP HRD, OP DAC). Two issues merit mention in this context. First, even those criteria followed a fairly simple approach, i.e. a comparison of the costs and prices stated in the application with current limit prices in the relevant market. Second, the maximum scores for these criteria remain relatively modest (in the case of SOP HRD KAI 1.2, the maximum was 20 points out of 100).
- This finding reflects that there are project types that require a higher level of interest in terms of cost-efficiency on the part of the implementation system and also the fact that, though it is an important issue with all SI-funded interventions, there is no clear guideline to include such criteria in all CfPs.

### 5.3.5 Good Practice on Effectiveness Reflected in the Selection Criteria

The formative focus of the evaluation may be highlighted by stressing the fact that a number of the criteria appraised above fall into the category of good practice.

The issue of promoting programme effectiveness is a crucial one, especially in terms of value-added to future programme and planning. Well-chosen and formulated eligibility and selection criteria have a positive influence on programme effectiveness and intermediate impact.

The following paragraphs identify – by way of ‘good practice’ – the five eligibility, as well as the five project selection criteria that may be considered to best address and influence the effectiveness of programme implementation, amongst the set of criteria applying to the ten sampled ten interventions.

In this context, it is to be noted that criteria-related ‘good-practice’ in respect of effectiveness is arrived at by relating the the criteria identified in the Project Selection Criteria Template [ref: **Annex 6**] to the higher level objectives (NSRF Thematic Priorities, OPs). Therefore, the five criteria that best reflect ‘good-practice’ are those that enhance the selection of those projects that have most potential for attaining higher level objectives.

## Eligibility Criteria

The eligibility criteria in respect of the sampled interventions that best address ‘effectiveness’ are set out in the following table [ref: **Table 95**].

**Table 95 – Good Practice: Effectiveness & Eligibility Criteria**

| Intervention                | Criteria  |
|-----------------------------|---|
| <b>Top 5 Criteria</b>       |   |
| <b>SOP IEC 2.2.1</b>        | Goals, objectives and proposal subject are in accordance with the competition objectives, as described in the call for proposals  |
| <b>SOP ENV 1.1</b>          | The project meets all the specific conditions mentioned in the applicant guide, if necessary (coverage, population, minimum, etc.)  |
| <b>SOP HRD 1.3</b>          | The project is relevant to the specific objectives of PA and KAI.   |
| <b>SOP IEC 1.1.1</b>        | Clearly defined and measurable results/measurable and indicators consistent with those outlined in the grant application  |
| <b>ROP 5.2</b>              | The NGO applicant, as partner of the administrative territorial unit, carries out tourism or related activities, according to the statute, and has experience in this field of at least 1 (one) year, at the date of submission of the application for financing. The SME applicant carries out activities in the tourism field and / or related activities for at least 1 (one) year from the date of submission of the grant application. |
| <b>Other Good Practices</b> |   |
| <b>OP ACD 1.1</b>           | The project complies with national and Community legislation  |
| <b>SOP IEC 1.1.1</b>        | The project aims to develop and increase business competitiveness   |
| <b>SOP IEC 2.2.1</b>        | The applicant is certified / accredited to conduct R&D and operating in Romania   |

## Project Selection Criteria

The project selection criteria in respect of the sampled interventions that best address ‘effectiveness’ are set out in the following table [ref: **Table 96**].

**Table 96 – Good Practice: Effectiveness & Project Selection Criteria**

| Intervention          | Criteria   |
|-----------------------|--|
| <b>Top 5 Criteria</b> |  |
| <b>SOP HRD 1.3</b>    | Relevance of the project for national policies and strategies, PA and KAI  |
| <b>SOP HRD 2.1</b>    | Through its objectives, the project is contributing to the European and national policies and strategies integrated into SOP HRD and addressing the specific needs of group / target group |

| Intervention                        | Criteria  |
|-------------------------------------|---|
| OP ACD 1.1                          | Project contribution to achieving objectives of county / regional / national development strategies   |
| SOP IEC 1.1.1                       | Project's contribution to the objectives of the operation SOP IEC/PA1/KAI1  |
| SOP IEC 2.2.1                       | Relevance to sector strategies and regional innovation strategies (other than POS IEC strategy and research)  |
| <b>Other good practices</b>         |   |
| OP ACD 1.1                          | Contribution to the objectives of funding requesting institution  |
| SOP ENV 1.1                         | The project contributes to achieving one or more objectives of the OP   |
|                                     | Compliance with the EU directives, regulations and relevant strategic documents.  |
| SOP HRD 1.3                         | Relevance of project for EU policies and strategies transposed in SOP HRD   |
| SOP HRD 2.1                         | Relevance of project for EU policies and strategies transposed in SOP HRD   |
| ROP 5.2/<br>ROP 3.4.1/<br>ROP 4.1.1 | Contribution of the project to ROP objectives<br>The applicant demonstrates how the project is part of a strategy for local / regional / national and how the project contributes to the achievement of ROP |
| SOP T 1.1                           | Is the project contributing to the SOP-T objectives?  |

### 5.3.6 Beneficiary Perception

Regarding the question of application process: **How do you consider the application process (administrative and eligibility evaluation)**, one half of the beneficiaries who filled in the questionnaire considered the administrative and eligibility process 'correct', 'objective', 'efficient', or at least 'acceptable'. According to the other half of the beneficiaries the process was 'too long', 'subjective', 'without professionalism', 'too strict' and 'too complicated'.

Almost 60% of the beneficiaries suggested to the question: **What do you think about the technical and economic evaluation process**, that the technical and economic evaluation process should be more objective and efficient, less strict, requires more professionalism and needs clearer criteria. The other 41% were in general satisfied with the technical and economic evaluation process; according to their opinion the process was 'correct', 'objective' and 'efficient', or at least 'reasonable' and 'acceptable'.

## 5.4 TA support to Management and Implementation

### 5.4.1 Progress to Date

TA plays a critical role in supporting the management of operational programmes and also the beneficiaries in accessing and implementing the SI.

The provision for TA within the Objective *Convergence* amounts to almost 906 MEUR<sup>43</sup> for the programming period 2007-13, taking the OPTA and the TA priority axes of the other OPs together. Out of this allocation, almost 690 MEUR is the Community contribution, representing 3.6% of the total amount allocated to the SI for Romania.

The separation between OPTA and the TA priority axes of the other programmes was made so that the axes ensure the support necessary for the implementation of the related OPs, while the OPTA

<sup>43</sup>Equivalent of 3,816 MRON (at an exchange rate of EUR 1 = RON 4.2135).



functions a horizontal assistance tool for SI coordination and the SI management and implementation system<sup>44</sup>.

Apart from the OPTA, the highest amounts are allocated to the TA PAs of SOP ENV and the SOP HRD.

All TA PAs are divided into two major KAIs:

- A KAI for the support of the **management and implementation** of the related programme (including operational expenditures and support for the activities of the MAs, IBs and key beneficiaries in the case of SOP T, programme evaluation, training for the staff of the MA and the IBs, programme related studies and preparations for the next programming period);
- A KAI for **information and communication** activities related to the operational programme.

**Table 97 – TA by OP and KAI – 30 June 2009 based on DCA Analysis (in MRON)**

| OPs           | TA Total     |            | KAI 1        |            | KAI 2        |            |
|---------------|--------------|------------|--------------|------------|--------------|------------|
|               | Allocated    | Contracted | Allocated    | Contracted | Allocated    | Contracted |
|               | 2007-13      | 31/12/09   | 2007-13      | 31/12/09   | 2007-13      | 31/12/09   |
| ROP           | 554          | 81         | 464          | 46         | 90           | 35         |
| SOP ENV       | 733          | 29         | 606          | 23         | 127          | 6          |
| SOP T         | 517          | 3          | 388          | 1          | 129          | 2          |
| SOP IEC       | 379          | 0          | 246          | 0          | 133          | 0          |
| SOP HRD       | 689          | 0          | 413          | 0          | 276          | 0          |
| OP DAC        | 47           | 8          | 35           | 6          | 12           | 2          |
| OPTA          | 897          | 61         | 437          | 55         | 460          | 6          |
| <b>Totals</b> | <b>3 816</b> | <b>182</b> | <b>2 589</b> | <b>131</b> | <b>1 227</b> | <b>51</b>  |

**Table 97** shows that TA contracted under only three OPs, i.e. OPTA, ROP and SOP ENV represents almost 94% of all TA contracted until 31/12/09. This suggests large disparities across OPs in the launching and contracting of TA projects. In terms of payments, only ROP and SOP ENV have made any, for an insignificant value, representing 0.5% of the total 2007-13 allocation.

Taking into account the differences between the OPs in terms of programming TA, it would be incorrect to look only at the first key area of intervention for each of the TA priority axes in order to assess the direct support to management and implementation.

For instance, SOP IEC has included in the second KAI, in addition to information and communication activities, also programme evaluation and equipment for the functioning of the MA and IBs (other than those for SMIS, which are financed from OPTA).

In addition, the training for potential beneficiaries of the OP is financed from the first KAI of the TA PAs for three operational programmes (SOP T, SOP ENV and OP DAC) and in the second TA PAs of the other OPs (ROP, SOP IEC and SOP HRD).

Taking into account the need to coordinate TA across the NSRF, ACIS has established a Coordination Committee for Technical Assistance (CCTA), chaired by the MA OPTA Director. In addition to its attempts to avoid overlap between the OPTA and the TA PAs within the other OPs, the CCTA has put effort in improving the monitoring of TA, in order to ensure coherent reporting.

For this purpose, the TA activities were divided in five types, as follows:

<sup>44</sup> Technical assistance for the Implementation of Structural Instruments in Romania, N° 1, April 2009, DTA, MoPF.

- management support – outsourced functions (*inter alia* experts, assessment, studies), including capacity development of personnel (training and improving capacity of MA/IB staff; monitoring, support to monitoring committees and control activities);
- beneficiaries support;
- evaluations, studies, analyses;
- IT systems; and
- information & publicity.

**Table 98 – Types of TA Activity by OP**

| Contracted by activities | TA Total                        | Type of Activity   |                       |                                |             |                           |
|--------------------------|---------------------------------|--------------------|-----------------------|--------------------------------|-------------|---------------------------|
|                          | Total eligible value 31/12/2009 | Management support | Beneficiaries support | Evaluations, studies, analyses | IT systems  | Information and publicity |
|                          |                                 | <b>I</b>           | <b>II</b>             | <b>III</b>                     | <b>IV</b>   | <b>V</b>                  |
| ROP                      | 69.0                            | 46.1               | 5.8                   | 0.9                            | 4.7         | 11.6                      |
| SOP ENV                  | 49.6                            | 29.4               | 0.4                   | 0.0                            | 5.2         | 14.6                      |
| SOP T                    | 4.1                             | 0.3                | 0.0                   | 0.5                            | 0.0         | 3.2                       |
| SOP IEC                  | 15.1                            | 13.8               | 0.0                   | 0.0                            | 0.2         | 1.1                       |
| SOP HRD                  | 45.3                            | 16.4               | 0.0                   | 5.1                            | 21.7        | 2.1                       |
| OP DAC                   | 11.3                            | 7.7                | 0.2                   | 0.5                            | 0.2         | 2.6                       |
| OPTA                     | 52.6                            | 35.1               | 4.4                   | 2.0                            | 7.8         | 3.3                       |
| <b>Grand total</b>       | <b>247.0</b>                    | <b>148.8</b>       | <b>10.8</b>           | <b>9.1</b>                     | <b>39.8</b> | <b>38.5</b>               |

As can be seen in **Table 98**, at the end of 2009, most of the funds (about 60% of the TA Activity) were used for managing the implementation of the OPs. The next largest items were ‘IT systems’ and ‘Information & Publicity’, with a value of close to 40 MRON. Based on the total eligible value, the ROP used the greatest volume of TA support.

#### 5.4.2 Evaluation Issues

- Overall, the absorption of TA resources seems rather incipient. It could be argued that TA has had no major positive effect on SI management and implementation, at least until the cut-off date of the evaluation. However, appearances deceive and the reality is not that gloomy. One of the reasons why TA funded from the SI has not been used much is that important TA funding is still available under the pre-accession funds through the Phare programmes (until end of 2008). Most MAs and IBs have benefitted, at the beginning of the financial perspective, from one or more TA projects funded through Phare, especially in respect of SI programming.
- A vulnerability of the TA has been the lack of adequate planning across the NSRF spectrum. With some notable exceptions (e.g. ROP, a special TA Strategy for which was drafted for the period 2007-2013), most of the TA PAs remained rather vague on TA type, breakdown and content. Need assessments for TA appear to have been treated as marginal and the allocations of finances dealt with in a desultory manner. For instance, some OPs (e.g. SOP IEC) allocate equal shares of the available TA to their respective IBs, irrespective of the need. It is understandable that at the beginning of a programme of such a magnitude it would have been rather difficult to make a proper prognosis for the need. However, based on the experience gained in the first three years of implementation, it now appears to have been rather accurate.
- The ROP can be considered to offer ‘good practice’ in terms of the use of TA. The elaboration in 2007 of the above mentioned Strategy for Technical Assistance enhanced that OP’s implementation planning. The ROP case confirms the strong correlation between a good TA programming capacity and its implementation. The ROP’s TA Strategy has also proven to be fertile ground for defining policy and clarifying the separate roles of OPTA and ROP TA, at the

same time furthering good complementarity between the two programmes. The ROP TA Strategy also offered the opportunity to reflect on the different types of operations to be launched. Such clarity was missing in the case of other OPs, which also tended to do without adequate TA needs assessments matched to the complexity of future expenditure under those OPs.

- The mix of absence of adequate planning and lack of staff with a proper TA background, contributed to a slow start in the implementation of TA.
- The economic crisis has had a bad psychological impact on the authorities, which were reluctant to launch and, in some cases, even decided to temporarily block some TA-related expenditure altogether (e.g. information and communication).
- A major reason negatively affecting the degree in which TA has supported management and implementation is related to procurement issues, including the need to clarifying eligible expenditure and organising procurement procedure. Interlocutors in interviews and focus groups often mentioned the procurement regulations as the single most important obstacle hampering implementation of TA. Because of the relative lack of experience with the preparation of ToR within MAs and IBs, there were several cases of contested TA procurement procedures, which caused significant delays in implementation. In some cases, tenders were cancelled even before notification to the public.
- Institutional aspects provide a major hindrance in achieving speedier and more effective procurement. Across the OPs, there is a strong correlation between, on the one hand, the quality of the working relationship of MAs/IBs and the public procurement units with their host entities, and, on the other hand, the absorptive capacity of that those MAs/IBs. In the case of SOP ENV and OPTA, the MA has created its own procurement unit separate from the one serving the Ministry, in order to facilitate relations. As for ROP MA the procurement unit of the Ministry of Regional Development is located in another Directorate General. In the case of most OPs however, relations with the public procurement units are cumbersome and inefficient.
- In order to confirm the indicative findings on degree of satisfaction with regard to the TA available for SI management implementation, MA and IB representatives were mailed a short questionnaire with regard to the TA received under, respectively the Phare and ISPA programmes (until end of 2008) and the current NSRF OPs.<sup>45</sup> The questionnaire requested respondents' views on, respectively, the relevance, design, efficiency and effectiveness of the TA foreseen or received under the three programmes. The responses are summarised in the following table [ref: **Table 99**].

**Table 99 – Degree of Satisfaction with TA under Phare, ISPA and SI**

|   | Programme (N° of TA Projects) |                |         |
|---|-------------------------------|----------------|---------|
|   | Phare (14)                    | ISPA (0)       | SI (88) |
| <b>Criterion</b>                                  | <b>Scores per Programme</b>   |                |         |
| Relevance   | 0.8                           | --             | 1.2     |
| Design  | 1                             | --             | 1.2     |
| Efficiency: timeliness                            | 1                             | --             | 0.4     |
| Efficiency: quality                               | 0.5                           | --             | 0.9     |
| Efficiency: expert replacement                    | 2                             | --             | 0.8     |
| Effectiveness: ability to use TA                  | 0.5                           | --             | 1.2     |
| Degree of achieving expected results (SI TA only) | Not applicable                | Not applicable | 1.5     |

<sup>45</sup> The questionnaire was sent to eight MAs/IBs. Seven responses (88%) were received. There were no responses on ISPA TA.

Range of Scores: -2 (very unsatisfactory), -1 (unsatisfactory), 0 (neutral), +1 (satisfactory) +2 (very satisfactory). Scores rounded to one decimal.

- Although the sample of respondents is too small to allow the drawing of hard conclusions, the responses generally correspond to the findings of the appraisal enables on interviews focus groups. The relevance of the TA, as well as the design is in the range of satisfactory, independent of programme (Phare or SI). The same applies to the efficiency of the TA, although the TA funded under the SI scores lower than that under Phare in respect of timeliness of it becoming available. In terms of effectiveness (realised and expected future results, respondents show themselves especially confident where the ability to use the TA is concerned.

### 5.4.3 Examples of Good Practice

In the field of TA used for management of implementation and the information and publicity there are several good examples as it is represented with the following specific cases:

#### Case Study 1: Technical Assistance

|                             |   |
|-----------------------------|---|
| <b>Project</b>              | <b>Introduction of 21 model projects of the Hungarian Economic Competitiveness Operational Programme (ECOP) 2004-06</b>   |
| <b>Project Description:</b> | <p>The project was financed by under the TA provision of the ECOP in Hungary. Its goal was to identify and introduce the typical projects of ECOP in a standard structure with the aim of public disclosure in the EU and Hungary, and of the orientation of prospective beneficiaries.</p> <p>In the course of the project, 21 project groups of ECOP (clusters) were identified, and from each group one typical project selected, in line with a selection methodology based on multiple criteria. The 21 selected projects were introduced in detailed fashion through a standard presentation template, presenting the objectives, implementation, outputs, results, long-term impact, as well as positive and negative experiences related to the project.</p> <p>The deliverables of the project were a 20- and a 10-slides long presentation, together with a brochure in Hungarian and English. The brochures can be used for communication issues as a basis of information documents for the potential applicants and the wider public as well, generating more applications and projects within the OP.</p> |
| <b>Adoptability</b>         | The Romanian authorities can adopt the project and finance it from the TA budget of any relevant OP.  |

#### Case study 2: Technical Assistance

|                             |   |
|-----------------------------|---|
| <b>Project</b>              | Setting up and maintaining an institution providing a support system and operating a project pipeline for High Potential Start-Ups in Ireland   |
| <b>Project Description:</b> | <p><i>Enterprise Ireland</i> provides advisory and financial support to High Potential Start-Up (HPSU) businesses and encourages all forms of entrepreneurship.</p> <p>The support for HPSUs from <i>Enterprise Ireland</i> depends on where the company stands in the three stages of <i>Enterprise Ireland's</i> start-up development process:</p> <p><i>Starting a Business</i></p> <p>Enterprise START introduction workshop series will help the companies to understand and evaluate the entrepreneurship process, discover what it involves and assist the companies in determining if it is the right choice for them.</p> <p><i>Challenging and Validating the Business Idea</i></p> <p>This programme helps the HPSUs to assess their readiness to undertake a feasibility study of their venture. It will support them as they gather the information necessary to decide on the company's venture's viability as an HPSU.</p> <p><i>Seeking Advice and Funding to Develop an Investor-ready Business Plan</i></p> <p>High potential start-ups eventually need to attract investors. At this start-up development stage it</p> |

|                     |   |
|---------------------|---|
|                     | <p>is essential that HPSUs develop a commercially sound business plan that can draw solid investment. <i>Enterprise Ireland</i> offers various supports to help the involved companies achieve this: advice for developing investor-ready business plans; funding for investor-ready business plans; and ongoing HPSU support and development.</p> <p>Link: <a href="http://www.enterprise-ireland.com/StartBusiness/">http://www.enterprise-ireland.com/StartBusiness/</a></p> |
| <b>Adoptability</b> | <p>This Irish practice is not financed from TA resources. <i>Enterprise Ireland</i> as an organisation acted as the agency of the IB responsible for the implementation of the programme thus supporting the achievements of OP objectives.</p> <p>The Romanian authorities can adopt this project idea project, following careful observation of the EU and national regulations governing eligibility of the establishment and operation of a similar organisation.</p>       |

### **Case Study 3: Technical Assistance**

|  |   |
|--|---|
| <b>Programme:</b>                        | Operational Programme Technical Assistance  |
| <b>PA/KAI:</b>                           | PA1: <i>Technical Assistance</i> ; KAI 1.3 – <i>Horizontal Training in the Field of Management of Programmes/Projects</i>   |
| <b>Project Title:</b>                    | Continuous Training for Cohesion and Structural Funds Management  |
| <b>Total Budget:</b>                     | RON 12,281,000  |
| <b>Reasons for choosing the Project:</b> | <ul style="list-style-type: none"> <li>▪ Extensive coverage of all beneficiaries' needs in terms of training activities related to the management of SCF;</li> <li>▪ Opportunity given to the participants to the training sessions to share the good practices and experiences.</li> </ul>   |
| <b>Project Description:</b>              | <p>The objective of the project is strengthening the administrative capacity of the institutions involved in the management of SI by supporting knowledge development among the employees of the MAs, IBs, ACIS, Certifying Authority and Audit Authority. The training sessions are designed to meet the training needs of both less and more experienced employees of the institutions responsible for the management of the SCF.</p> <p>The project is structured into four components, each of them targeted on a different group and including specific training activities:</p> <ul style="list-style-type: none"> <li>▪ delivery of basic training sessions on public procurement rules and project cycle management within the MAs and IBs;</li> <li>▪ providing of advanced training sessions on financial management and control addressing the needs of the most experienced employees within the MAs/ IBs;</li> <li>▪ providing training for the preparation of the Applicants' Guides and management of financing applications;</li> <li>▪ deliver of training sessions in the field of audit of SCF for the staff of the MAs, IBs, Audit Authority and Central Harmonisation Unit for Public Internal Audit of the Ministry of Public Finance.</li> </ul> |
| <b>Adoptability</b>                      | A regular project of such complexity (involving horizontal training activities) should be financed under OPTA in order to cope with staff turnover and enable continuous staff skill s development.   |

## 6. CONCLUSIONS

The data collection and analysis process, the findings of which were validated in discussions with stakeholders, yielded a number of conclusions on the state of the NSRF and the individual OPs as set out in the present chapter.

We have categorised our conclusions into two main groups:

- (i) General Conclusions, i.e. those addressing the NSRF as a whole; and
- (ii) Specific Conclusions, i.e. those addressing each of the Main Evaluation Questions in the ToR.

### 6.1 General Conclusions

#### Data Type and Availability

1. The present evaluation was hampered by a lack of detailed, consistent and up-to-date data sets. The information available emanated from a variety of sources, including the SMIS database operated by ACIS and the databases maintained by some MAs [ref: **Sub-sections 1.3.3 & 5.2.4**]. The structure, content, format and reporting modalities of these databases differ and are consequently difficult to reconcile at the level of projects, operations and OP priority axes.
2. This constitutes a serious problem, in that it weakens the monitoring process, limits to a certain extent reliable comparison across OPs and does not – in its application – fully support the transparency principle governing the SI, in particular (EC) 1083/2006.
3. Although it is conceivable to solve the database problem by adjusting the structure, content, format and reporting of all existing database and calibrating their respective outputs, the cost of doing so might exceed those of further developing the SMIS, motivating users to input data and ensuring a centrally managed maintenance, based upon a full set of operational manuals.
4. An important obstacle with regard to improving data availability consists of the different views amongst stakeholders with respect to the degree of transparency vs. the perceptions of ownership of information. This may conflict with the full transparency required by principles of good governance of public money use. In addition, each MA interprets the ownership of data differently.

#### Scaling and Risk

5. The SI management and implementation system in Romania has not yet managed to scale the administrative burden involved in the procurement and financial management and control relative to the complexity of interventions, individual projects and the risk of default and fraud attaching to them. Not making the trade-off causes much delay and duplication of controls. There exists a great need for risk assessment and proportioning the system of checks and balances to the risks faced. Part of this scaling process should be to consider which interventions could be subject of ex post, rather than ex ante controls [ref: **Sub-section 5.2.6**]
6. A related issue concerns the tendency to ‘gold-plate’, i.e. the system requiring 100% control coverage and many levels of checks. The cost involved in control and audit, in terms of human resources and time, is not always tailored to the financial and moral hazard involved in less-than-perfect enforcement of applicable rules and regulations [ref: **Sub-section 3.1.3**].

## 6.2 Main Evaluation Question 1a – Progress

### End-loading and Late Launch:

7. The OPs are structured in such a way that annual allocations tend to rise over the period 2007-13. [ref: **Sub-section 2.1.2, Figure 12**]. In all cases, with the possible exception of SOP IEC), this has resulted in end-loaded programmes in terms of beneficiary access to SI grants. The interviews conducted during the evaluation have shown this pacing of access to allocations to have been intentional, partly because of a desire on the part of the planners to reassure beneficiaries there would always access to the support. However, the consequence of the end-loaded character of OPs is that a very large volume of interventions must be requested and processed in the later years of the NSRF's duration. This may cause 'bunching up' of approvals in 2012-13 and payments during the years 2013-15. This in turn may put severe stress on domestic co-financing capacity during a period of uncertain economic stability from the present perspective [ref: **Sub-section 3.1.2**].
8. The preference with regard to the pacing implicit in the OPs may result in a very large demand on the SI management and implementation system during the later years of the implementation period. To the extent that this is intentional because of hopes that the system will then be higher on the learning curve, it may be appropriate. However, it must be considered a risky approach. For one, the volume of funds available and to be processed and approved will increase. For another, in the later years the system's monitoring and control duties will increase proportionally. Together, these two effects are likely to prove a challenge for the SI management and implementation arrangements, unless measures are taken already now to improve the capacity of the system in both quality and quantity [ref: **Sub-section 5.2.4 and 5.2.5**].
9. Should events conspire according to a worst-case scenario, it may well prove impossible to achieve full absorption of the funding available for the whole period 2007-13. The eventuality of the system being unable to cope with the administrative burden will likely become apparent too far into the period to allow effective, last minute countermeasures in the form of re-allocations or by launching calls at very short notice [ref: **Sub-section 2.1.2; Figure 12**].
10. Despite the fact that the NSRF for the period 2007-13 was approved only at the beginning of the first year of its duration (instead of the year preceding) it would have been possible to prepare OPs, IFDs and call for proposals in order to avoid the late start of launching calls for proposals in most cases (with the exception ROP, SOP ENV and SOP IEC), i.e. the second year of the duration [ref: **Annex 4**]. This adds to the end-loaded character of SI in Romania commented upon above. There are ways to counteract this particular effect, but these would imply that in the case of non-approval of amendments to OPs by the Commission, the Government would have to cover the forfeited external financial contribution from its domestic budget [ref: **Sub-section 3.1.2**].
11. At the evaluation cut-off date, 30 June 2009, the volume of payments carried out amounted to 1.5% of the total allocation. This volume is very low when considered in proportion to the time that has elapsed since the start of the programme. The fact that this ratio had increased to only 3.7% by 30 June 2010 makes this issue even more urgent. In fact, the current pace of payment constitutes a major risk in terms of ensuring full absorption, as the paid grant amount is likely to reach the initial allocation in 2020 [ref: **Sub-sections 2.1.2 & 2.1.3**].

### Engines and Brakes:

12. There are indications that OPs in areas that received substantial pre-accession assistance (Phare, ISPA) fare better with regard to filling the pipeline with approved funding requests. This applies in particular to SOP ENV [ref: **Sub-section 2.2.2**]. Unfortunately, this is not borne out by the experience under SOP T. Still, this counterfactual may not be taken too far, in that the character of investment in both sectors is rather different. Both OP have a high-value, low-quantity structure in terms of planned investments, but the interventions under SOP ENV are still larger in number and less complicated in terms of procurement preparation than those

under SOP T. Still, the MA for SOP T cannot delay much longer in getting the interventions under that OP underway. The figures for 30 June 2010 also show a considerable improvement of progress in the last year.

13. There is evidence to support the contention that centrally organised programmes (e.g. e-Government, e-Learning) show better performance [ref: **Sub-section 2.2.4**]. The examples mentioned concern SOP IEC, but the tendency can also be discerned in other OPs, including OP DAC, SOP HRD and SOP T.
14. The planning of interventions is not always satisfactory and has led to a number of OP priorities axes (across the board) not taking off as early as intended or with a lower mobilisation tempo than envisaged [ref: **Annex 4**].
15. One of the brakes acting upon the system is beneficiaries' lower than might be expected interest in the support offered under the SI during the first two and a half years of implementation. The 'popularity ratio' used to be less than 50% [ref: **Sub-section 2.1.3, Figure 19**] by the official cut-off date (i.e. 30.06.2010). The causes for this low 'popularity' were many, inter-linked and exceed the parameters of the present evaluation. Upon further investigation, they likely to be found to include a combination of co-financing access conditional upon the present economic downturn, the public sector bias of the NSRF overall and long preparation times required for the large infrastructure components of the NSRF. However the current popularity figure of 168% shows that the majority of the causes have in the meantime been overcome.
16. The erstwhile low popularity ratio has been mitigated to a certain extent by the very high ratio pertaining to the next steps in the application process. These are the process ratios related to project assessment and verification [ref: **Sub-section 2.1.2; Figure 19**]. The absence of a processing-related brake is a positive feature. According to the figures for 30 June 2010, the popularity ratio has recently increased significantly (to 168%), with the process-related ratios remaining largely constant.
17. That positive feature finds enhancement in the fact that, once approved, a contract follows relatively quickly (a fact also taking the 30 June 2010 figures into account), because applicants are confronted with their obligations, as well as their rights, during the initial stages of the application process and not, as in other countries, only when receiving the contract for signature.

### **Public Sector Orientation:**

18. The Romanian NSRF is heavily orientated towards the public sector and shows up a relatively high representation of public sector organisations amongst its applicants and beneficiaries; higher at least than one would expect of a set of interventions targeting both the private and public sectors. It is understood that this public sector bias in the Romanian NSRF is founded upon an assessment by the authorities that the efficiency of the public sector forms a major factor in underpinning private sector development. Seen in this light, the authorities have drawn an apposite consequence [ref: **Sub-section 2.1.4; Figure 23**].

## **6.3 Main Evaluation Question 1b – Capacity and Capability**

19. Many stakeholders – during interviews, focus group sessions and workshops – referred to a lack of experience within the Romanian public administration in respect of implementing programmes of the magnitude of the typical SI intervention. It cannot be ascertained to what extent this is a real cause of any shortcomings of the SI management and implementation system. However, the fact that this seems to be widely felt is a hampering factor in itself.
20. It is further noteworthy that stakeholders, even when mentioning inexperience with large-scale interventions within the administration, nevertheless refer positively to the experience gained with regard to the implementation of pre-accession interventions funded under Phare and ISPA. Also in this case, it is difficult with the available data and analysis to quantify or qualify the



positive effect of the Phare and ISPA experience. However, since it is widely acknowledged, it may be assumed that this puts a ‘floor’ of operational confidence under the system [ref: **Sub-section 5.2.4**].

21. There are capacity problems within most MAs and IBs related to the large number of unfilled and ‘inactive’ positions [ref: **Sub-section 5.2.4**]. In spite of the high level of visibility of these problems, coupled with a general awareness within the administration that something must be done to solve them, solutions have proved to be elusive to date. In the present economic climate and in the aftermath of the financial crisis, solutions will continue to be hard to find.
22. The staff turnover rate, by many thought to be very high, turns out to be within the bounds of the acceptable, averaging at less than 10% [ref: **Sub-section 3.1.1**]. This turnover rate may be considered acceptable, especially in view of the fact that the larger part of staff consist of younger persons, not afraid to try out different options and likely to switch jobs in search of the best possible career path.
23. The quality of the documentation of applicable procedures and processes is generally of high level. The relevant manuals are of good quality and are regularly updated [ref: **Sub-section 5.2.2**]. A possible exception concerns detailed, user-friendly business process documentation for SMIS.
24. The options open to MAs in case of non-performance of one or more of its IBs are few and largely limited to: (i) exhorting IBs to perform better; or (ii) taking back functions. Re-absorbing the executive functions delegated to those IBs, however, may aggravate the MA’s own existing capacity issues or may be the cause of a capacity problem emerging.
25. Lack of capacity can be a problem at those OPs where both the allocated grants/employee ratio and the expected projects/employee ratio are high. SOP IEC and SOP HRD are cases in point. This is a result of the fact that the methods of application evaluation and approval are very similar and take similar amounts of staff time, regardless of the number and value of applications under a given intervention.

## 6.4 Main Evaluation Question 2a – External Factors

26. Across the board, procurement procedures under the SI in Romania tend to be slow, due to complicated procurement legislation, interpretation differences and the ingrained habit of contesting selection procedure outcomes [ref: **Sub-section 3.1.3**].
27. The management and control procedures under Romanian law are stricter in places than the EU’s SI-related Financial Regulations stipulate [ref: **Sub-section 3.1.3**].
28. Beneficiary small and medium-sized enterprises in Romania continue to encounter difficulties in accessing the bridging loans necessary for pre-financing the external contributions under SI interventions, because of stricter lending policies of commercial banks in the aftermath of the financial crisis and during the current economic crisis [ref: **Sub-section 3.1.2**].
29. Beneficiaries of SI interventions tend to have low capacity for preparing applications, implementing programmes and meeting reporting requirements, aggravated by a lack of relevant training and the scarcity of application writers in the consultancy services market [ref: **Sub-section 3.1.4**].
30. Beneficiaries with the status of public entity tend to be not motivated to submit reimbursement claims in time, because of a lack of adverse consequences on their operational liquidity [ref: **Sub-section 3.1.4**].
31. SI implementation appears negatively affected by a series of overarching, policy-related factors, in particular a lack of correlation in strategic, legislative and financial terms. SI strategies (as embodied in the NSRF and the individual OPs) appear insufficiently anchored in the overall national development strategy. This leads to a lack of correlation between the legislation governing SI implementation and other, relevant pieces of national legislation. Illustrative in this context is the fact that, although efforts have been made to ensure pre-and

co-financing of projects through loans, this mechanism does not function smoothly in practice [ref: **Sub-sections 3.1.1, 3.1.2 & 3.1.3**].

32. No genuine human resources policy for administrative entities seems to have been designed and implemented, in spite of the fact that several training programmes – also targeting the MAs and national IBs – having been implemented over the past decade. Decisions related to staff numbers and the hiring and firing of staff appear not based on a clear assessment of the mandate and workload of the different departments in the administration. Recent decisions related to cutting MA/IBs staff numbers and salaries is likely to impact SI absorption negatively [ref: **Sub-section 3.1.1**].

## 6.5 Main Evaluation Question 2b – Internal Factors

33. A large majority of staff within the SI management and implementation system have relevant experience of some duration with regard to their duties [ref: **Sub-section 5.2.5**]. In addition, respondents to the questionnaire confirmed that they have built up a measure of experience. However, it also clear (mainly through interviews), that many staff feel the need for more experience and, in some case, specialist skills. This ambivalence suggests that there is an issue of scale involved. The lack of experience within the Romanian public administration with regard to implementing development programmes of the magnitude of the typical SI intervention has been noted [ref: **Section 5.3**]. The negative consequences of the institutional lack of experience are mitigated by individual experience and skills gained in the context of the (Phare-funded) pre-accession programmes. However, some time will clearly have to pass before the latter experience translates into smoothly functioning structures for SI management and implementation, through institutional reorganisation and simplification.
34. Many respondents – especially within the ROP-related entities – commented positively on essential structural experience gained by the Romanian administration from establishing and implementing pre-accession type (Phare, ISPA) structures and procedures [ref: **Sub-section 5.2.1**]. This is an important issue, because at the time of programming the relevant pre-accession support interventions – under Phare and ISPA 2004-06 – it was exactly this impact that was aimed for, without necessarily being seen as a guaranteed outcome.
35. MA and IB capacity problems resulting from large numbers of unfilled and ‘inactive’ positions [ref: **Sub-section 5.2.4**], have the attention of the authorities concerned, although there appears to be relatively little that can be done in the present economic climate. It also a question whether – apart from legal considerations – something can be done about this without making the acceptance of a public service position much more unattractive than it is already often perceived to be. There are limited ways to tackle effectively the unfilled and ‘inactive’ position problem.
36. Whatever capacity problems exist, they appear not directly related to staff turnover, not withstanding anecdotal counter-indications (interviews, focus groups). Judging by the records, staff turnover within most MAs and IBs is not especially high [ref: **Conclusion 22**]. Still, it does create difficulties and delays in OP implementation, especially in situations where MAs and IBs are forced – in the interest of the continuity of the programme – to assist beneficiaries with more complicated aspects of application preparation and reporting. This is a feature of some OPs [ref: **Sub-section 5.2.4**].
37. The fact that all MAs and many IBs form part of the structures of their respective ministries and are subject to those ministries’ internal operations and procedures [ref: **Sub-section 5.2.1**] is not the advantage it would prima facie appear to be (e.g. in Hungary and in Malta some IBs have been externalised in order to avoid potential conflict of interest and enhance efficiency). Differences between SI and internal procedures, combined with the fact that the SI entities have to compete for support services (legal, procurement, HR management and IT) [ref: **Sub-section 5.2.2**] within their ministry pose efficiency problems. MAs and IBs have tried to address these problems by various means (contact persons, dedicated staff within support sections), but these are not always as effective as expected. This may be partly the result of the

fact that SI-related incentives [ref: **Sub-section 5.2.2**] cause resentment on the part of ministry staff not receiving the same emoluments.

38. In those cases where IBs are not located in the same ministries as the MAs, problems of coordination and cooperation multiply [ref: **Sub-section 5.2.1**]. The cause of this is mainly that each ministry sets its own priorities and procedures, which cannot always be easily reconciled with those of other ministries. The vertical lines of responsibility cannot be avoided, which makes the horizontal cooperation that is often essential, difficult.
39. The problems resulting from internal factors are generally not related to a lack of procedures and regulations, or low quality documentation thereof. The quality of the manuals explaining the regulations and detailing the application of the procedures is generally good [ref: **Sub-section 5.2.2**]. The manuals for each MA and IB also cover the procedures pertaining to the cooperation with the support entities in as far as these are located within the same ministry. The manuals are typically well maintained and kept up-to-date.
40. There is a general reluctance on the part of MAs to 're-absorb' functions once they are delegated to IBs (except in cases of suspected fraud) [ref: **Sub-section 5.2.2**]. This may result in a situation in which an IB lives up to the letter of the framework agreement with its MAs, without observing the spirit of that agreement in the form the real client-service provider relationship envisaged in it and essential for efficient and effective implementation of interventions. The MA has few instruments to enforce good performance on the part of the IB.
41. The lack of instruments to enforce good performance is primarily a function of the fact that the financing of IBs is not dependent on their performance in terms of their framework agreement with the MA [ref: **Sub-section 5.2.2**]. At the level of individual staff members, remuneration is not linked to performance targets and paid irrespectively of the quality and quantity of work done.
42. In theory, MAs can terminate the framework agreement with an IB [ref: **Sub-section 5.2.2**], but in practice they would re-absorb delegated tasks in case of low performance by that IB. This practice does not contribute to further development of the operational capacity of the IB or the system at large, because it blurs the necessary separation of policy making, on the one hand, and execution, on the other hand. It also puts stress on the operational capacity of the MA itself and is therefore unsustainable in the longer term.

## 6.6 Main Evaluation Question 3 – TA Support

43. Salient SI-funded TA has so far not been used extensively due to the fact that there is still an overhang of pre-accession funds financed TA available at present. This overhang is about to be exhausted and it is likely that SI-funded TA under OPTA and the TA priority axes of each OP will meet with better demand in the period 2010-11 [ref: **Sub-section 5.4.2**].
44. Another reason for the low uptake of SI-funded TA is the reluctance to spend on such measures under the current budget constraints. It cannot be said at present when the co-financing situation will improve to the extent that more calls will be made on the SI-funded TA [ref: **Sub-section 5.4.2**].
45. The magnitude of the current balance of TA funds, combined with the time remaining until the expiry date of the SI, make for the fact that an annual amount in excess of 1 BRON will to have been committed in the years up to en-2013 to exhaust the TA budget available under the SI. It must be considered unlikely that it will be possible to absorb all TA funding, in spite of the fact that there is a clear need for the TA (studies, study tours, process development, twinning, adoption of best practice and specialist training) because of the current state of the SI management and implementation system [ref: **Sub-section 5.4.1**].
46. The slow uptake of SI-funded TA is another result of the difficult and slow procurement situation. The underlying causes consist of: (i) lack of experience and detailed knowledge required for ToR preparation; (ii) lack of human resources and time for the preparation of same; (iii) the difficulties of accessing legal and public procurement services existing within

ministries; and (iv) interference by procurement staff in the technical details of ToR [ref: **Sub-section 5.4.2**].

## 6.7 Main Evaluation Question 4 – Information and Publicity

47. Only a limited number of communication campaigns have been carried out, but that small number is not the main reason why SI progress is lagging behind expectations. The principal cause is the slow pace of approval and contracting I&P measures. Secondly, the slow progress of the I&P interventions financed under the SI can be explained by the fact that Phare assistance substantially supported the communication activities until the cut-off date, thus decreasing the motivation to use the SI resources [ref: **Sections 4.3 & 4.4 & 4.5**].
48. This slow approval and contracting pace will likely prove insufficient for a complete absorption of the funds allocated to I&P actions [ref: **Sections 4.3 & 4.4**].
49. Under ROP, SOP ENV, SOP HRD, SOP DAC and ETC, the I&P measures undertaken have been adequate for reaching the target groups, in line with the overall objectives outlined in the CP. In the case of SOP T, the I&P measures to date appear to have been insufficient for reaching the targeted audience. With regard to SOP IEC, additional I&P measures are likely to be necessary. OPTA has encountered difficulties in procuring I&P services, leading to delays in implementation [ref: **Section 4.4**].
50. It is apparent that ACIS has relatively little influence on the I&P measures taken under the various OPs. This adds to the difficulty of assessing the real impact of information and publicity. Moreover, the assessment of effectiveness of the I&P measures is hampered by a lack of coherent CPs objectives, a lack of consistency between CP, OP and FID indicators, a clear predominance of output indicators instead of result ones (with the exception of indicators concerning the awareness level among the potential beneficiaries), which prevents assessing the impact of I&P interventions, as well as a poor connection between the effects of I&P measures and the absorption process of the SI [ref: **Section 4.4**].

## 6.8 Main Evaluation Question 5 – Project Portfolio and Selection

51. Generally speaking, eligibility criteria have less emphasis than project selection criteria in terms of efficiency and effectiveness. The filtering function of the eligibility criteria in respect of project selection and portfolio compositions is typically limited to regulatory compliance and legal issues. It has generally not led to the technical or financial filtering of applications [ref: **Annex 8**].
52. The project selection criteria tend to reflect a much higher level of focus on both effectiveness and efficiency than the eligibility criteria. This increases the chances of having a larger and better range of project ideas for selection, although it places a significant burden on the organisational units dealing with the registration, as well as the administrative, eligibility and technical-financial evaluation of the applications [ref: **Annex 8**].
53. The achievement of objectives would benefit from improving the targeting of interventions through limiting the number of objectives an intervention has to address simultaneously. Two specific objectives per intervention must be considered a reasonable maximum [ref: **Sub-section 5.3.2; Table 77**].
54. In respect of effectiveness, there appear to be no monitoring tools for keeping track of how the major policy issues that should shape and inform all levels of programming (NSRF, OPs, Applicant Guides) are served by the selection projects and the composition of portfolios.
55. The effectiveness of interventions – and, ultimately, OPs and the NSRF at large – would be served by continuous assessment of the consistency of the objectives of the interventions. Such continuous assessment would also yield relevant information for the planning and design of future interventions.

56. In terms of efficiency, project selection and portfolio composition methods generally do not use internationally proven standards for counteracting the 'dead-weight' effect. Such might include a dedicated project for the selection of the potential group of beneficiaries by setting the eligibility and award criteria appropriately or the introduction of minimum and maximum grant sizes (using a scientific approach) for enabling developments whilst minimizing market distortion effects.

## 7. RECOMMENDATIONS

### 7.1 General Recommendations

1. ACIS, the MAs and IBs are recommended to improve data availability in respect of reporting, monitoring and evaluation of SI management and implementation [ref: **Conclusions 1-4**], by:
  - updating the SMIS in accordance with established and enforced procedures;
  - compulsory use of the SMIS, as a single source of information; and
  - ensuring access by the public on progress information through a dedicated website.
2. ACIS is recommended to undertake further improvement of the SMIS database, especially where it concerns information in respect of the dates of the main stages of the application process [ref: **Conclusion 3**].
3. ACIS and the MAs are recommended to ensure that the administrative requirements pertaining to SI management and implementation are generally proportional to the potential risk attaching to interventions [ref: **Conclusions 5 & 6**], through:
  - classification of interventions (e.g. simple, normal, complex), according to their total budgets, complexity and risk of the project implementation and sustainability;
  - a re-design of the project selection mechanism and bid selection criteria in such a way that they match the classification of interventions. Thus: simple interventions would be subject to automatic selection based only on eligibility criteria; normal interventions would be subject to the use of general calls for proposals, employing not only eligibility but also scored project selection criteria; and complex interventions would be subject to individual appraisal based on strict, preset criteria (involving for example feasibility studies, CBAs and other sophisticated justification methods).
4. ACIS is recommended to investigate – on the basis of the findings of individual OP-level interim evaluations – what options exist for funds re-allocation to counteract the effects of the current economic downturn, the perceived and projected absorption capacity of interventions and the demand registered by potential beneficiaries. This applies especially to issues such as allocation/concentration of funds and the balance of private/public targeting).

### 7.2 Main Evaluation Question 1a – Progress

5. ACIS and the MAs are recommended to prepare – in the course of the fourth quarter of 2010 and a deadline of 31 December 2010 – an additional (*Action Plan 2011-13*) for each OP for the period of 2011-2013, with a view to detailing the measures for ascertaining funds absorption [ref: **Conclusions 7-10**].
6. ACIS is recommended to develop measures in the form of a system of rewards and sanctions in respect of [ref: **Conclusions 11 & 30**]:
  - acceleration of payment processes in order to enable the full absorption of SI by the disbursement deadline set for the current programming period (i.e. 2015); and
  - enhancing public entities' motivation to seek reimbursement of pre-financed contributions.
7. ACIS, the MAs and IBs are advised to re-examine critically all interventions that have not been launched or showing limited progress (i.e. low demand from beneficiaries). Should it be concluded that interventions are not capable of achieving their targets, it is recommended that they be cancelled and the funds re-allocated to more promising interventions [ref: **Conclusions 12-17**].

### 7.3 Main Evaluation Question 1b – Capacity and Capability

8. ACIS, the MAs and IBs are recommended to continue to find the ways and means to fill the unfilled and ‘non-active’ positions – if necessary on a temporary basis with appropriate emoluments – to prevent the current lack of capacity and capability from continuing to hamper the implementation of the programmes and endanger funds absorption [ref: **Conclusions 19-21**].
9. ACIS, the MAs and the IBs are advised that the respective roles of MA and IB deserve clear separation and delineation. The MA focus more on policy and strategic issues, while the IB should be more responsible for operations at project level. The relationship between the MA and the IB would preferably be defined in terms of a contractual relationship between, respectively, ‘client’ and ‘provider’ [ref: **Conclusion 24**].
10. ACIS, the MAs and the IBs are recommended to design and introduce an ‘demand planning’-system to manage the timing of calls for proposals, thus forestalling excessive peaks in the receipt and processing of applications [ref: **Conclusion 25**].

### 7.4 Main Evaluation Question 2a – External Factors

11. Responsible policy makers and ACIS are recommended to carry out a revision of the public procurement legislation and regulatory framework in place, in order to ensure that the legislation and regulations does not themselves constitute a brake on the absorption of SI funds in Romania. The recommendations a number of studies on the subject carried out in recent years might fruitfully be used a basis for the revision [ref: **Conclusions 26 & 27**].
12. ACIS and relevant MAs are advised that there exists an urgent need for dedicated instruments designed to assist SMEs in getting access to SI funds. One of the measures it is recommended to adopt is to relieve SMEs of the necessity to provide liquidity-reducing pre-financing guarantees, especially in the case of small-budget, moderate-risk interventions [ref: **Conclusions 28 & 29**].
13. For the next programming period (post-2013), ACIS and other relevant entities are advised to ensure coherence between SI-related strategies, on the one hand, and national policies, programmes and measures for fostering socio-economic development, on the other hand. It is recommended to involve in the SI coordination mechanisms not only ACIS and the MAs, but also ministries not hosting an MA or IB. At the same time, regional coordination mechanisms (e.g. similar to the Regional Committee for Strategic Correlation and Appraisal) should be created or reinforced [ref: **Conclusion 31**].
14. The Government is advised to establish and implement a human resources policy for all administration entities at central level. The policy would capitalise on the very substantial training effort undertaken over the past ten years. It should encompass a thorough training needs analysis, based on career development and performance management tools. The resources necessary to implement the policy and evaluate its effectiveness and impact on a continuous basis should be provided. Decisions regarding staff hiring and remuneration are recommended to take into account real staff performance [ref: **Conclusion 32**].

### 7.5 Main Evaluation Question 2b – Internal Factors

15. ACIS, the MAs and the IBs are advised that especially the IBs should adopt and adhere to procedures and business processes suitable for the efficient and effective operation of SI interventions, even if these are different from the normal procedures and business processes within their host-entities (typically ministries). In the short-term this implies the separation of the IB within its host-entity. The separation in turns implies that the IB’s access to the host-entity’s support services should be made subject of a dedicated services agreement, specifying rights of access, service response times, costs and cost coverage [ref: **Conclusions 36-40**].

16. ACIS, the MAs and the IBs are advised particularly for the next programming period, that, whereas MAs would continue to resort within the ambit of the relevant line ministry, IBs might well be separated from their host-entities and reconstituted as professional services providers with quasi-independent status, carrying out their SI-related activities on a payment-basis under services agreements with MAs [ref: **Conclusions 38-40**].

## 7.6 Main Evaluation Question 3 – TA Support

17. ACIS, the MAs and IBs are recommended to make the most extensive use possible of the TA support available under the SI [ref: **Conclusion 43**].
18. In view of the current and likely persistent domestic budget constraints, ACIS and the MAs are recommended to explore the possibilities that may exist for utilising the externally financed part of TA allocations without or with reduced domestic co-financing, *inter alia* by expanding the list of eligible costs [ref: **Conclusion 44**].
19. ACIS and the MAs are recommended to conduct, with the participation of all IBs, a joint needs assessment to identify areas where TA can be brought to bear relatively quickly and with most effect, giving special attention to those operations not yet launched yet or lagging behind (e.g. specialised surveys in support of planned operations, market studies and development needs, external support for the preparation of *Action Plans 2011-13* for each OP, workshops and consultations with stakeholders in the context of elaborating calls for proposals, thematic evaluations and case studies of examples of good practice [ref: **Conclusion 45**].
20. ACIS and the MAs are recommended to stress the need for increased TA utilisation under each OP, including OPTA, when reviewing the *Implementation Framework Documents* and preparing the *Action Plans 2011-13* [ref: **Conclusion 46**].

## 7.7 Main Evaluation Question 4 – Information and Publicity

21. Policy makers, ACIS and the MAs are recommended to update the National Strategy for Communication, as well as their respective Communications Plans, *inter alia* on the basis of the findings of the interim evaluations of the OPs carried out in the period 2009-10 [ref: **Conclusions 47 & 50**].
22. ACIS and the MAs are recommended to improve the measurability of the Communications Plans' achievements by setting up realistic, clear and coherent objectives, as well as a comprehensive S.M.A.R.T indicators system, based on adequately benchmarked targets. Clear identification of the indicators used to monitor the accomplishment of each specific objective will substantially enhance assessment of results and objective achievement (i.e. effectiveness of the information and publicity interventions) [ref: **Conclusions 47 & 50**].
23. Given the fact that the Phare assistance has been extensively used to finance the information and publicity measures, ACIS and the MAs are recommended to update the indicators set out in Communication Plans by taking into account the results of previous support under the pre-accession instruments and removing any obsolete activities (e.g. issuing of brochures, leaflets or Visual Identity Manuals) [ref: **Conclusion 47**].
24. Strictly observing the proportionality principle (i.e. by ensuring that only a limited number of indicators is included in the OPs), ACIS and the MAs are recommended to improve the coherence and consistency of the indicators established in Communication Plans and those set out in OPs and FIDs, with a view to avoid duplication of effort [ref: **Conclusions 47 & 50**].
25. ACIS and the MAs are recommended to measure by means of surveys (promotion activities) or questionnaires (information activities) the impact of information and publicity actions, on a regular basis. In the case of information activities, information on issues such as the number of training participants submitting applications and the number of successful applicants who



benefited from previous training should be pursued, in addition to end-of course participant satisfaction questionnaires [ref: **Conclusions 48 & 50**].

26. ACIS and the MAs are recommended to tailor information and publicity measures to the need for reaching more potential beneficiaries of interventions with low popularity ratios [ref: **Conclusion 50**].

## **7.8 Main Evaluation Question 5 – Project Portfolio and Selection**

27. With regard to future calls for proposals, it is recommended that MAs and IBs ensure that eligibility criteria play a more important role than project selection criteria in the process of filtering applications. This can be done through improved identification of types of potential applicants and the formulation of more sophisticated criteria [ref: **Conclusions 51 & 52**].
28. MAs and IBs are advised that better targeting can be achieved through more precise interpretation of the objectives of NSRF thematic priorities. The *Action Plan 2011-13* provides the basis for that improved interpretation [ref: **Conclusion 54**].
29. ACIS, MAs and IBs are recommended to make more use of the *Framework Implementation Document* for the purpose of ensuring that major policy issues influence and form the basis for programming interventions at all levels (NSRF, OPs, Applicant Guides) [ref: **Conclusions 55 & 56**].

# ANNEXES

## Annex 1 – Basic Progress Table

| OP           | Priority name                     | Allocation 2007-13 |              |            |               | Requested grants |            |              |              | Approved grants |            |            |            | Contracted grants |   |     |   | Advance payments |   |     |   | Paid grants |   |     |  |
|--------------|-----------------------------------|--------------------|--------------|------------|---------------|------------------|------------|--------------|--------------|-----------------|------------|------------|------------|-------------------|---|-----|---|------------------|---|-----|---|-------------|---|-----|--|
|              |                                   | m RON              |              | pcs        |               | m RON            |            | pcs          |              | m RON           |            | pcs        |            | m RON             |   | pcs |   | m RON            |   | pcs |   | m RON       |   | pcs |  |
| ROP          | Growth poles                      | 5 862              | 2 443        | 223        | 11,0          | 0                | 0          | -            | 0            | 0               | 0          | 0          | 0          | 0                 | 0 | 0   | 0 | 0                | 0 | 0   | 0 | 0           | 0 | 0   |  |
|              | Regional, local transport infr.   | 3 694              | 8 502        | 274        | 31,0          | 2 900            | 83         | 34,9         | 2 067        | 63              | 486        | 60         | 81         | 32                |   |     |   |                  |   |     |   |             |   |     |  |
|              | Social infrastructure             | 2 771              | 1 943        | 361        | 5,4           | 368              | 68         | 5,4          | 66           | 9               | 5          | 7          | 17         | 4                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Business environment              | 2 991              | 852          | 812        | 1,0           | 248              | 357        | 0,7          | 87           | 253             | 0          | 0          | 29         | 140               |   |     |   |                  |   |     |   |             |   |     |  |
|              | Tourism                           | 2 599              | 2 154        | 271        | 7,9           | 545              | 52         | 10,5         | 151          | 9               | 21         | 3          | 1          | 1                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Technical assistance              | 554                | 81           | 19         | 4,3           | 81               | 19         | 4,3          | 81           | 19              | 1          | 6          | 15         | 18                |   |     |   |                  |   |     |   |             |   |     |  |
| SOP ENV      | Water and wastewater              | 13 763             | 3 850        | 10         | 385,0         | 3 850            | 10         | 385,0        | 2 056        | 6               | 229        | 4          | 12         | 3                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Waste management                  | 4 920              | 139          | 1          | 138,9         | 139              | 1          | 138,9        | 139          | 1               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Pollution, climate change         | 1 932              | -            | -          | -             | 0                | -          | -            | -            | -               | -          | -          | -          | -                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Nature protection                 | 906                | 443          | 83         | 5,3           | 35               | 21         | 1,7          | 2            | 3               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Natural risk prevention           | 1 387              | -            | -          | -             | 0                | -          | -            | -            | -               | -          | -          | -          | -                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Technical assistance              | 733                | 79           | 16         | 5,0           | 29               | 10         | 2,9          | 29           | 10              | 0          | 0          | 8          | 5                 |   |     |   |                  |   |     |   |             |   |     |  |
| SOP T        | TEN-T                             | 16 243             | 2 058        | 5          | 411,7         | 0                | 0          | -            | 0            | 0               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | National transport infr.          | 5 888              | 1 176        | 9          | 130,7         | 58               | 3          | 19,3         | 58           | 3               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Modernization of transport sector | 1 361              | 119,6        | 9,0        | 13,3          | 31               | 2          | 15,4         | 0,8          | 1               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Technical Assistance              | 517                | 6            | 10         | 0,6           | 5                | 8          | 0,6          | 3,3          | 7               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
| SOP IEC      | Productive system                 | 4 550              | 4 164        | 2 140      | 1,9           | 874              | 607        | 1,4          | 588          | 485             | 0          | 0          | 402        | 1                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | RDI                               | 2 723              | 3 978        | 567        | 7,0           | 760              | 76         | 10,0         | 650          | 54              | 59         | 10         | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | ICT                               | 1 978              | 1 052        | 681        | 1,5           | 78               | 135        | 0,6          | 73           | 44              | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Energy                            | 3 057              | 1 362        | 57         | 23,9          | 276              | 14         | 19,7         | 0            | 0               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Technical assistance              | 379                | 39           | 26         | 1,5           | 31               | 21         | 1,5          | 0            | 0               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
| SOP HRD      | Education and training            | 4 179              | 2 866        | 760        | 3,8           | 1 195            | 216        | 5,5          | 848          | 108             | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Life long learning                | 4 177              | 1 857        | 809        | 2,3           | 394              | 164        | 2,4          | 253          | 93              | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Workers and enterprises           | 2 190              | 3 019        | 999        | 3,0           | 689              | 270        | 2,6          | 460          | 154             | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Public Employment Service         | 992                | 220          | 34         | 6,5           | 111              | 19         | 5,8          | 96           | 17              | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Employment measures               | 2 289              | 981          | 338        | 2,9           | 235              | 84         | 2,8          | 201          | 58              | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Social inclusion                  | 2 714              | 1 832        | 311        | 5,9           | 640              | 73         | 8,8          | 414          | 51              | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Technical assistance              | 689                | -            | -          | -             | 0                | -          | -            | -            | -               | -          | -          | -          | -                 |   |     |   |                  |   |     |   |             |   |     |  |
| OP ACD       | Public policy                     | 577                | 290          | 207        | 1,4           | 87               | 41         | 2,1          | 45           | 30              | 1          | 11         | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Public services                   | 412                | 102          | 138        | 0,7           | 9                | 2          | 4,5          | 5            | 1               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Technical Assistance              | 47                 | 8            | 8          | 1,0           | 8                | 7          | 1,1          | 8            | 7               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
| OP TA        | Implementation, coordination      | 436                | 74           | 13         | 5,7           | 59               | 9          | 6,5          | 55           | 8               | 0          | 0          | 0          | 1                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | SMIS                              | 281                | 6            | 2          | 2,9           | 6                | 2          | 2,9          | 6            | 2               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Dissemination, promotion          | 179                | 15           | 1          | 14,7          | 15               | 1          | 14,7         | 0            | 0               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
| ETC RO-BG    | Accessibility                     | 398                | 6            | 9          | 0,7           | 4                | 5          | 0,8          | 0            | 0               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Environment                       | 377                | 18           | 26         | 0,7           | 13               | 13         | 1,0          | 0            | 0               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Economic and Social Development   | 237                | 33           | 56         | 0,6           | 16               | 26         | 0,6          | 0            | 0               | 0          | 0          | 0          | 0                 |   |     |   |                  |   |     |   |             |   |     |  |
|              | Technical assistance              | 85                 | 1            | 3          | 0,5           | 1                | 3          | 0,5          | 1            | 3               | 0          | 0          | 0          | 3                 |   |     |   |                  |   |     |   |             |   |     |  |
| <b>Total</b> | <b>99 067</b>                     | <b>45 768</b>      | <b>9 288</b> | <b>4,9</b> | <b>13 786</b> | <b>2 422</b>     | <b>5,7</b> | <b>8 443</b> | <b>1 499</b> | <b>802</b>      | <b>101</b> | <b>565</b> | <b>208</b> |                   |   |     |   |                  |   |     |   |             |   |     |  |

| OP               | Allocation 2007-13 |  |               |  | Requested grants |  |            |  | Approved grants |  |              |  | Contracted grants |  |              |  | Advance payments |  |            |  | Paid grants |  |            |  |            |  |
|------------------|--------------------|--|---------------|--|------------------|--|------------|--|-----------------|--|--------------|--|-------------------|--|--------------|--|------------------|--|------------|--|-------------|--|------------|--|------------|--|
|                  | m RON              |  | pcs           |  | m RON            |  | pcs        |  | m RON           |  | pcs          |  | m RON             |  | pcs          |  | m RON            |  | pcs        |  | m RON       |  | pcs        |  |            |  |
| <b>ROP</b>       | 18 470             |  | 15 975        |  | 1 960            |  | 8,2        |  | 4 142           |  | 579          |  | 7,2               |  | 2 453        |  | 353              |  | 513        |  | 76          |  | 142        |  | 195        |  |
| <b>SOP ENV</b>   | 23 641             |  | 4 511         |  | 110              |  | 41,0       |  | 4 053           |  | 42           |  | 96,5              |  | 2 226        |  | 20               |  | 229        |  | 4           |  | 20         |  | 8          |  |
| <b>SOP T</b>     | 24 007             |  | 3 360         |  | 33               |  | 101,8      |  | 93              |  | 13           |  | 7,2               |  | 62           |  | 11               |  | 0          |  | 0           |  | 0          |  | 0          |  |
| <b>SOP IEC</b>   | 12 687             |  | 10 595        |  | 3 471            |  | 3,1        |  | 2 018           |  | 853          |  | 2,4               |  | 1 311        |  | 583              |  | 59         |  | 10          |  | 402        |  | 1          |  |
| <b>SOP HRD</b>   | 17 231             |  | 10 773        |  | 3 251            |  | 3,3        |  | 3 262           |  | 826          |  | 3,9               |  | 2 271        |  | 481              |  | 0          |  | 0           |  | 0          |  | 0          |  |
| <b>OP ACD</b>    | 1 037              |  | 400           |  | 353              |  | 1,1        |  | 103             |  | 50           |  | 2,1               |  | 58           |  | 38               |  | 1          |  | 11          |  | 0          |  | 0          |  |
| <b>OP TA</b>     | 897                |  | 95            |  | 16               |  | 5,9        |  | 79              |  | 12           |  | 6,6               |  | 61           |  | 10               |  | 0          |  | 0           |  | 0          |  | 1          |  |
| <b>ETC RO-BG</b> | 1 097              |  | 59            |  | 94               |  | 0,6        |  | 34              |  | 47           |  | 0,7               |  | 1            |  | 3                |  | 0          |  | 0           |  | 0          |  | 3          |  |
| <b>Total</b>     | <b>99 067</b>      |  | <b>45 768</b> |  | <b>9 288</b>     |  | <b>4,9</b> |  | <b>13 786</b>   |  | <b>2 422</b> |  | <b>5,7</b>        |  | <b>8 443</b> |  | <b>1 499</b>     |  | <b>802</b> |  | <b>101</b>  |  | <b>565</b> |  | <b>208</b> |  |

## Annex 2 – DCA: Basic Table by OP Priority Axis

| OP           | Priority name                     | Allocation<br>2007-2013 | Requested grant             |               |                                   |               |                                |  | Approved<br>grant | Contracted<br>grant | Paid grant          |                    |                    |
|--------------|-----------------------------------|-------------------------|-----------------------------|---------------|-----------------------------------|---------------|--------------------------------|--|-------------------|---------------------|---------------------|--------------------|--------------------|
|              |                                   |                         | Total<br>requested<br>grant | Processed     | Passed<br>administrative<br>check | Processed     | Passed<br>eligibility<br>check | Passed<br>financial and<br>technical<br>assessment | Approved<br>grant | Contracted<br>grant | Total paid<br>grant | Advance<br>payment | Reimburse-<br>ment |
|              |                                   |                         | mRON                        | mRON          | mRON                              | mRON          | mRON                           | mRON   | mRON              | mRON                | mRON                | mRON               | mRON               |
| ROP          | Growth poles                      | 5 862                   | 2 443                       | 2 443         | 2 443                             | 2 242         | 2 169                          | 90   | 0                 | 0                   | 0                   | 0                  | 0                  |
|              | Regional, local transport infr.   | 3 694                   | 8 502                       | 8 502         | 8 502                             | 7 986         | 7 621                          | 6 667  | 2 900             | 2 067               | 567                 | 486                | 81                 |
|              | Social infrastructure             | 2 771                   | 1 943                       | 1 903         | 1 903                             | 1 740         | 1 685                          | 1 376  | 368               | 66                  | 22                  | 5                  | 17                 |
|              | Business environment              | 2 991                   | 852                         | 852           | 852                               | 681           | 599                            | 522  | 248               | 87                  | 29                  | 0                  | 29                 |
|              | Tourism                           | 2 599                   | 2 154                       | 2 154         | 2 154                             | 1 794         | 1 617                          | 1 412  | 545               | 151                 | 22                  | 21                 | 1                  |
|              | Technical assistance              | 554                     | 81                          | 81            | 81                                | 81            | 81                             | 81   | 81                | 81                  | 16                  | 1                  | 15                 |
| SOP ENV      | Water and wastewater              | 13 763                  | 3 850                       | 3 850         | 3 850                             | 3 850         | 3 850                          | 3 850  | 3 850             | 2 056               | 241                 | 229                | 12                 |
|              | Waste management                  | 4 920                   | 139                         | 139           | 139                               | 139           | 139                            | 139  | 139               | 139                 | 0                   | 0                  | 0                  |
|              | Pollution, climate change         | 1 932                   | -                           | -             | -                                 | -             | -                              | -  | 0                 | -                   | 0                   | -                  | -                  |
|              | Nature protection                 | 906                     | 443                         | 443           | 443                               | 253           | 247                            | 245  | 35                | 2                   | 0                   | 0                  | 0                  |
|              | Natural risk prevention           | 1 387                   | -                           | -             | -                                 | -             | -                              | -  | 0                 | 0                   | 0                   | -                  | -                  |
|              | Technical assistance              | 733                     | 79                          | 79            | 79                                | 79            | 79                             | 79   | 29                | 29                  | 8                   | 0                  | 8                  |
| SOP T        | TEN-T                             | 16 243                  | 2 058                       | 2 058         | 2 058                             | 2 058         | 1 354                          | 491  | 0                 | 0                   | 0                   | 0                  | 0                  |
|              | National transport infr.          | 5 888                   | 1 176                       | 1 176         | 1 176                             | 1 137         | 1 101                          | 425  | 58                | 58                  | 0                   | 0                  | 0                  |
|              | Modernization of transport sector | 1 361                   | 120                         | 120           | 120                               | 94            | 87                             | 44   | 31                | 1                   | 0                   | 0                  | 0                  |
|              | Technical Assistance              | 517                     | 6                           | 6             | 6                                 | 5             | 5                              | 5  | 5                 | 3                   | 0                   | 0                  | 0                  |
| SOP IEC      | Productive system                 | 4 550                   | 4 164                       | 3 929         | 2 842                             | 2 841         | 2 654                          | 1 511  | 874               | 588                 | 402                 | 0                  | 402                |
|              | RDI                               | 2 723                   | 3 978                       | 2 816         | 2 809                             | 2 686         | 2 684                          | 805  | 760               | 650                 | 59                  | 59                 | 0                  |
|              | ICT                               | 1 978                   | 1 052                       | 1 039         | 990                               | 990           | 981                            | 805  | 78                | 73                  | 0                   | 0                  | 0                  |
|              | Energy                            | 3 057                   | 1 362                       | 1 362         | 842                               | 751           | 523                            | 276  | 276               | 0                   | 0                   | 0                  | 0                  |
|              |                                   | Technical assistance    | 379                         | 39            | 39                                | 39            | 39                             | 39   | 31                | 31                  | 0                   | 0                  | 0                  |
| SOP HRD      | Education and training            | 4 179                   | 2 866                       | n.a.          | n.a.                              | n.a.          | n.a.                           | n.a.   | 1 195             | 848                 | 0                   | 0                  | 0                  |
|              | Life long learning                | 4 177                   | 1 857                       | n.a.          | n.a.                              | n.a.          | n.a.                           | n.a.   | 394               | 253                 | 0                   | 0                  | 0                  |
|              | Workers and enterprises           | 2 190                   | 3 019                       | n.a.          | n.a.                              | n.a.          | n.a.                           | n.a.   | 689               | 460                 | 0                   | 0                  | 0                  |
|              | Public Employment Service         | 992                     | 220                         | n.a.          | n.a.                              | n.a.          | n.a.                           | n.a.   | 111               | 96                  | 0                   | 0                  | 0                  |
|              | Employment measures               | 2 289                   | 981                         | n.a.          | n.a.                              | n.a.          | n.a.                           | n.a.   | 235               | 201                 | 0                   | 0                  | 0                  |
|              | Social inclusion                  | 2 714                   | 1 832                       | n.a.          | n.a.                              | n.a.          | n.a.                           | n.a.   | 640               | 414                 | 0                   | 0                  | 0                  |
|              | Technical assistance              | 689                     | -                           | n.a.          | n.a.                              | n.a.          | n.a.                           | n.a.   | 0                 | -                   | 0                   | -                  | -                  |
| OP ACD       | Public policy                     | 577                     | 290                         | 290           | 290                               | 287           | 241                            | 122  | 87                | 45                  | 1                   | 1                  | 0                  |
|              | Public services                   | 412                     | 102                         | 102           | 102                               | 74            | 64                             | 9  | 9                 | 5                   | 0                   | 0                  | 0                  |
|              | Technical Assistance              | 47                      | 8                           | 8             | 8                                 | 8             | 8                              | 8  | 8                 | 8                   | 0                   | 0                  | 0                  |
| OP TA        | Implementation, coordination      | 436                     | 74                          | 74            | 74                                | 66            | 66                             | 61   | 59                | 55                  | 0                   | 0                  | 0                  |
|              | SMIS                              | 281                     | 6                           | 6             | 6                                 | 6             | 6                              | 6  | 6                 | 6                   | 0                   | 0                  | 0                  |
|              | Dissemination, promotion          | 179                     | 15                          | 15            | 15                                | 15            | 15                             | 15   | 15                | 0                   | 0                   | 0                  | 0                  |
| ETC RO-BG    | Accessibility                     | 398                     | 6                           | 6             | 5                                 | 5             | 5                              | 5  | 4                 | 0                   | 0                   | 0                  | 0                  |
|              | Environment                       | 377                     | 18                          | 18            | 17                                | 17            | 14                             | 13   | 13                | 0                   | 0                   | 0                  | 0                  |
|              | Economic and Social Development   | 237                     | 33                          | 33            | 25                                | 25            | 23                             | 22   | 16                | 0                   | 0                   | 0                  | 0                  |
|              | Technical assistance              | 85                      | 1                           | 1             | 1                                 | 1             | 1                              | 1  | 1                 | 1                   | 0                   | 0                  | 0                  |
| <b>TOTAL</b> |                                   | <b>99 067</b>           | <b>45 768</b>               | <b>33 544</b> | <b>31 871</b>                     | <b>29 950</b> | <b>27 957</b>                  | <b>19 116</b>                                      | <b>13 786</b>     | <b>8 443</b>        | <b>1 366</b>        | <b>802</b>         | <b>565</b>         |

| OP name      | Allocation<br>2007-2013 | Requested grant             |               |                                   |               |                                |  | Approved<br>grant | Contracted<br>grant | Paid grant          |                    |                    |            |
|--------------|-------------------------|-----------------------------|---------------|-----------------------------------|---------------|--------------------------------|--|-------------------|---------------------|---------------------|--------------------|--------------------|------------|
|              |                         | Total<br>requested<br>grant | Processed     | Passed<br>administrative<br>check | Processed     | Passed<br>eligibility<br>check | Passed<br>financial and<br>technical<br>assessment | Approved<br>grant | Contracted<br>grant | Total paid<br>grant | Advance<br>payment | Reimburse-<br>ment |            |
|              |                         | mRON                        | mRON          | mRON                              | mRON          | mRON                           | mRON   | mRON              | mRON                | mRON                | mRON               | mRON               |            |
| ROP          | 18 470                  | 15 975                      | 15 935        | 15 935                            | 14 524        | 13 772                         | 10 148   | 4 142             | 2 453               | 656                 | 513                | 142                |            |
| SOP ENV      | 23 641                  | 4 511                       | 4 511         | 4 511                             | 4 321         | 4 315                          | 4 313  | 4 053             | 2 226               | 249                 | 229                | 20                 |            |
| SOP T        | 24 007                  | 3 360                       | 3 360         | 3 360                             | 3 295         | 2 547                          | 965  | 93                | 62                  | 0                   | 0                  | 0                  |            |
| SOP IEC      | 12 687                  | 10 595                      | 9 184         | 7 522                             | 7 307         | 6 881                          | 3 428  | 2 018             | 1 311               | 461                 | 59                 | 402                |            |
| SOP HRD      | 17 231                  | 10 773                      | n.a.          | n.a.                              | n.a.          | n.a.                           | n.a.   | 3 262             | 2 271               | 157                 | 0                  | 0                  |            |
| OP ACD       | 1 037                   | 400                         | 400           | 400                               | 368           | 313                            | 138  | 103               | 58,16               | 0,785               | 1                  | 0                  |            |
| OP TA        | 897                     | 95                          | 95            | 95                                | 87            | 87                             | 82   | 79                | 61                  | 0                   | 0                  | 0                  |            |
| ETC RO-BG    | 1 097                   | 59                          | 59            | 47                                | 47            | 43                             | 41   | 34                | 1                   | 0                   | 0                  | 0                  |            |
| <b>TOTAL</b> |                         | <b>99 067</b>               | <b>45 768</b> | <b>33 544</b>                     | <b>31 871</b> | <b>29 950</b>                  | <b>27 957</b>                                      | <b>19 116</b>     | <b>13 786</b>       | <b>8 443</b>        | <b>1 524</b>       | <b>802</b>         | <b>565</b> |

### Annex 3 – Categorisation of Beneficiaries

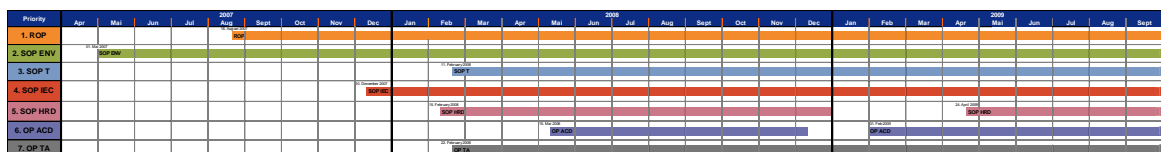
| Legal status name   | Category      | Subcategory                        |
|---|---------------|------------------------------------|
| Association for intercommunity development                              | <b>Public</b> | Public administration              |
| Authority of central public administration                              |               |                                    |
| Authority of local public administration                                |               |                                    |
| County council  |               |                                    |
| Institution of central public administration                            |               |                                    |
| Institution of local public administration                              |               |                                    |
| Local council   |               |                                    |
| Public unit subordinated by the central public administration authority |               |                                    |
| Public unit subordinated by the local public administration authority   |               |                                    |
| Cultural institution  |               | Other public financed organisation |
| Institution of higher education   |               |                                    |
| Library   |               |                                    |
| Public legal entity   |               |                                    |
| Public sanitary unit  |               |                                    |
| Public universities   |               |                                    |
| Regional operator   |               |                                    |
| Research institution  |               |                                    |
| Supervisor/administrator of protected natural area                      |               |                                    |
| Jeremie   |               |                                    |

| Legal status name                       | Category       | Subcategory |
|---|----------------|-------------|
| Small enterprise                        | <b>Private</b> | SME         |
| Medium enterprise                       |                |             |
| Micro enterprise                        |                |             |
| Large enterprise                        |                | Enterprise  |
| Private legal entity                    |                |             |
| Nongovernmental-non-profit organisation |                |             |

## Annex 4 – NSRF Call for Proposals: Schedule

The figure below illustrates the periods of time when there were applications open and accessible to potential beneficiaries in the respective OPs. This figure entails two important issues:

- the timing of the launch of the first calls in each OP; and
- periods when there was not opportunity for submitting applications.



## Annex 5 – Projects Financed Through the TA Priority Axis of each OP

| Nr. | Proiecte  | Beneficiar | Contracte / tipul de cheltuieli individuale  | Indicatorii de monitorizare și evaluare AT și țintele care urmează să fie obținute prin contractele de achiziții  |  | Valoare totală eligibilă (RON)   |
|-----|---|------------|--|---|--|--|
|     |   |            |  | Denumire indicator  | Țintă  |  |
| 1   | Sprrijirea activităților de informare și publicitate pentru implementarea POR 2007-2013, Decizia de finanțare – 2.657.060,23 lei – finalizare 30.06.2009  | AM POR     | <p>Servicii de organizare de evenimente pentru promovarea POR LOT I</p> <p>Servicii de administrarea și designul site-ului www.inforegio.ro</p> <p>Achiziție spațiu media - Internet</p> <p>Achiziție spațiu media – presa scrisă</p> <p>Realizarea bannerelor electronice Regio</p> <p>Servicii organizare de evenimente pentru potențialii beneficiari Regio LOT II</p> <p>Achiziție servicii de realizare sondaj de opinie</p> <p>Servicii de realizare concepție grafică, machetare și tiparare publicații (materialele suport de informare POR) și realizare materiale promoționale</p> | <p>campanii mass-media, evenimente de comunicare și promovare, materiale de informare și publicitate, nivel de conștientizare a publicului privind POR</p>  | <p>campanii mass-media-1, evenimente de comunicare și promovare-18, materiale de informare și publicitate-14400</p>  | <p>266.007</p> <p>30.031</p> <p>430.669</p> <p>460.455</p> <p>5.964</p> <p>176.145</p> <p>127.395</p> <p>697.900</p> |
| 2   | „Srijin pentru implementarea eficienta a activitatilor de informare si publicitate din Planul de Comunicare pentru Programul Operational Regional 2007 – 2013 la nivelul Regiunii Vest” - 925.566.55 lei (valoarea totala) – finalizat 31.12.2009 | ADR V      | Contracte / cheltuieli aferente categoriei   | nr. campanii media, nr. evenimente de comunicare și promovare, nr. materiale de informare si publicitate, nr. ghiduri și alte documente metodologice  | nr. campanii media -1, nr. evenimente de comunicare și promovare - 37, nr. materiale de informare si publicitate -25398, nr. ghiduri și alte documente metodologice -3200  | <p>3.150</p> <p>18.714</p>   |
| 3   | Promovarea Programului Operational Regional 2007 - 2013 la nivelul regiunii Sud Vest Oltenia – 580.625.99 (valoarea totala) lei – finalizat 31.12.2009  | ADR SV     | Contracte / cheltuieli aferente categoriei   | nr. campanii media, nr. evenimente de comunicare și promovare, nr. materiale de informare si publicitate  | nr. campanii media - 1 nr. evenimente de comunicare și promovare - 42, nr. materiale de informare si publicitate -5200   | 16.209   |
| 4   | „ Srijin pentru OI din cadrul ADR Centru in informarea și publicitatea la nivel regional privind POR 2007 - 2013 ” - 1.153.522 lei (valoarea totala) – finalizat 31.12.2009   | ADR Centru | Contracte / cheltuieli aferente categoriei   | nr. materiale de informare și publicitate, nr. evenimente de comunicare și promovare, nr. campanii mass-media   | nr. materiale de informare și publicitate -34624, nr. evenimente de comunicare și promovare -81, nr. campanii mass-media -1  | <p>112.387</p> <p>110.699</p> <p>622.990</p>   |
| 5   | Srijin acordat ADR NE in calitate de OI in vederea implementarii planului de comunicare pentru POR in perioada 2007-2009 – 1.133.693 lei (valoarea totala)–finalizat 31.12.2009   | ADR NE     | Contracte / cheltuieli aferente categoriei   | Nr. evenimente de comunicare și promovare, nr. sesiuni de instruire organizate de OI pentru potențialii beneficiari, nr. materiale de informare și publicitate  | Nr. evenimente de comunicare și promovare -35, nr. sesiuni de instruire organizate de OI pentru potențialii beneficiari-24, nr. materiale de informare și publicitate -9908  | <p>89.211</p> <p>26.847</p> <p>89.500</p> <p>58.606</p> <p>632.700</p>   |
| 6   | Srijin acordat ADR SM /OI pentru activitatile de informare si publicitate aferente POR 2007-2013- 1.231.412 lei (valoarea totala) - finalizare 31.12.2009   | ADR SM     | Contracte / cheltuieli aferente categoriei   |   |  | <p>44.030</p> <p>0</p> <p>0</p> <p>210.630</p> <p>536.690</p>  |
| 7   | Srijin pentru informarea si publicitatea privind POR in regiunea NV in perioada 2007-2009 – 1.166.779.53 (valoarea totala) lei –finalizat 31.12.2009  | ADR NV     | Contracte / cheltuieli aferente categoriei   | nr. campanii mass media   | nr. campanii mass media -1, sesiuni de instruire organizate de OI pentru potențialii beneficiari -22   | <p>90.165</p> <p>582.172</p>   |
| 8   | Srijin pentru ADR SE in vederea implementarii POR 2007 -2013 in regiunea SE - 445.900 lei (valoarea totala) -finalizat 31.12.2009   | SE         | Contracte / cheltuieli aferente categoriei   | nr. sesiuni de instruire organizate de OI pentru potențialii beneficiari Participanți (medie), nr. sesiuni de instruire organizate de OI pentru potențialii beneficiari - materiale de informare și publicitate | nr. sesiuni de instruire organizate de OI pentru potențialii beneficiari Participanți (medie) -15, nr. sesiuni de instruire organizate de OI pentru potențialii beneficiari - materiale de informare și publicitate (nr.) -11150 | <p>42.500</p> <p>376.900</p>   |
| 9   | Pro - Regio Bucuresti Ilfov – 2.027.846 lei (valoarea totala) - B143finalizare 31.12.2009   | ADR BI     | Contracte / cheltuieli aferente categoriei   | nr. evenimente de comunicare și promovare nr. materiale de informare si promovare produse si distribuite  | 29 evenimente organizate, 35000 de materiale realizate si distribuite  | <p>68.000</p> <p>46.000</p> <p>1.063.168</p>   |

| Nr.                  | Proiecte   | Beneficiar          | Contracte / tipul de cheltuieli individuale  | Indicatorii de monitorizare și evaluare AT și țintele care urmează să fie obținute prin contractele de achiziții   |   | Valoare totală eligibilă (RON)             |
|----------------------|--|---------------------|--|--|---|--|
|                      |  |                     |  | Denumire indicator   | Țintă   |  |
| <b>POS DCA</b>       |  |                     |  |  |   |  |
| 1                    | Cheltuieli cu lansarea cererilor de proiecte PO DCA                                      | AM PO DCA           | cheltuieli de protocol   | Evenimente de promovare și comunicare  | 3   | 24.266                                     |
| 2                    | Cheltuieli cu seminar de training al beneficiarilor PO DCA                               | AM PO DCA           | cheltuieli de personal   | Evenimente de promovare și comunicare<br>Zile participant la instruire   | 1<br>120  | 5.852                                      |
| <b>POS CCE</b>       |  |                     |  |  |   |  |
| 1                    | Sprrijinirea activitatilor de comunicare/publicitate pentru Axa prioritara 2 din POS-CCE | ANCS - Oi Cercetare | Servicii de campanie de publicitate, in vederea informarii si promovarii oportunitatilor de finantare prin Axa prioritara 2 a POS-CCE, in cadrul unor evenimente   | Nr de conferinte/seminarii   | 60  | 359.705                                    |
| 2                    | Achiziția de servicii de publicitate   | MCSI - OIPSI        | Achiziția de servicii de publicitate   | Anunturi in presa  | 12  | 196.800                                    |
| 3                    | Achiziția de produse promoționale  | MCSI - OIPSI        | Achiziția de produse promoționale  | Nr. broșuri<br>Nr. CD-uri<br>Nr. pliante<br>Nr. afise<br>Nr. agende personalizate<br>Nr. mape de prezentare<br>Nr. Roll up-uri<br>Nr. bannere<br>Nr. pixuri personalizate                                    | 4340<br>3600<br>4680<br>6000<br>500<br>5000<br>10<br>10<br>3000 | 103.376                                    |
| <b>POS DRU</b>       |  |                     |  |  |   |  |
| 1                    | Conferință națională anuală privind implementarea POSDRU 2007-2013 în România - 2009     | AM POS DRU          | Conferință națională anuală privind implementarea POSDRU 2007-2013 în România - 2009   | Număr de evenimente de comunicare și promovare<br>Număr de materiale de informare și publicitate tipărite<br>Număr participanți la evenimente de comunicare și promovare                                     | 1<br>4050<br>353  | 257.635                                    |
| 2                    | POSDRU/7/7.2/01 "Campanie națională de informare publică pentru promovarea POS DRU"      | AM POS DRU          | Campanie națională de informare publică pentru promovarea POSDRU   | campanie mass-media<br>spoturi TV<br>spoturi audio<br>banner tehnologie flash  | 1<br>2<br>2<br>1  | 1.811.937                                  |
| <b>POS Transport</b> |  |                     |  |  |   |  |
| 1                    | Organizarea Conferinței Naționale POST din 11 noiembrie 2008                             | AM                  | Organizare eveniment și asigurare materiale publicitare  | nr. conferinte nationale<br>nr. participanți / eveniment<br>nr. materiale promotionale (alte tipuri)<br>- broșură<br>- mape<br>- pix personalizat<br>- sistem roll-up  | 1<br>150<br>150<br>150<br>2                                     | 29.778                                     |
| <b>POAT</b>          |  |                     |  |  |   |  |
| 1.                   | Sprrijin pentru implementarea planului de comunicare ACIS                                | DCS                 | Creare si mentenanta site POAT, mentenanta fonduri-ue<br>Organizare reuniune de ziua Europei<br>Elaborarea și producerea de spoturi media pentru promovarea Fondurilor Structurale și de Coeziune 2007-2013 în România<br>Editare broșura AT | accesări pagina de web<br>evenimente de comunicare si promovare (si nr participanti)<br>materiale de informare si publicitate (două spoturi TV, două spoturi radio)<br>materiale de informare si publicitate | 429.119<br>1(50)<br>4<br>1                                      | 68.169.66<br>5.008.40<br>272.000<br>13.000 |
| <b>POS Mediu</b>     |  |                     |  |  |   |  |
| 1                    | Informarea și publicitatea POS Mediu   | AM POS Mediu        | Realizarea de materiale informative privind Programul Operațional Sectorial Mediu  | broșuri<br>CD-uri<br>mpe plastifiate<br>afise<br>pixuri<br>serviete personalizate<br>banner  | 20.000<br>3.000<br>5.000<br>2.000<br>5.000<br>500<br>1          | 170.037                                    |
| 2                    | Informarea și publicitatea POS Mediu   | AM POS Mediu        | Campanie de promovare a Programului Operațional Sectorial Mediu Lot I - Creație  | spoturi TV<br>spoturi audio<br>afise<br>anunturi media   | 4<br>2<br>4<br>4  | 880.230                                    |
| 3                    | Informarea și publicitatea POS Mediu   | AM POS Mediu        | Campanie de promovare a Programului Operațional Sectorial Mediu Lot II - Difuzare  | numar difuzari spoturi TV/zi<br>numar difuzari spoturi radio/zi<br>numar afise<br>numar anunturi media   | 3<br>3<br>100<br>100  | 3.507.690                                  |
| 4                    | Informarea și publicitatea POS Mediu   | AM POS Mediu        | Campanie de promovare a Programului Operațional Sectorial Mediu Lot III - Organizare evenimente  | Numar de evenimente organizate   | 20  | 1.995.414                                  |
| 5                    | Informarea și publicitatea POS Mediu   | AM POS Mediu        | Campanie de promovare a Programului Operațional Sectorial Mediu Lot IV - Cercetare   | Numar de rapoarte  | 8   | 160.381                                    |
| 6                    | Informarea și publicitatea POS Mediu   | AM POS Mediu        | Achiziții spații publicitare pentru promovarea POS Mediu   | -  | -   | 21.032                                     |
| 7                    | Informarea și publicitatea POS Mediu   | AM POS Mediu        | Proiect pilot de monitorizare a mass-media în vederea evaluării gradului de vizibilitate a POS Mediu în presa  | Analize zilnice<br>Numar rapoarte  | 120<br>1  | 259.790                                    |
| 8                    | Informarea și publicitatea POS Mediu   | AM POS Mediu        | Promovarea Axei prioritare 3 din POS Mediu - Modernizarea sistemelor de încălzire urbană în localitățile cele mai afectate de poluare  | Numărul de spoturi de promovare POS Mediu realizate<br>Număr de afișe promoționale de mari dimensiuni<br>Anunțuri media<br>Număr de spoturi audio realizate  | 1<br>1<br>1<br>1  | 61.420                                     |

## Annex 6 – Project Selection Criteria: Methodological Tools Applied

### *Project Selection Criteria Template*

The table below should be used for the collection of the main selection criteria for each CFP that has been previously selected. Selection criteria are made up of two basic groups of criteria, together serving to select the projects to be supported:

1. **Eligibility criteria:** providing a basic framework for interpreting policy objectives in order to let only those applications in the system that comply with the fundamental criteria of the planners (target group, grant sizes, regional/sectoral/ other limitations, eligible costs)
2. **Award criteria:** criteria used for the selection of those winner projects that were already found as compliant to the eligibility criteria. Award criteria usually include a more sophisticated approach on project content, project quality, sustainability and expected results/impacts.

The guideline for the proper application of the template below is being elaborated and will be available prior to the commencement of this activity.

| [Call for Proposal]               |  |
|-----------------------------------|--|
| <b>ELIGIBILITY CRITERIA</b>       |  |
| <b>A Criteria for Applicants</b>  |  |
| A1                                | Eligible organisation types              |
| A2                                | Eligible applicant locations             |
| A3                                | Eligible industries                      |
| A4                                | Other eligibility criteria for applicant |
| <b>B Criteria for the Project</b> |  |
| B1                                | Supportable activities                   |
| B3                                | Eligible costs                           |
| B4                                | Eligible project location                |
| <b>C Financial Criteria</b>       |  |
| C1                                | Type of support                          |
| C2                                | Support intensity (%)                    |
| C3                                | Sum of support (min,max)                 |
| C4                                | Collateral required                      |
| <b>AWARD CRITERIA</b>             |  |
| <b>D Evaluation criteria</b>      |  |
| D1                                | Award criteria 1                         |
| D2                                | Award criteria 2                         |
| D3                                | Award criteria 3                         |
| D4                                | Award criteria 4                         |
| D5                                | Award criteria 5                         |
| D6                                | Award criteria 6                         |
| D7                                | Award criteria 7                         |
| D8                                | Award criteria 8                         |
| D9                                | Award criteria 9                         |
| D10                               | Award criteria 10                        |

### *PA vs. Objectives Interconnection Template*

| # PAs selected in the sample | Call for Proposal selected           | Objectives of the thematic priorities of the NSRF          |   |  |  |
|------------------------------|--------------------------------------|--|---|--|--|
|                              |                                      | Development of basic infrastructure to European standards; | Increasing the long term competitiveness of the Romanian economy; | Development and more efficient use of Romania's human capital; | Building an effective administrative capacity. |
| 1                            | SOP IEC PA1 - Productive sector      | [Call for Proposal 1]                                      |   |  |  |
| 2                            | SOP IEC PA2 - RTDI                   | [Call for Proposal 2]                                      |   |  |  |
| 3                            | ROP PA3 - Social infrastructure      | [Call for Proposal 3]                                      |   |  |  |
| 4                            | ROP PA4 - Business environment       | [Call for Proposal 4]                                      |   |  |  |
| 5                            | ROP PA5 - Tourism                    | [Call for Proposal 5]                                      |   |  |  |
| 6                            | SOP HRD PA1 - Education and training | [Call for Proposal 6]                                      |   |  |  |
| 7                            | SOP HRD PA2 - LLL                    | [Call for Proposal 7]                                      |   |  |  |
| 8                            | OP ACD PA1 - Public Policy           | [Call for Proposal 8]                                      |   |  |  |
| 9                            | SOPT PA1 - Road                      | [Call for Proposal 9]                                      |   |  |  |
| 10                           | SOP ENV PA1 - Water                  | [Call for Proposal 10]                                     |   |  |  |

*Assessment Tool*

| [Call for Proposal]       |                       |              |           |               |             |                |              |           |               |             |                |
|---------------------------|-----------------------|--------------|-----------|---------------|-------------|----------------|--------------|-----------|---------------|-------------|----------------|
| SELECTION CRITERIA        |                       | [Objective1] |           |               |             |                | [Objective2] |           |               |             |                |
| <i>Level of coherence</i> |                       | <i>n.a.</i>  | <i>no</i> | <i>slight</i> | <i>good</i> | <i>perfect</i> | <i>n.a.</i>  | <i>no</i> | <i>slight</i> | <i>good</i> | <i>perfect</i> |
| 1                         | Selection criteria 1  |              |           |               |             |                |              |           |               |             |                |
| 2                         | Selection criteria 2  |              |           |               |             |                |              |           |               |             |                |
| 3                         | Selection criteria 3  |              |           |               |             |                |              |           |               |             |                |
| 4                         | Selection criteria 4  |              |           |               |             |                |              |           |               |             |                |
| 5                         | Selection criteria 5  |              |           |               |             |                |              |           |               |             |                |
| 6                         | Selection criteria 6  |              |           |               |             |                |              |           |               |             |                |
| 7                         | Selection criteria 7  |              |           |               |             |                |              |           |               |             |                |
| 8                         | Selection criteria 8  |              |           |               |             |                |              |           |               |             |                |
| 9                         | Selection criteria 9  |              |           |               |             |                |              |           |               |             |                |
| 10                        | Selection criteria 10 |              |           |               |             |                |              |           |               |             |                |
| 11                        | Selection criteria 11 |              |           |               |             |                |              |           |               |             |                |
| 12                        | Selection criteria 12 |              |           |               |             |                |              |           |               |             |                |
| 13                        | Selection criteria 13 |              |           |               |             |                |              |           |               |             |                |
| 14                        | Selection criteria 14 |              |           |               |             |                |              |           |               |             |                |
| 15                        | Selection criteria 15 |              |           |               |             |                |              |           |               |             |                |
| 16                        | Selection criteria 16 |              |           |               |             |                |              |           |               |             |                |
| 17                        | Selection criteria 17 |              |           |               |             |                |              |           |               |             |                |
| 18                        | Selection criteria 18 |              |           |               |             |                |              |           |               |             |                |
| 19                        | Selection criteria 19 |              |           |               |             |                |              |           |               |             |                |
| 20                        | Selection criteria 20 |              |           |               |             |                |              |           |               |             |                |



## Annex 7 – Project Selection Criteria: Efficiency & Effectiveness

| #  | PAs selected in the sample           | Call for Proposal selected | Objectives of the thematic priorities of the NSRF          |   |  |  |  |
|----|--------------------------------------|----------------------------|--|---|--|--|--|
|    |                                      |                            | Development of basic infrastructure to European standards; | Increasing the long term competitiveness of the Romanian economy; | Development and more efficient use of Romania's human capital; | Building an effective administrative capacity. | Promote Balanced Territorial Development |
| 1  | SOP IEC PA1 - Productive sector      | SOP IEC 1.1.1              |  | X   | X  |  | X  |
| 2  | SOP IEC PA2 - RTDI                   | SOP IEC 2.2.1              |  | X   | X  |  | X  |
| 3  | ROP PA3 - Social infrastructure      | ROP 3.4.1                  | X  |   | X  |  | X  |
| 4  | ROP PA4 - Business environment       | ROP 4.1.1.                 | X  | X   | X  |  | X  |
| 5  | ROP PA5 - Tourism                    | ROP 5.2                    | X  | X   | X  |  | X  |
| 6  | SOP HRD PA1 - Education and training | SOP HRD 1.3                | X  | X   | X  |  | X  |
| 7  | SOP HRD PA2 - LLL                    | SOP HRD 2.1                | X  | X   | X  |  | X  |
| 8  | OP ACD PA1 - Public Policy           | OP ACD 1.1                 | X  | X   | X  | X  | X  |
| 9  | SOPT PA1 - Road                      | SOPT 1.1                   | X  | X   | X  |  | X  |
| 10 | SOP ENV PA1 - Water                  | SOP ENV 1.1                | X  | X   |  |  | X  |

## Annex 8 – List of Literature Consulted to Answer to Q5

|                 |  |
|-----------------|--|
| ROP             | <p>Priority Axis 3 – Improvement of social infrastructure, Key area of intervention 3.4: Rehabilitation/modernisation/development and equipping of pre-university, university education and continuous vocational training infrastructure (consolidated version), Applicant guide 2009.</p> <p>Priority Axis 4 – Strengthening the regional and local business environment, Key area of intervention 4.1 – Development of sustainable business support structure of regional and local importance, Applicant Guide 2008</p> <p>Priority Axis 5 – Sustainable development and promotion of tourism, Key area of intervention 5.2 – Creation, development, modernisation of tourism infrastructure for sustainable use of natural resources and for increasing the quality of tourism services, Applicant guide 2009</p>                           |
| SOP IEC         | <p>Priority Axis 1 – An innovative and eco-efficient productive system, Key area of intervention 1.1 – Productive and environment friendly investment and preparation for market competition especially of SMEs, Operation a) Support for strengthening and upgrading the productive sector by tangible and intangible investments, A1 – Financial support between 1.075.001 - 6.450.000 Ron for investments by small and medium enterprises, Applicant Guide 2009</p> <p>Priority axis 2 – Research, technological development and innovation for competitiveness, Key area of intervention 2.2 – Investments in RDI infrastructure and related administrative capacity, Operation 2.2.1: Development of existing R&amp; D infrastructure and creation of new R&amp;D infrastructure (laboratories, research centres), Applicant Guide 2007</p> |
| SOP T           | <p>Priority Axis 1 – Modernization and development of TEN-T priority axes aiming at sustainable transport system integrated with EU transport networks, Key area of intervention 1.1 – Modernization and development of road infrastructure along the TEN-T Priority Axis 7, Applicant Guide, January 2008</p>   |
| SOP Environment | <p>Priority Axis 1 – Extension and modernization of water and wastewater systems”, Applicant Guide 2009</p>  |
| SOP HRD         | <p>Priority Axis 1 – Education and training in support for growth and development of knowledge based society” Key area of intervention 1.3 – Human resources development in education and training” N° 87 „Professionals in education and training”, Applicant Guide – Specific Conditions, call for project proposals 2009, Applicant Guide and General Conditions 2009</p> <p>Priority axis 1 2 „Linking life-long learning and labour market” Key area of intervention 2.1. „Transition from school to active life” no. 90 „Learn a job” Applicant guide, specific conditions, call for project proposals 2009, Applicant Guide and General Conditions 2009</p>   |
| SOP DAC         | <p>Priority axis 1 – Structural and process improvements of the public policies management cycle; Key area of intervention 1.1 – Improving the political-administrative decision making process Local development strategies, Applicant Guide <i>OP Development of Administrative Capacity</i> Call for projects no. 4/2009</p>  |
| ACIS            | <p>Ex-post evaluation of cohesion policy programmes, 2000-2006, Work package 10, Efficiency: Unit costs of major projects, Final Report, 25 October 2009, <a href="http://ec.europa.eu/regional_policy/sources/docgener/evaluation/expost2006/wp10_en.htm">http://ec.europa.eu/regional_policy/sources/docgener/evaluation/expost2006/wp10_en.htm</a></p>  |

|      |   |
|------|---|
| ACIS | LRDP KANTOR /CyclePlan, Sectoral Interim Evaluation of the European Union Pre-Accession Instrument Phare, Country: ROMANIA, Sector: Economic and Social Cohesion /Cross-Border Co-operation |
|------|---|

## Annex 9 – List of interviews and meetings

| Participants  | Entity                           | Date       |
|---|----------------------------------|------------|
| Gabriel Friptu, Head of MA ( <i>Interview</i> )   | MA ROP                           | 24/10/2009 |
| Head of MA ( <i>Interview</i> )   | MA SOP Environment               | 10/12/2009 |
| Iuliu Bara - General Director, Ioana Mantog-department manager, Anca Simion-advisor ( <i>Interview</i> )  | MA Cross Border Cooperation      | 27/01/2010 |
| Daniela Breazu, Catalin Costache ( <i>Interview</i> )   | MA SOP Transport                 | 02/02/2010 |
| Amalia Dobrescu- deputy director, Alina Ungureanu - public manager ( <i>Interview</i> )   | MA SOP ACD                       | 02/02/2010 |
| Livia Chirita, Head of MA ( <i>Interview</i> )  | MA OPTA                          | 03/02/2010 |
| Ruxandra Popovici – Director ( <i>Interview</i> )   | MA SOP ACD                       | 10/02/2010 |
| Head of MA ( <i>Interview</i> )   | MA SOP HRD                       | 10/02/2010 |
| Catalina Melita, Head of MA ( <i>Interview</i> )  | MA SOP IEC                       | 12/02/2010 |
| Claudia Măgdălina (ACIS), Anton Enăchescu (ACIS), Răzvan Alexandru (ACIS), Alecsandra Ionescu (ACIS), Eugen Grigore (ACIS), Cristina Ciocoiu (ACIS),<br>Elena Ene (AM POS Mediu), Mihaela Gheorghiu (AM POS Mediu), Cristina Chiriacescu (POR), Daniel Voicu (POR), Anca Simion (MDRT – Cooperare Teritorială Europeană), Alina Taină (MMFPS – AM POS DRU), Aurel Moise (MECMA – AM POS CCE), Eugen Manea (AM POS CCE), Sorina Dumitrescu (OI Cercetare pentru POS CCE), Gheorghe Chiriță (OI IMM pentru POS CCE), Cătăin Costache (AM POST), Iulia Bureștea (AM POST) – <i>Data validation</i> | MA's and IB's                    | 16/02/2010 |
| ACIS representatives, Association of Romanian Banks, Certification and Payment Authority, Audit Authority – <i>Workshop External Factors</i>  |                                  | 17/02/2010 |
| Head of MA ( <i>Interview</i> )   | SOP IEC                          | 23/02/2010 |
| Andra Chirila ( <i>Interview</i> )  | ACIS                             | 24/02/2010 |
| Alina Taina ( <i>Interview</i> )  | ROP                              | 24/02/2010 |
| HR Department ( <i>Interview</i> )  | SOP HRD                          | 24/02/2010 |
| Ruxandra Popovici – Director, Alina Ungureanu - public manager, Claudia Strefan ( <i>Interview</i> )  | MA SOP ACD                       | 25/02/2010 |
| Doina Frant, Head of MA ( <i>Interview</i> )  | MA SOP Environment               | 25/02/2010 |
| Daniela Breazu, HR Department ( <i>Interview</i> )  | SOP Transport                    | 25/02/2010 |
| MA's and IB's based in Bucharest – <i>Focus group Internal factors</i>  | MA's, IB's                       | 01/03/2010 |
| Daniela Balan, Livia Chiriță ( <i>Interview</i> )   | OPTA                             | 02/03/2010 |
| Nicu Buzgure; Ioana Mantog; Oana Cristea; Sorina Canea; Daniela Popescu; Liliana Stoica ( <i>Interview</i> )  | European Cooperation Territorial | 02/03/2010 |
| Andra Chirila ( <i>Interview</i> )  | ACIS                             | 05/03/2010 |
| MA's and IB's representatives - <i>Workshop Technical Assistance</i>  | MA's, IB's                       | 15/03/2010 |