



# *Romania – Republic of Serbia IPA Cross – Border Cooperation Programme*

## **Evaluation Report**

**November 2010**



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## **GLOSSARY**

- CBC – Cross Border Cooperation
- ESC – Evaluation Steering Committee
- ETC – European Territorial Cooperation
- JMC – Joint Monitoring Committee
- JTS – Joint Technical Secretariat
- MA – Managing Authority of Romania – Republic of Serbia IPA CBC Programme
- NA – National Authority – European Integration Office
- PA – Priority Axis (of the programme)



## **Executive Summary**

This Evaluation Report was drafted during August – first part of November 2010, on the basis of the Annual Evaluation Plan approved by the Joint Monitoring Committee on July 5, 2010.

It was drafted based on desk research and assistance by JTS and also cooperation with the programme MA representatives.

The purpose of the report was to outline the programme state of play as seen currently and to outline recommendations as to this current state of play.

The report further on described was based on a methodology, starting from the Annual Evaluation Plan for 2010, whose key elements are outlined further on:

- **Data collection for monitoring and evaluation;**
- **Efficient functioning of the call for project proposal mechanism;**
- **Programme implementation system;**
- **Quality of project proposals received;**
- **Evaluation as to whether the initial objective is still relevant within the given socio-economic context;**
- **Project contracting system;**
- **Evaluation related to the relevance of the indicator system.**

NOTE: Due to the contracting process currently in progress, this aspect was not addressed in the current report, as no sufficient and relevant details are available.

*The timing of the evaluation activities, also included in the methodology, is further on described:*

- a) Internal analysis of the documents to be subject to evaluation and development of questionnaires/ template for the analysis/ template of table for recommendations: programme document, monitoring procedures, applicant guide, programme indicators: July – August 2010
- b) Identification of the needs for consultations: selection of representative samples of approved projects for analysis of the quality, setting up consultations both with project beneficiaries and with the programme management structure and questionnaires in place and conducted: August – September 2010.



- c) Initial draft of the evaluation analysis report: October 2010
- d) Conveyance of the draft report to MA: October – November 2010
- e) Final form of the evaluation report (following MA comments): November 2010
- f) Submission for analysis with ESC (quality control, analysis of the recommendations) and incorporating comments: December 2010
- g) Final evaluation report: December 2010 – January 2011
- h) Presenting the final evaluation report with JMC, including an Action Plan: first quarter of 2011.

*Brief summary of recommendations:*

1. Regarding the amounts of financing foreseen for the programme PAs: JMC should analyse that this PA would be dedicated only to a number of limited strategic projects, which are extremely needed in the area, particularly considering also the Danube needs.
2. Increasing the efficiency in using the funding for PA 1: the programme should try to find a stronger link with the Operational Programmes addressing these topics, so that also a leverage funding effect would result.
3. One important aspect to mention, based on the beneficiaries' survey, is that they did not had any difficulties in complying with the financing levels foreseen for the project proposals under the programme PAs. On the Romanian side, this is also due to the fact that only 2% co-financing by the beneficiary is requested. The current recommendation is to maintain the present financing levels foreseen under Priority Axes 1 and 3 for the grants envisaged and even raise the maximum financing levels. This has to be correlated with the recommendation to analyze allocation, within PA2, to a limited number of strategic projects, including addressing the Danube needs.
4. In order to increase the quality of the project proposals and the need for them to better focus on cross border cooperation, it is recommended that the future training sessions for beneficiaries should address the „value added for cooperation”.
5. Specific recommendations for the use of external expertise in assessing. The report describes further on the main outcomes regarding the use of external assessors, based on a cross – programme evaluation study developed by INTERACT Point Vienna for several ETC programmes (pages 24 and 25 of the current report). Also, in relation to working with assessors: In order to shorten the delays in evaluation, an aspect which was reported as having induced major difficulties, an



electronic evaluation system is recommended to be put in place working as follows: the assessor is given a specific time period during which he or she can post the evaluation grid into the system, after which the system rejects the posting of the grid. Thus, the assessor will have to post the evaluation grid within the specific time period allowed for this and the whole time period is shortened.

6. Regarding the cross – border cooperation criteria. They are described in the current programme documents. This report suggests other additional details on these criteria. Also, the current report indicates tables for checking compliance with these joint criteria. Recommendation: JMC and MA should analyze including these compliance checkup tables into the assessors section.

Proposed tables:

	Parameter	Description	Method of checking*
1	Documented conciliations	All Project Partners and the Lead Beneficiary should be involved in the joint development of the project from an early stage on.	Supporting documents: documents proving that at least one preparatory meeting was organised between the Project Partners and the Lead Beneficiary before submitting the project proposal. Attendance sheet and minutes have to be annexed to the project proposal.

Parameter	Description	Method of checking*
Joint survey on demand	In case of so-called soft projects a description of needs and demand on the necessity of the planned project on both sides of the border <u>can</u> be prepared.	Supporting document: existence of joint survey on demand.

Joint implementation			
	Parameter	Description	Method of checking



2	All Project Partners and the Lead Beneficiary contribute to the project objectives	Each Project Partner and the Lead Beneficiary have a definite role and responsibility in obtaining the project objectives.	<p>AF / Partnership (role of each Project Partner and of the Lead Beneficiary): each Project Partner, including the Lead Beneficiary, has a defined role in the project.</p> <p>AF / Project pyramid: each Project Partner, including the Lead Beneficiary, performs an activity that belongs to a specific objective defined in the project.</p>
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Joint staffing			
	Parameter	Description	Method of check
1	Joint project management system is established	Transparency and common understanding of structures, processes and responsibilities.	AF / Partnership (role of each Project Partner and of the Lead Beneficiary): a clear definition of functions and responsibilities is described in the AF.
2	No duplication of functions	The responsibilities of each member of the project management are defined. Responsibilities cannot overlap and must be clearly linked to a definite person.	AF / Project description.

Source: DG Regio web site for ETC programmes

7. Indicators section: a document is proposed for refining the definition of the indicators. It is recommended that the Application Form includes pre-defined programme indicators. It is recommended that specific definition of output and result indicators are included, for beneficiaries. It is also recommended that the direct link between



output and result indicators is clearly indicated in a table, considering that the two types of indicators serve two purposes: output – physical progress of the programme, result – quality check of programme effectiveness and efficiency, aspects to be addressed by any programme evaluation. Such a table is presented as annex to the current report.

8. Assessing infrastructure projects: it is recommended that external expertise is considered by the programme MA and JMC in order to create a specific guide to assess infrastructure projects.
9. It is recommended that the programme should develop an inquiry form in relation to the training issues for beneficiaries, to be distributed prior to the development of any training sessions. Possible topics should be suggested by the programme MA and JTS representatives and also by the potential beneficiaries.
10. A more intensive use of the currently under-used technical Assistance Priority Axis, through development of relevant studies for cross-border efficiency and other issues of interest, such as: a) development of a study to identify more relevant cross border indicators, b) development of a future externalized programme evaluations focusing on: relevance of initial programme objectives, „n+3 rule”, quantification of indicators and their trend in relation to achievement, other implementing aspects, etc. Considering the complexity of procurement procedures envisaged for this programme (PRAG rules, certificates of origin, etc.), which are burdensome and slows down the procurement procedure, the funds for the Technical Assistance PA could not be used properly. As such difficulties are expected to continue to burden, one possible recommendation, apart from the studies mentioned above, is for MA and JMC look into the option of reallocating part of these funds to other PAs. This is even more useful considering that insufficient funding for projects that also mentioned by beneficiaries.
11. An electronic format of the Application form should be considered, for easy reference (online format). Considering the importance of investments, it is recommended that a detailed description of investment projects to be particularly foreseen, so that the cross – border nature of the investment to be outlined.
12. Web site section: details are provided as to refining the web site content into two main sections: How to Apply and How to Implement.





## **PART I: Desk research and questionnaire analysis:**

### **General information about the programme**

#### **The strategic goal of the Programme**

The achievement of a balanced and sustainable socio-economic development of the Romania- Republic of Serbia border region through joint cross-border projects and actions of Romanian and Serbian partners.

#### **A. Priority axes of the programme:**

##### **1. Economic and Social Development**

###### **Measures:**

- Support for local/regional economic and social infrastructure
- Develop the tourism sector, including the strengthening of the regional identity of the border region as a tourist destination
- Promote SME development
- Support increased levels of R&D and innovation in the border region

##### **2. Environment and Emergency Preparedness**

###### **Measures:**

- Improve systems and approaches to address cross-border environmental challenges, protection and management
- Develop and implement effective strategies for waste and waste water management
- More effective systems and approaches to emergency preparedness)

##### **3. Promoting “people to people” exchanges**

###### **Measures:**

- Support the development of civil society and local communities
- Improve local governance in relation to the provision of local services to communities in the border areas
- Increase educational, cultural and sporting exchange
- Enhance social and cultural integration of border areas



#### **4. Technical Assistance Measures:**

- Support for the implementation, overall management and evaluation of the Programme
- Support for the publicity and information activities of the Programme

#### ***B. Eligible area of the programme:***

The Romania-Serbia border is 546 km long, with the River Danube forming a natural frontier for approximately 230 km of this length. The eligible programme area is defined at NUTS 3 level for the Romanian side and, as there is no NUTS classification in Serbia, as defined by the Serbian Government.

#### **Eligible areas from Romania**

Timiș County

Caraș-Severin County

Mehedinți County

#### **Eligible areas from Serbia**

Severno-Banatski District

Srednje-Banatski District

Južno-Banatski District

Braničevski District

Borski District

#### ***C. Potential beneficiaries of the programme:***

1. Regional and local authorities;
2. Non-governmental and non-profit organisations;
3. Representative associations and organisations;
4. Universities, research institutes;
5. Education and training organisations.

#### **General information about eligible projects within this programme:**

##### **Eligible projects**

- General and specific criteria for selection of the projects are approved by the Joint Monitoring Committee following the Managing Authority's



proposal (Ministry of Regional Development and Tourism). The minimum selection criteria refer to the requirements for the applicants: *administrative capacity, technical capacity, financial capacity.*

### **Details concerning projects**

- minimum number of partners: at least one partner from each of the 2 participating states in the programme
- average number of partners: 2
- indicative duration of a project: 12 months

Lead Beneficiaries, Romanian or Serbian, receive an advance payment from the IPA funds in an amount of maximum 15% from the value of the contract.

- The applicants must be Romanian or Serbian non-profit making bodies/organizations, non-governmental organizations (associations or foundations), public sector operators or local/regional authorities which have their headquarters/ branches registered and operating in the eligible cross-border region and who meet the criteria laid down in the Applicants' Guides and who demonstrate a commitment to the concept of cross-border cooperation.

### Data regarding the first call for project proposals:

The Ministry of Regional Development and Housing (currently Ministry of Regional Development and Tourism) from Romania in partnership with the Ministry of Finance from the Republic of Serbia launched on the 30th of April 2009 the First Call for proposals financed out of the EU Instrument for Pre-Accession Assistance (IPA) funds, in the framework of the Romania – Republic of Serbia IPA Cross-border Cooperation Programme. The deadline for the submission of applications was 29<sup>th</sup> of July 2009. The allocated amount for this call was 10,419,132 € EU funds.

Projects could apply for financing under *Economic and social development, Environment and emergency preparedness and Promoting “people to people” exchanges.*

The amount of individual grants ranges from a minimum of 30,000 € to a maximum of 1,000,000 €, with a maximum EU contribution of 85% of eligible expenditure.



<b>Romania – Republic of Serbia IPA Cross – Border Cooperation Programme</b>			
	<u>No. of submitted projects</u>	<u>No. of evaluated projects</u>	<u>No. of approved projects</u>
	166	166	46
Total value	59.234.276,16	59.234.276,16	19.906.794,74
EU contribution	50.167.015	50.167.015	16.863.898,25
Co-financing	9.067.261,16	9.067.261,16	3.042.894,49

*Activities preceding the First Call for project proposals:*

Prior to the call, information events and workshops were organized for beneficiaries in the eligible areas of the programme, both in Romania and in Serbia, during May – July 2009.

Two most important events were organized in Romania and in Serbia, in June 2009, namely two partner search forums, which enabled the potential beneficiaries to identify cross – border project partners to develop joint projects.

Considering the number of projects as well as the total value of the projects selected for financing, a first estimation indicates that the information events were successful.

*Qualitative processing of questionnaires:*

Further on, a qualitative processing of the information is presented:

A) The approach envisaged in relation to questionnaire sending, within the Romania – Republic of Serbia IPA Cross – Border Cooperation programme, provided for the following method:

- questionnaires sent to successful applicants: this included 46 questionnaires sent to the 46 projects which were selected to be financed by the programme,
- questionnaires sent to unsuccessful applicants,
- questionnaires sent to the institutions / entities having competences in relation to the programme implementation.



## B) Outcomes from the questionnaires sent to the successful applicants:

- Total number of questionnaires sent: 46
- Total number of questionnaires answered: 17. This leads to a response rate of 36%.

The level of the response rate can be regarded as relevant for the analysis because this accounts for more than one third of the total number of successful applicants.

Mention has to be made to the fact that the dissemination methods for questionnaires included emails sent to the successful applicants by JTS, publication on the programme web site.

A breakdown by eligible counties, in terms of questionnaires filled in, is presented below:

Romanian Lead Partners: Timisoara county: 2 questionnaires, Mehedinti county: 1 questionnaire , Caras Severin county: 2 questionnaires. Total number of questionnaires for the Romanian Lead Partners: 5.

Serbian Lead Partners: Borski district: 2 questionnaires, Severno-Banatski District: 5, South Banat: 4, Central Banat: 1. Total number of questionnaires for the Serbian Lead Partners: 12.

Another breakdown of the questionnaires filled in could be outlined on the basis of categories of eligible beneficiaries: 7 public administrations, 5 foundations, 3 education institutions, 1 chamber of commerce and 1 museum (17 in total).

Based on the questionnaires filled in, we outline the following main elements:

- In terms of joint development of the project by the two project partners: all 17 questionnaires filled in indicate that the project partner had a significant contribution to the development of the project application. This indicates that the project application is a genuine result of cooperation, reflecting the real needs on both sides of the border. This conclusion is strengthened by the fact that all the questionnaires analyzed indicate that the cooperation between project partners is envisaged to continue also for other projects, a fact that underlines the idea of proper collaboration.



- In terms of IPA budget of the programme needs: The views are diverse. Almost a half considers that this adequacy is proper. However, the remaining half, which mentioned that the IPA funds allocated to the programme are not sufficient, outlined opinions that are important as to the programme funding: need for financing more eligible projects, whose quality was proper, but whose ranking did not allow financing based on insufficient funding or need for more cross-border infrastructure projects. An interesting fact to mention here is that none of the questionnaires filled in outlines a concern as to the funding ranges (financial thresholds) foreseen for each type of project by category of priority axis.
- In terms of project sustainability: all the questionnaires filled in indicate strong possibility for the project to have a clear continuation.
- In terms of easiness to have indicators at project level to meet the programme needs: all the questionnaires outline that there were problems in terms of finding the right indicators at project level. While this could be regarded as not unusual, considering the difficulty in terms of finding and selecting indicators, a possible approach by the programme could be to provide an indicative list of indicators, specific to each priority level. This list could also be provided as a sub-page within the programme web site in the section addressing Projects. Another solution could be represented by organizing a training session during which the indicators issue would be approached.

The questionnaires provided for a section to address Strengths, Weaknesses and Lessons learnt during the project preparation phase. One main aspect outlined by most of the project partners is represented by the good cooperation among project partners. Also, trustworthy is regarded as important and existent among project partners, in the sense that there were no partnership issues outlined. The regional support by JTS and by JTS Antenna are also mentioned and regarded as positive.

Regarding the weaknesses mentioned, these could be classified in two major categories, as follows:

- A) on the part of project applicants
- B) range of issues to be addressed by the MA in the future.

Regarding A) (on the part of project applicants): a) scarce co-financing resources, b) need to submit the project documents in English, c) insufficient number of meetings because of budget limitations, d) insufficient time allocated by project applicant and project partners for the preparation of the application.



Regarding B) (range of issues to be addressed by the MA in the future): a) short deadlines for submitting additional documents, when requested within the clarification process, b) lack of translated application package, c) long time period used for project evaluation, d) problems related to the regulation addressing Serbian state participation in providing co-financing for projects, e) insufficient legislative harmonization, f) existence of problems in interpreting the applicant guide and the existence of different types of budget necessary to be filled in.

In relation to the weaknesses mentioned, particularly for those included under category A), it is important to mention that one cannot underline a share of respondents, within the total, to mention the same issue, it is rather a case by case outline (there were no specific difficulties mentioned on regular bases). The only common issue mentioned was the long time period for evaluation, an aspect that the programme MA is aware of, a change /alteration of the evaluation, selection and contracting procedure being envisaged. If we address the issues as mentioned, the following recommendations could be provided:

- a) Short deadlines for submitting additional documents, when requested within the clarification process. This is an aspect that has to be treated on individual bases because there are several documents and for part of them their validity time period is relevant as to the eligibility of the applicant and this validity is not long. However, it can be considered that this is something related to the experience of project partners and it could also be underlined in a training session, in the sense that the potential beneficiaries could be warned on the need to have the documents in place should clarifications be requested. The recommendation is to maintain this type of deadlines because this is evidence to the capacity of the potential beneficiary to have proper documents in due time, being proof of experience.
- b) Lack of translated application package (programme language): The Romanian and Serbian translations of the hand-outs for participants handed over during the training sessions became also available for all the participants. Thus, the main aspects are in the native languages. In this respect, the issue of the language used for the Application Form should be considered from the following perspectives:
  - Easiness in filling in the Application Form by the potential beneficiary: definitely, filling in the document in the native language is easier.
  - Accuracy and check option by MA: English language is the preferred option.



We also have to look into the fact that the Applicants' Guide is drawn up in English language, in relation to the fact that English language is asked for the Application Form.

If the two language option is chosen, Romanian and Serbian language, this means that a legally prevalent language has to be decided, which is difficult and time consuming. In any case, a summary of the project activities should be provided in English language. The conclusion is to continue to use English language for the Application Form.

- c) Long time period used for evaluation: this was mainly due to the infrastructure projects, whose evaluation is complex. One possible recommendation: having a web based IT application where project applications are loaded and the evaluators are given fixed time periods to evaluate, the IT system being thus set as to reject any evaluation grid sent by an evaluator after a specific deadline. Another aspect is to issue a specific guideline to evaluate infrastructure projects based on key indicators. Considering the complexity degree of the analysis required by the infrastructure projects, and the degree of expertise, it is recommended that external expertise is considered by the programme MA and JMC in order to create a specific guide to assess infrastructure projects. Such a guide will add to the one currently developed by JTS for the other projects. Mention has to be made to the fact that the time limits for the different stages in evaluation are set by the programme procedures.

Regarding the easiness in finding the information about the programme and the effectiveness of communication, it has to be mentioned that these were generally regarded positively, this being the opinion shared by over 95% of the respondents.

One important aspect to be mentioned is that there is a reduced deadweight, which is a positive fact: the high majority, over 98% of the respondents mentioned that they would not have started / implemented the project in the absence of the financing provided by the project or if they did, they would not have been able to finalize the project.

Another aspect is related to the effect on jobs created: over 70% estimate a significant impact on the creation of permanent jobs, while 30% expect significant result on temporary jobs.





In order to have a better understanding, information and outcomes from unsuccessful applicants shall be described further on.

In this respect, the programme received 7 questionnaires filled in by the unsuccessful applicants. Because of obvious reasons, these questionnaires were designed to collect difficulties and recommendations. In this respect, the following aspects are outlined:

*A. Reasons for project rejection:*

- a. Reasons related to the programme: lack of sufficient funding (because a higher amount could not be provided for the first call),
- b. Reasons related to the evaluation stages: rejections during the technical stage and during the eligibility stages.

For the second case, namely reasons related to the evaluation stage, mention has to be made that there were no specific difficulties in relation to the administrative stage, although clarifications were asked at this stage. Regarding the eligibility phase: possible approaches could be: beneficiaries should try to carefully read and understand the eligibility criteria, while MA and NA should look into analyzing particular cases of entities both from Romania and Republic of Serbia for which there are specific issues and thus amend the list of potential eligible beneficiaries.

*B. Easiness in finding information about the programme and aspects related to the communication:*

- i. Most of respondents did not indicate any complaints in this respect. Therefore, it could be an issue of project applicants' expertise to design effective and relevant project proposals.

*C. Partnership issues related to the project:* None of the respondents indicated difficulties, most of them had chosen project partners with whom there is an established cooperation tradition. Also, JTS support in finding project partnership was much appreciated.

As a general conclusion, it appears that difficulties in project application could be addressed by training sessions where focus should be placed on more specific aspects, such as relevance of the project proposal as to the programme objective and overall project application coherence. Also, beneficiaries should be advised to look more into their own needs to draw up relevant projects.



Recommendations derived from processing the questionnaires sent by the unsuccessful beneficiaries:

Out of the whole number of recommendations received, it is important to mention: need for online application and need to shorten the evaluation process. There is one recommendation as to clearer requirements in the guidelines and annexes but this does not provide enough details. The recommendation related to posting the name of evaluators cannot be taken into consideration because project evaluation has to remain confidential and also, by posting the evaluators' names, project applicants may try to contact them, which is forbidden.

*General overview of the project proposals*

This section is meant to provide a description of the projects starting from receiving the project proposal up to completing the process.

A first breakdown is related to the total number of project applications by programme priority axes:

<b>Priority Axis 1</b>	<b>Priority Axis 2</b>	<b>Priority Axis 3</b>	<b>Total</b>
<b>58</b>	<b>20</b>	<b>88</b>	<b>166</b>

The names of the Priority Axes were outlined in the beginning of the document

This should be regarded as a natural distribution considering that socio-economic development is the most important one with the highest amounts allotted and also the programme eligible beneficiaries include NGOs which are interested in soft projects.

This initial total number of project applications can also be seen based on programme measures:

<b>Measure 1.2</b>	<b>Measure 1.3</b>	<b>Measure 1.4</b>	<b>Measure 2.1</b>	<b>Measure 2.2</b>	<b>Measure 2.3</b>	<b>Measure 3.1</b>	<b>Measure 3.2</b>	<b>Measure 3.3</b>	<b>Measure 3.4</b>
<b>18</b>	<b>12</b>	<b>15</b>	<b>9</b>	<b>3</b>	<b>8</b>	<b>13</b>	<b>9</b>	<b>61</b>	<b>5</b>



- Please find the measures, under each Priority Axis, described in the first part of the document.

According to this breakdown, we note a rather balanced distribution of project proposals by measures of the first Priority Axis (PA 1), which is evidence to the fact that there is equal interest shown by the potential eligible beneficiaries to all these measures.

Regarding PA 2, we note a low number of project applications for waste and waste water management, which could be due to the fact that such projects require higher amounts, not available in a CBC programme.

Regarding PA 3: the most popular measure by far is Measure 3.3 addressing increased educational, cultural and sporting exchanges in the cross-border region. This is a normal trend considering the long traditions of cooperation in the region. A particular aspect is related to Measure 3.4, where there is a low number of project applications probably because of the difficult social and cultural integration process.

Regarding the breakdown by Lead Partners, we have the following initial situation:

<b>Romanian Partner</b>	<b>Lead</b>	<b>Serbian Lead Partner</b>	<b>Total number of applications</b>
<b>110</b>		<b>56</b>	<b>166</b>

Several reasons could exist for the high difference between the number of Romanian Lead Partners and Serbian Lead Partners: better co-financing by the Romanian State budget, expertise, which indicates increased interest..

Out of the total initial number of project proposals , regarding the Romanian side, we have the following breakdown: 51 – from Timisoara, 28 – from Caras Severin and 30 from Mehedinti.

Considering the three evaluation stages, we have the following situation: 141 projects accepted after administrative check, 84 – after technical and financial evaluation and 82 after eligibility. By stages, it indicates that the importance of eligibility criteria was not very clear for the project applicants but is also indicates that expertise in project management was important: almost all the projects that passed the technical evaluation stage, thus having good quality, passed eligibility.



**The current situation indicates 46 project proposals**, total amount: 19.906.794,74 E (IPA funds + co-financing).

*Preliminary conclusions:*

- All three Priority Axes are important and attractive for municipalities within the programme eligible area,
- There is a high interest for developing projects addressing tourism, with positive effects on long term,
- In terms of „people to people” projects, the data indicates high interest for cultural and positive exchanges as well as for enhancing the cultural and social integration of the border area.

*Breakdown analysis by PAs:* Although it appears that there is a higher number of projects for PA 3 than for PA 2, this has to be correlated with the fact that the average project value for PA 1 is close to 400.000 E while the average value for PA 3 is much lower, close to 20.000 E, which leads to the fact that the amounts allocated for PA 1 should be higher than for PA 3. See also the fact that project beneficiaries mentioned that they considered insufficient funding for investment projects. To conclude this first part of the report, the following main conclusions could be outlined:

A. Conclusions on the efficiency of the first call for proposals: A total initial number of 166 applications covering all the three Priority Axes. The total value of the project proposal submitted: €59,234,276.16. Considering that there were 141 projects accepted after the administrative evaluation, this indicates a proper level of understanding of the administrative requirements. Projects accepted after technical and financial evaluation: 84, out of 141. This indicates over 70% rate of acceptance.

B. Recommendation for eligibility: in order to provide more guidance in terms of eligibility, it is recommended that:

- i. A complete list of eligible beneficiaries should be developed and included into the Applicant Guide, with all categories that fall under the eligibility criteria mentioned (at this moment, the list published in the Guide does not appear to cover this). Also, it seems that there are particular cases of eligibility, which should be addressed by the Guide.
- ii. If specific eligibility criteria are addressed during training sessions, they are recommended to be posted



on the programme web site, as actually all the training hand-outs.

C. Regarding technical and financial evaluation: the following aspects are recommended:

One major aspect here is related to the financing capacity of the programme, currently limited (see the above mentioned aspects on project financing, including the comments of the beneficiaries) considering the interest of the applicants and as against the fact that investments are also foreseen. If this under-financing issue remains as such, the recommendation to avoid over-application should be: having a more detailed grid and eliminating project proposals from pre-assessment. Another aspect is related to the technical and financial evaluation of investment projects: a priority ranking has to be established based on: cross border value of the investment, specific and strategic need for that investment.

In addition, it is recommended for future training sessions (to increase the quality of the project proposals):

- Placing more focus on increased coherence among objectives, actions and results, also through the perspective of „value for money”. This should be developed within a training session,
- Placing more focus on procurement rules, which are particularly difficult in case of this programme. One possible solution should be to indicate a clear link to the relevant procurement procedures, for potential beneficiaries,

*Specific issues related to project evaluation*: One specific aspect is related to the PA 2 of this programme addressing environment, where a lower number of applications was registered by comparison with the number of project proposals submitted within the two other Priority Axes of the programme. This is an important axis and most of the beneficiaries interviewed and who answered the questionnaires indicated that lack of proper financing for this Priority Axis is a difficulty in terms of quality projects. Recommendation: JMC should analyse that the programme should state that this PA should be dedicated only to a number of limited strategic projects, which are extremely needed in the area, particularly considering also the Danube needs.



### *Recommendations of Priority Axis funding reallocation*

Considering the two other Priority Axes of the programme, the following conclusions and recommendations are further on outlined:

- A. *Priority Axis 1:* this was a PA where a large number of applications was received. One first possibility is represented by the larger amount allocated to this PA. Another reason is represented by the wide range of actions available for potential beneficiaries to choose from when considering a project proposal. Considering that this PA includes actions of interest, such as tourism or development of the region, a recommendation would be to try to find a stronger link with the Operational Programmes addressing these topics, so that also a leverage funding effect would result.
- B. *Priority Axis 3:* here, also, a large number of project proposals was registered, due to the fact that this PA is highly attractive for entities particularly representing the civil society, but also universities or religious institutions. This PA is also important for the future of the programme, considering the need to strengthen the civil society in the respective border region. Correlated with the need for increasing financing under PA 2, one recommendation would be to analyze reallocating funds from this PA to PA 2. This is realistic considering that a low interest was registered in relation to projects addressing governance.
- C. One important aspect to mention, based on the beneficiaries survey, is that they did not have any difficulties in complying with the financing levels foreseen for the project proposals under the programme PAs. On the Romanian side, this is also due to the fact that only 2% co-financing by the beneficiary is requested. The current recommendation is to maintain the present financing levels foreseen, particularly for PA 1 and PA 3, even raising the maximum levels. In addition, based on the high levels of interest that the applicants indicated in the first call and the comments from the questionnaires, JMC and MA should analyze the above mentioned recommendation related to PA 2.
- D. In order to increase the quality of the project proposals and the need for them to better focus on cross border cooperation, it is recommended that the future training sessions for beneficiaries should address the „value added for cooperation”. In this respect, it is recommended that the Applicant Guide should include a special section providing guidance in this respect: „The description of cross-border approach shall explain how the outputs and results of the project implementation will influence the socio-economic development and integration of the whole region. The cross-border approach may also be described by explaining how the



inhabitants of all regions involved in the project may benefit from its results. Most important is to justify why the cross-border approach is inevitable to achieve the project results, what is the added value of cross-border co-operation and why the problems/challenges of the project cannot be solved/addressed without cross-border co-operation. The beneficiary should also indicate whether the project will create a possibility of further development of the cross-border co-operation". (Source: DG Regional Policy web site, ETC programmes).

To conclude this part, which dealt also with project quality and issues regarding the assessment, further on a excerpts are outlined from the cross – programme evaluation developed by INTERACT Point Vienna for several ETC programmes:

- In order to make better use of external assessors, it is recommended to establish a pool of experts and select by random choice.
- Only technical aspects should be assessed by external experts and they should mainly be asked to provide opinions or qualitative assessments.
- In case that no external assessor are to be used, as various stakeholders should be involved in assessment, this could results in time delays due to differences in availability as well as in unnecessary coordination efforts by programme management.
- Scoring aspects: this involves rating specific aspects or an entire proposal on a quantitative scale of a given range of numbers. Scoring cales should be calibrated, long scales should be avoided. The most effective ones are those from 1 to 3.
- Quality assurance of uniform assessment of project proposals: to establish a stock of knowledge for assessment, such as sound estimates for unit costs or minimum standards for cost items.

An annex to the current report outlines various ratings on the relevance of specific criteria for assessment and selection of projects.

### *PART. II: Quality analysis of the programme key documents*

The second part of this report is meant to provide a quality analysis of the key programme documents and to issue recommendations in this respect. In this respect, the following documents were considered: Applicant Guide, Application Form, programme document and programme web site. The analysis started from the existent content of each of these documents, as against the easiness in finding the information and its relevance.



## **The content of the Applicant Guide:**

There is a large volume of details, which are helpful for a general orientation. In terms of easiness in finding the information, it is recommended that the Table of contents should be more detailed to reflect also the sub-chapters.

- i. Each criterion is detailed. A reference should be included at each criterion to point to the relevant structure in the guide. Clear information.
- ii. The short overview and the outlining of the main challenges. Clear information
- iii. The eligible expenditures are described in detail, with sufficient clarity for the beneficiaries to understand the exact nature. Clear information
- iv. A Glossary of terms is mentioned, useful for the easy reference of beneficiaries.

Another strong point is represented by the existence of a sub-section, within the programme dedicated web site, where one can find relevant Links to have access to visibility instructions, PRAG relevant for public procurement as well as EU and Romanian relevant legislation, as these elements are important in documenting the project application.

### Weak points:

- Under II.2 Eligibility criteria, i. Eligibility of applicants: applicants for investment projects represent a different category and this should be outlined. An introductory phrase should be included to outline the difference between the soft and hard projects, for this case. Also, a general introductory phrase should be included in the beginning of each sub-chapter to describe what is to be found, for easy reference. Clear wording, yet not so easy to find information. Relevant details.
- For eligible expenditures, there are common categories, which are similar for all measures under one priority axis and which should be placed as one single phragment, as titles. Clear wording, yet not so easy to find information. Relevant details.





- Annexes are outlined in the Applicant Guide. Where reference is made to an Annex, this reference should include a direct link to the page or to the section where they are mentioned. Clear wording, yet not so easy to find information. Relevant details.
- The type of documents enumerated at the end should also be classified by categories of projects, soft and investment projects, considering that not all of them are necessary for any type of project. Clear wording, yet not so easy to find information. Relevant details.

Regarding the criteria for cross-border cooperation, since they hold a key importance, it is recommended that more details should be provided. In this respect, further on, there are recommendations to a possible re-wording of these criteria as well as to how they can be actually checked and thus evaluating more clearly the fulfilment of such criteria:

*Joint implementation:*

While the Lead Beneficiary bears the overall responsibility for the project, all Project Partners take responsibilities for different parts of the implementation on both sides of the border. There should be a clear, content-based interconnection among activities and objectives. The roles and inputs of all Project Partners and of the Lead Beneficiary in project management should be clearly described and the coherence with budget tables should be identifiable in the project proposal. The implementation can be realised through a common virtual workplace, a documentation centre or it can be supported with a joint monitoring system especially designed for and operated during the implementation of the project. The methodology of using these tools should be described in the relevant cell of the AF.

*Joint financing:*

A balanced financing means that each Project Partner and the Lead Beneficiary (except for Associated Partners) make their own financial contribution to the project.

Each Project Partner's and the Lead Beneficiary's own contribution has to reach the minimum amount defined in the CFP and in the Guidelines. It is essential that eligible costs incur on both sides of the border and that they are proportional to the planned activities. There should be a clear coherence between planned project activities, roles and the planned budget. The financial and professional



contribution of each Project Partner and of the Lead Beneficiary has to be confirmed by certifying the Partnership Agreement.

*Joint staffing:*

The Project Partners and the Lead Beneficiary may allocate internal or external staff (administrative and professional) in order to implement the activities envisioned. In doing so, each Project Partner and the Lead Beneficiary should appoint at least one person who will be responsible for carrying out the operational day-to-day duties related to the implementation of the respective project part and who will work in a close working relation with the other members of staff of the project. In order to avoid duplication of functions at different organisations, there should be one senior project manager and one financial manager for the entire project (preferably under the supervision of the Lead Beneficiary). Staff members should be in close connection, they should exchange information regularly in order to ensure efficient project implementation. The structure of the project management (persons and their responsibilities) has to be described.

Recommended support documents to check the compliance with the cross-border cooperation criteria:

	Parameter	Description	Method of checking*
1	Documented conciliations	All Project Partners and the Lead Beneficiary should be involved in the joint development of the project from an early stage on.	Supporting documents: documents proving that at least one preparatory meeting was organised between the Project Partners and the Lead Beneficiary before submitting the project proposal. Attendance sheet and minutes have to be annexed to the project proposal.



Parameter	Description	Method of checking*
Joint survey on demand	In case of so-called soft projects a description of needs and demand on the necessity of the planned project on both sides of the border <u>can</u> be prepared.	Supporting document: existence of joint survey on demand.

Joint implementation			
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	Parameter	Description	Method of checking
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2	All Project Partners and the Lead Beneficiary contribute to the project objectives	Each Project Partner and the Lead Beneficiary have a definite role and responsibility in obtaining the project objectives.	AF / Partnership (role of each Project Partner and of the Lead Beneficiary): each Project Partner, including the Lead Beneficiary, has a defined role in the project. AF / Project pyramid: each Project Partner, including the Lead Beneficiary, performs an activity that belongs to a specific objective defined in the project.
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Joint staffing			
	Parameter	Description	Method of check
1	Joint project management system is established	Transparency and common understanding of structures, processes and responsibilities.	AF / Partnership (role of each Project Partner and of the Lead Beneficiary): a clear definition of functions and responsibilities is described in the AF.
2	No duplication of functions	The responsibilities of each member of the project management are defined. Responsibilities cannot overlap and must be clearly linked to a definite person.	AF / Project description.

Source: DG Regio web site for ETC programmes

For measuring the cross – border character of the partnership and the project, the following system was developed:



Cross-border character	Measurement	Description	Criteria reached
Category 'A'	The project fulfils each criterion of a joint project (4 out of 4).	The joint project staff, the planned activities and joint financing will ensure the joint implementation of a project with high cross-border character.	The project fulfils the cross-border requirements.
Category 'B'	The project fulfils three criteria of a joint project (3 out of 4).	The project performs strong co-operation between Project Partners, including the Lead Beneficiary, this will ensure results on both sides of the border.	
Category 'C'	The project fulfils two criteria of a joint project (2 out of 4).	The project fulfils the minimum criteria of a joint project and is eligible for funding.	
Category 'D'	The project does not fulfil any or only fulfils one of the criterion of a joint project (0 or 1 out of 4).	The project is not a joint project and is not eligible for funding.	The project fails to fulfil the cross-border requirements.

Source: DG Regional Policy web site for ETC programmes

### **The content of the Application form:**

The major strong point of this document is represented by the fact that the Application Form includes relevant sections for judging the project and the length of the document is reasonable.

There are two major remarks in relation to the current structure of the Application Form:

- indicators sections (3.8.1 and 3.8.2): a list with the programme indicators should be attached for easy reference, as beneficiary is also requested to fill in indicators in the project application form. Comment on indicators: at the time the programme document was prepared and approved, there were no special requirements as to intermediary values of indicators. Recommendation: since only a first call for project proposal took place, it cannot be yet clearly quantified a trend as to what extent projects



contribute to the fulfilment of the programme indicators (at last two calls are needed in order to have a proper regression function to explain this). However, at this point, it is strongly recommended that a clear definition of output and results indicators should be provided to the beneficiaries so that the indicators at project level are described more relevantly. Also, attached to the report, a document is presented, provided to the Evaluation Network by DG Regional Policy, with details on how to define indicators in order to measure them more clearly. Such definitions would help the programme beneficiaries as well. Considering the current application forms, there is a high concentration of indicators pointing out to quantities rather than to quality, or in different terms, result indicators are not clearly described.

- in case the project foresees investments: they should be separately addressed in a table with details on : type of investment, costs, responsible project partners, duration and cross border nature of the investment. Such a description could facilitate an easy appreciation of the effectiveness of the investment in relation to the programme. Details for this: Type of investment, responsible partner, value, description, cross border nature of this investment, sustainability after project closure. Such an outline for investments is regarded as being very important because investments bring value added to the project.

One recommendation regarding the Application Form is to have an electronic Application Form, broken down by major sections. Such an example is presented in annex. While, at first sight, this may represent one additional burden for the potential beneficiaries, this should not be regarded as such because they are anyway expected to fill in the paper form, and filling in the electronic format would not imply any differences. Such a document is ultimately useful for beneficiaries (they mentioned that they would prefer to fill in an online application) and it would be useful for MA, NA and JMC for better monitoring specific aspects by looking directly into the sections of the electronic application form.

A specific aspect is to add sections for projects addressing the EU Strategy for the Danube Region: relevance and efficiency as against the four pillars, sustainability and how the project addresses the Danube integrated character in the region.



### **The content of the Programme document:**

This is the official programme document approved by the EC decision. It is available on the programme web site. For more clarity in relation to the information visibility for beneficiaries, the following aspects could be mentioned:

- the programme document should be given a separate section within the programme web site,
- there are specific sub-sections, within the programme document, dealing with the most relevant aspects of the programme: an active link should be considered in the sense that each such sub-section outlined on the web site of the programme should be linked to the programme. For instance, the sub-section of Eligible beneficiaries should include references to the programme document chapter.

### **The content of the web site of the programme:**

The programme has a dedicated web site, under the web address: [www.romania-serbia.net](http://www.romania-serbia.net). Also, information on the programme is available through specific sections of the Ministry of Regional Development and Tourism. Thus, there is visibility for the programme document.

A large amount of information for potential beneficiaries is available on the web site.

Yet, considering the present stage of development for this programme, the recommendation is to refine the sections:

- a. have the programme document inserted as a separate section,
- b. have direct active link between the programme sections and other sub-sections dealing with Eligibility or other major aspects,
- c. analyzing the inclusion of new sections relevant for beneficiaries such as (with a prior classification in How to Apply – Applicant’s Pack and How to implement – the remaining aspects mentioned below):
  - The Applicant’s Pack: Applicant Guidelines, Application Form (including the online format), Guidance or Programme Implementation Manual (see the recommendations above),
  - Specific relevant aspects on First Level Control or Project Monitoring, for beneficiaries,
  - Hand-outs presented in various workshops,



- A list of projects (they are currently available on the web site but not easily accessible).

These were analyzed as they are regarded as having a key importance.

### **Conclusions:**

The main issues that the programme should address are related to enhancing the pace of selection and approval for project proposals and recommendations were made in this respect in the report. Regarding the financing available per PAs, a slight reorientation should be considered in relation to PA 2 and even PA 3, as mentioned above. Developing an online application form is requested by beneficiaries and helpful for easy monitoring by the programme authorities. Funding of the programme is an important aspect because it appeared that there was an over-application process, which has to be managed either by raising the programme funds (on long term) or by analyzing the above mentioned aspects in relation to selection.

It is recommended that the programme should develop an inquiry form in relation to the training issues for beneficiaries, to be distributed prior to the development of any training sessions. Possible topics should be suggested by the programme MA and JTS representatives and also by the potential beneficiaries. One topic that has to be included into this training is represented by the added cross border value of a project proposal.

The Romania – Republic of Serbia IPA CBC programme is interested in a more intensive use of the available amounts under the Technical Assistance Priority Axis. In this respect, the following possible topics are recommended:

- Development of a study to identify more relevant cross border indicators,
- Development of a future externalized programme evaluations focusing on: relevance of initial programme objectives, „n+3 rule”, quantification of indicators and their trend in relation to achievement, other implementing aspects, etc.

As a final conclusion: It is recommended that the evaluation process for the programme should continue because it is very important to be able to derive conclusions once a second round of calls is issued and better insights could be provided in relation to the programme efficiency and effectiveness.





## **ANNEXES**

This evaluation report was drafted also on the basis of questionnaires, drawn up by the Evaluation Unit and approved by the Evaluation Steering Committee in August 2010. There are three types of questionnaires drawn up: for successful applicants, for unsuccessful applicants and for authorities having tasks in relation to the programme implementation.

NOTE: Regarding the questionnaires sent to authorities, there were no answers received.