

## 2. Programme Relevance

### 2.1 Introduction

24. OPTA was designed as a horizontal support programme, to address needs identified as common to several categories of institutional stakeholders involved in the implementation and management of the SI in Romania.
25. The main purpose of OPTA is to ensure support for coordination and contribute to effective, efficient and transparent implementation and absorption of the SI in Romania<sup>8</sup>. The specific objectives of OPTA are to ensure efficient and effective coordination and implementation of the SI between 2007 and 2013, and to prepare the next programming period, as well as to ensure the coordination and implementation of ACIS' CP related to SI.
26. The analysis of the relevance of OPTA aimed to obtain information regarding the following:
  - ❖ important changes that have occurred since the programming phase;
  - ❖ expected changes that may alter OPTA context;
  - ❖ the extent to which changes in the context affect OPTA relevance.
27. In order to understand the initial context and analyse present relevance, the evaluation team went through a mapping exercise, in the form of Problem and Objective Diagrams<sup>9</sup>, drawn up at OP-level, as well as at PA-level. The Diagrams were based on thorough desk research, starting from the programming documents, including the *ex ante* evaluation and the Programming section of the Procedures Manual. The resulting Diagrams were validated through interviews with the Managing Authority (MA) and other ACIS stakeholders, and served as a framework for data gathering.

#### **Past changes**

28. The most significant context change is related to the acute recession in Romania since the end of 2008<sup>10</sup>. This development was not foreseen at the time of OPTA programming, as the implementation assumptions were based on the NSRF general forecast of continuous economic growth of 5% per year throughout 2007-2013.
29. The effects of the crisis emerged through several channels. Firstly, the strain on the national budget<sup>11</sup> determined the Government to use OPTA support for paying the 75% wage bonus for staff involved in the management and implementation of SI (previously aimed to be covered through national resources).
30. Secondly, all public institutions, including the OPTA Managing Authority (OPTA MA) and most of the beneficiaries of OPTA, were affected by the Government policy of cutting expenditure. One direct consequence was that of imposed hiring restrictions. Apart from the fact that staffing complements could not be expanded, restrictions also included vacancies, which could only be filled in one case of out seven. ACIS, as the main OPTA

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<sup>8</sup> OPTA, pg. 38.

<sup>9</sup> Please refer to Annex 2 – Methodology.

<sup>10</sup> Romania had a sharp reduction of GDP in 2009 (-7.1%)(source: National Institute of Statistics 2010).

<sup>11</sup> The 2008 budget deficit was -4.8%, while in 2009 it was -7.2% of GDP (source: MoPF 2009/2010).

beneficiary, was also confronted with the staff freeze issues, which put a lot of pressure on existing personnel.

31. Thirdly, the economic crisis also affected the Government's availability to launch spending for certain niche-aspects of OPTA, although there were plenty of resources programmed. For instance, governmental spending for information and communication activities was restrained – at first discouraged informally (end-2009), and then also suspended formally<sup>12</sup>. Starting with the second quarter of 2010, there are no more formal restrictions, but this type of spending is still considered to be low priority considering the present budget constraints.
32. In context of the crisis, TA has been ambiguously perceived at government level. On the one hand it is considered as an important resource<sup>13</sup>. On the other hand, when it comes to approving of this type of spending, there is no sense of urgency or of prioritization, mainly due to the lack of experience in managing such funds<sup>14</sup>.

### **Perspectives**

33. The economic outlook of Romania does not look bright, as there are doubts that the country will resume growth even in 2011<sup>15</sup>. The national budget will still be under heavy pressure, which involves wage cuts<sup>16</sup> in the public sector, as well as restructuring and lay-offs.
34. Given the planned economic austerity measures, the Government is not likely to encourage spending on information and communication, notwithstanding the apparent de-blocking of such expenditure agreed in the second quarter of 2010.

## **2.2 Findings**

35. At the time of programming, the most important OPTA intervention needs were grouped in four categories<sup>17</sup>, based on the results of diagnostics exercise and SWOT analysis:
  - ❖ need for coordination and inter-relation;
  - ❖ need for staff training on the management of SI;
  - ❖ need for continuing the development of the monitoring system;
  - ❖ need for disseminating information.
36. The Problem-Objective Diagrams<sup>18</sup> show in a clear way that OPTA was adequately structured to respond these meta-level needs, as PA 1 addresses the first two, while PA 2 and PA 3 target the other two, respectively.
37. At the end of 2009, there still was a clear need for horizontal coordination and best-practice sharing. Although progress was visible in terms of programming, launching calls

<sup>12</sup> Prime Minister's Order of January 2010, requesting the suspension of all information and communication public spending.

<sup>13</sup> The Prime Minister himself requested at the beginning of 2010 a report regarding the prioritisation of the use of technical assistance to ensure an efficient management and an increase of SI absorption.

<sup>14</sup> Another example is training expenditure – the interviews confirmed that although there are abundant unspent resources, there is a general ministerial reluctance towards sending staff to training sessions abroad, especially if these involve participation fees.

<sup>15</sup> 2010 GDP growth estimate is -1.9%(IMF), while 2011 estimates vary from -2%(ING chief economist) to +2% (IMF).

<sup>16</sup> A 25% wage cut for all public servants, including the ones involved in SI management was introduced starting with the 2nd semester of 2010.

<sup>17</sup> OPTA, pg.38.

<sup>18</sup> Please refer to Annex 2 – Methodology.

and evaluating the first rounds of applications, there is still lack of experience in the SI management system, especially on project monitoring or payment reimbursement, due to the fact that this is the first endeavour on the part of Romania to implement the Cohesion Policy, using post-accession funds.

38. As a result, there is a risk of ineffective and inefficient use of resources. The low level of absorption by the end of 2009, which questions the capacity to use the allocated funds, triggers the effectiveness risk. The efficiency risk may be determined by the current rush of the Government for quantitative absorption (focus on ensuring that all available EU financing is spent), which may distract the attention to the proper quality of absorption. Managing such risks properly implies investment in horizontal tools of coordination and management, which can only be achieved at horizontal level, through OPTA intervention.
39. Staff training is always critical for proper management of SI, and a minimum level of common skills for all personnel involved is required. Thus, training on horizontal issues is not only advisable, but also required.
40. Adequate monitoring is vital for proper management of the SI system. ACIS therefore needed and still needs both the technical and the qualitative expertise to have a permanent updated view on SI absorption. The monitoring system is by its nature horizontal, as technically requiring a common interface and database in order to operate efficiently.
41. Transparency being a key principle of the Cohesion Policy, an adequate information and communication policy is a clear requirement for SI management. Apart from OP level information and public relations, there is a need for a horizontal flow of information that can structure all separate data and communicate the national policy related to SI implementation in a coherent way.
42. The fact that OPTA maintains its relevance can be based on the interviews carried out during the evaluation<sup>19</sup>. The message most frequent communicated by interlocutors was that OPTA's ambit is ample for allowing all necessary horizontal interventions to support the implementation of SI.
43. The following breakdown at PA and KAI level provides additional details on the relevance of OPTA operations.

### 2.3.1 Priority Axis 1

44. The objective of this PA is to strengthen the coordination of SI implementation and to develop an appropriate administrative system by actions aimed at setting a common level of knowledge and experience among different entities.
45. The rationale of PA 1 resides in the fact that efficient and effective implementation of SI requires strengthening of the institutions responsible for ensuring the coordination of undertaken actions with the management, monitoring and control of OPs. Whereas the TA PAs in the other OPs support the management of the respective OP, OPTA ensures horizontal support, common standards and guidelines, allowing MAs to benefit from exchanges of experience and information regarding best practice in the domain.
46. Therefore, OPTA PA 1 – *Support for the implementation of SI and the coordination of programmes*, divided into four KAIs, aims to achieve the following:
  - ❖ Ensure the efficiency and effectiveness of the process of programming, monitoring, financial management, control and internal audit of the SI;

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<sup>19</sup> Please refer to Annex 4 – Interviews and focus groups.

- ❖ Developing a common „culture of evaluation” among the structures involved in the management of SI over the whole programming period;
- ❖ Preparation of highly qualified staff, capable of efficient and effective implementation of SI;
- ❖ Ensuring successful (effective and efficient) implementation of OPTA and appropriate functioning of the structures involved in ensuring the coordination of SI implementation and organisation of NCC and WG meetings.

## **KAI 1.1 - Support to the management and implementation of the Structural Instruments**

### **Initial programming**

47. The interventions under this KAI focus on ensuring the common standards, tools and information necessary for effective management and implementation of the SI.
48. At the time of programming (2006-2007), this KAI was designed to support specific horizontal themes such as public procurement and state aid, in order to ensure compliance with EU and national regulations (OPTA pg 44, OPTA FDI pg 7, Applicant’s Guide pg 7).
49. Furthermore, this KAI aims to support the completion of surveys, elaboration of studies and publication of good practice guides, as well as the organisation of events dealing with horizontal themes.

#### **Financial allocation**

2007-13: EUR 48,559,988

22.8% of the OPTA allocation for 2007-13

2007-09: EUR 16,238,604

23% of the OPTA allocation for 2007-09.

### **Relevance of original programming**

50. **Public procurement** remains a topical issue for TA. Although it was anticipated correctly that support is needed to provide functional procurement rules and procedures, it was not estimated that this factor would reach such a critical level in the implementation of SI.
51. Due to the general lack of experience with public procurement, several contracts were delayed or cancelled because the contracting authorities inadequately prepared tender dossiers. In most cases, the eligibility or selection criteria were either too subjective, leaving the award decision at the whim of the selection committee, or too restrictive, potentially harming free competition. As a consequence, the practice of appealing tender decisions became widespread.
52. Guidelines were expected from the institutions responsible for public procurement regulations [the National Authority for Regulating and Monitoring Public Procurement (NARMPP), the Unit for Coordination and Verification of Public Procurement (UCVPP) and the National Council for Solving Complaints (NCSC)]. Although several versions of a procurement guide were provided by NARMPP, there is still no consensus on specific templates or good practices<sup>20</sup>.
53. After several delayed or cancelled tenders for SI projects, ACIS has tried to cooperate with NARMPP and UCVPP, by organising a number of consultations, but this coordination has been *ad hoc* and lacked a dedicated institutional framework. There are no incentives for entities responsible for procurement to treat SI related tenders with higher priority.
54. Despite attempts to simplify public procurement legislation, the problems in this area persist, leading to serious delays in the implementation of all OPs. Another change in legislation is expected for the second trimester of 2010, allowing the start of contracting

<sup>20</sup> Other than two Guides for concessions and utilities recently provided by UCVPP;

procedures even in the case of appeals. This would unlock available resources and allow faster implementation.

55. Given the fact that public procurement is reported to be a hindrance for several OPs, there still is a clear need of horizontal support backed by OPTA for improving this process.
56. In the case of state aid, the situation was less critical, as the Competition Council (CC) had already approved most of the schemes. Also in this case the cooperation between ACIS/MAs and the CC lacked an institutional framework that could provide permanent and dedicated support for SI implementation in this field.

### **Subsequent programming amendments**

57. OPTA proved its flexibility in the implementation period, when there was an opportunity to introduce new eligible expenditure and potential beneficiaries under KAI 1.1. From the time of programming until the second half of 2009, certain context changes required adjustment in terms of expanding the categories of beneficiaries and eligible expenditure under KAI 1.1.
58. The first adjustment was suggested by the EC and aimed at adding the National Growth Pole coordinators as potential beneficiaries under KAI 1.1. As a result, the OPTA FDI was amended at the beginning of 2009.

#### *Box 1: Supporting the Coordination of SI Interventions within National Growth Poles*

The last decades of European development suggest that economic, social and environmental issues in degraded urban areas can be efficiently addressed by adopting an integrated approach. Consequently, in 2007, Romania selected – by Government Decision (GD) N° 998/2007 – seven urban development and growth poles, which would have priority for investments through EU and national funds: Braşov, Cluj-Napoca, Constanţa, Craiova, Iaşi, Ploieşti and Timişoara.

The concentration of population, companies and infrastructure is the rationale for channelling investments for physical regeneration and improvement of the business climate, environment and social services in urban areas, providing them with support in carrying out their urban functions.

In the case of Growth Poles, the authorities are preparing an Integrated Development Plan (IDP), which is implemented through a series of individual projects aiming to ensure sustainable development. The projects in the IDP are partially financed through the ROP, PA 1 and KAI 1.1. In addition, the Government has decided to coordinate ROP interventions with the other OPs, in order to allow full development synergy.

Such coordination could not have been provided only by the MA/IBs within ROP, thus requiring horizontal support at NSRF level. Therefore, the Government has appointed Growth Pole coordinators, each backed by a small team, to ensure the functioning and management of the integrated approach on growth poles. Poles coordinators work closely with the respective Regional Development Agency (RDA). It was decided to support the activity of Growth Pole coordinators through OPTA, by adjusting the scope of KAI 1.1.

59. The resources provided are meant to cover minimal expenditure<sup>21</sup> involved by the coordination activity within Growth Poles. However, based on desk research concerning the governance of Growth Poles and also based on interviews with Poles Coordinators and RDA Directors, the only way in which proper coordination of Growth Poles can be ensured is by involving the local structures that are managing the IDPs. Poles coordinators can advise local structures, but such advice is far from being mandatory. Therefore, the managing capacity of local structures is vital for proper coordination, and can facilitate the tasks of Poles coordinators.
60. The second adjustment, adopted in the second semester of 2009, as agreed by EC representatives, focused on the financing of the additional 75% staff bonus for the HR involved in the management and coordination of SI. As mentioned earlier, this need

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<sup>21</sup> Such as the wages of pole coordinators, backstopping, travel and training.

emerged in the context of economic crisis and related budgetary constraints in Romania, as Government resources became scarce.

61. Interviews with ACIS/MA staff confirmed that the 75% bonus is one of the main incentives for remaining within the public administration and resisting the temptation of high wages in the private consulting business.
62. The fact that both adjustments led to expenditure that would be provided continuously for the remainder of the financial perspective creates a positive outlook in terms of absorption for KAI 1.1, which represents over one fifth of the OPTA financial allocation. In terms of available budget, it may be argued that the introduction of this new significant type of expenditure reduces the funding available for the initially planned interventions. According to OPTA MA financial programming<sup>22</sup> the 75% bonus is expected to require funding up to MEUR 54, and the support for pole coordinators another MEUR 7. As a result, the two above-mentioned operations are likely to account up to 74% of the total (revised) estimated expenditure of KAI 1.1 and one fifth of the entire estimated OPTA expenditure. It is noteworthy that the initial allocation of KAI 1.1 was EUR 48,559,988. This implies that the operation related to the 75% bonus would be enough to exhaust the initial allocation.
63. In terms of relevance, since the initial programming was rather general and lacked detailed allocations for specific types of interventions under KAI 1.1, there is no evidence that the new adjustments have undermined the relevance of initially programmed operations. It just provides a significant shift in the focus of KAI 1.1.

## **KAI 1.2- Evaluation**

### **Initial programming**

64. KAI 1.2 has as main objective the development of a common 'evaluation culture' in the system of EU funds management. This objective is to be achieved by training staff in charge of evaluation in each institution responsible for SI management and implementation, by creating evaluation networks, by publishing evaluation results and by constantly improving the quality of evaluation reports (OPTA pg 45, FDI pg 13-14).

#### **Financial allocation**

2007-13: EUR 10,352,164

4.9% of the OPTA  
allocation for 2007-13

2007-09: EUR 3,389,763

4.8% of the OPTA  
allocation for 2007-09.

65. For this purpose, KAI 1.2 finances intervention such as<sup>23</sup>:
  - ❖ the ex ante evaluation for the next programming period;
  - ❖ ongoing evaluations of OPTA, NSRF and NDP;
  - ❖ ad hoc strategic evaluations proposed by ECU and approved by the NCC or, as the case may be, by the OPTA MC; and
  - ❖ the development of evaluation capacity.

### **Relevance of original programming**

66. Given the fact that evaluation is required by SI Regulations, there is no doubt about the relevance of this KAI. Although assistance under the Phare programme was also used

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<sup>22</sup> *Indicative Plan of OPTA financed and proposed projects 2011-2015, August 2010;*

<sup>23</sup> *FDI OPTA, pg 14.*

during 2007-08, the need of OPTA support for evaluation continues to be acknowledged by stakeholders<sup>24</sup>.

67. In terms of context change, it is to be noted that, at the time of programming, the intention was to support SI evaluation through OPTA and national policy evaluation through OP DAC. This approach was the cornerstone of the National Evaluation Strategy 2007-13 (NES). Institutional changes and political instability have prevented the Government from developing an evaluation culture outside the SI context.
68. Thus, ECU/ACIS was the only active institution that remained to promote the ambitious goal of establishing an evaluation culture within the Romanian administration. As set within its mandate, ECU has since focused on promoting evaluation practices related to SI management and implementation only.

### **KAI 1.3 - Horizontal training in the field of the management of programmes/projects**

#### **Initial programming**

69. The objective of KAI 1.3 is to support the TDCU within DTA/ACIS, in order to offer training on horizontal issues for the staff involved in SI management and implementation. Furthermore, this KAI helps TDCU in its planning activities (Training Plan), WG coordination and specific training activities for the coordination level within ACIS. (OPTA pg. 46, FDI pg 18-19, Applicant's Guide, pg 8).

#### **Financial allocation**

2007-13: EUR 21,954,415
10.3% of the OPTA allocation for 2007-13
2007-09: EUR 7,449,416
10.6% of the OPTA allocation for 2007-09.

#### **Relevance of original programming**

70. In terms of a general need assessment, both data<sup>25</sup> and the experience of other EU Member States suggest that proper training of HR is critical to a successful implementation of SI. Therefore, the overall relevance of this KAI is obvious.
71. In terms of specific training needs, two important developments should be noted. Firstly, in the period 2007-2008, a need-assessment exercise was carried out with pre-accession assistance. Also several training sessions were provided with Phare support, which reduced the demand for OPTA intervention.
72. Secondly, as possibilities to hire additional staff were limited [ref: **Section 2.1**] personnel turnover remained very low, under 10%<sup>26</sup>, from the launch of the NSRF/OPs until the end of 2009. As most of the staff involved in managing SI already received basic training through Phare support, and there was only a very limited number of newly hired personnel, the need for basic training has diminished considerably, from the moment of initial programming onwards. This tendency was confirmed through stakeholder interviews and suggests that for this KAI although training needs still exist, and are important to be addressed by OPTA, there is a clear shift towards the need for more sophisticated and specialized training, as basic training needs have already been fulfilled.
73. Although beneficiaries were considered an important target group during the programming phase, there was no actual training directed to them until end 2009.

<sup>24</sup> Confirmed through the interviews with ECU, ACIS management and independent evaluation experts.

<sup>25</sup> All interviews with representatives of institutions involved in SI management confirmed the importance of training for establishing a functional system.

<sup>26</sup> Estimate based on interviews with ACIS, CPA and AA staff.

## **KAI 1.4 - Functioning of OPTA MA, ACIS, the CPA and the AA**

### **Initial programming**

74. KAI 1.4 is ensuring the necessary support for the functioning of the institutions involved in SI management, implementation and control that are not receiving support from other TA sources (ACIS, CPA and AA).
75. This KAI aims at supporting the employment of contractual staff, covering eligible administrative expenditures and also ensuring the necessary logistics in organising the NCC and MCC and all other coordination related committees and groups meetings.

#### **Financial allocation**

2007-13: EUR 22,624,302

10.6% of the OPTA allocation for 2007-13

2007-09: EUR 8,119,303

3.8% of the OPTA allocation for 2007-09.

### **Relevance of original programming**

76. The relevance of this KAI is explained by the importance of ensuring adequate logistics for institutional coordination. All three eligible institutions have benefitted in the period 2007-2008 from Phare assistance, which has temporarily reduced the demand for OPTA support. After the end of pre-accession assistance, there was a constant need of tapping the resources of this KAI.
77. Although hiring temporary staff can be highly useful during activity peaks, the legislation is restrictive regarding such contracts, especially during the economic crisis.

### **2.3.2 Priority Axis 2**

78. According to the Commission Regulation N<sup>o</sup> 1828/2006, the communication between Member States and the EC regarding SI implementation requires a stable ICT system allowing a secure transfer of data. Each Member State has therefore the responsibility to build such an ICT system.
79. Through GD N<sup>o</sup> 497/2004, the Ministry of Public Finance<sup>27</sup> (MoPF) received the mandate to ensure the development and the functioning of the single ICT system for the technical and financial management of the European funds.
80. The implementation of the system, called the Single Management Information System (SMIS), started in 2004, aiming at a gradual development until reaching eventually full functionality.
81. In this context, the OPTA PA 2 has as main objective to 'ensure SMIS smooth operation and functional development and the ongoing expansion of the system so as to allow prompt access to data in all institutions involved in the process of SI and to contribute to a sound and effective management of the Operational Programmes<sup>28</sup>.
82. Four KAIs were designed in order to secure SMIS efficiency and effectiveness for the whole programming period, to ensure coordination and the necessary HR for the deployment and implementation of the ICT system and its digital network and to provide the necessary equipment for the correct and timely operation of the system.
83. Excepting the KAI 2.4 (Supply of ICT goods and services), the PA 3 has as its sole beneficiary the System Coordination Directorate (SCD) within ACIS.

<sup>27</sup> In 2004 the institution was named the Ministry of Economy and Finance.

<sup>28</sup> OPTA, pg. 43.



## **KAI 2.1 - Development and maintenance of the SMIS and its digital network**

### **Initial programming**

84. KAI 2.1 is designed to provide assistance, under the coordination of SMIS CU within DSC/ACIS, for developing the ICT system SMIS, including support for the development and update of the users and procedures manuals. Furthermore, the SMIS maintenance is supported under KAI 2.1 for all the implementation period of OPTA (please refer to OPTA, pg 51-52, FDI pg 29, Applicant's Guide pg 9).

#### **Financial allocation**

2007-13: EUR 17,693,476

8.3% of the OPTA  
allocation for 2007-13

2007-09: EUR 6,089,476

8.6% of the OPTA  
allocation for 2007-09.

### **Relevance of original programming**

85. The SMIS was developed with the support of Phare assistance, and was designed to follow the lines of the OPs as they were initially defined in the programming exercise of 2005-2006. As the SI system has its own development and dynamics, it is mandatory to have resources to adapt the ICT system to reflect better the amendments brought to the OPs during 2007-09. The SMIS is already functional, but its functionality can be further improved, by providing the institutions in charge with SI management (ACIS and MAs) the optimum set of tools.
86. OPTA support for developing SMIS remains crucial in order to increase user satisfaction, improve data processing and acknowledge the amendments brought to initial programming.

## **KAI 2.2 - Functioning of SMIS Central Unit and its coordination network**

### **Initial programming**

87. KAI 2.2 is designed to offer support for the functioning of the SMIS CU and its coordination network, including support for hiring and training specialised contractual staff, as well as for ensuring the functioning of a help-desk within the SMIS CU (OPTA, pg 52, FDI pg 33, Applicant's Guide pg 9).

#### **Financial allocation**

2007-13: EUR 9,861,651

4,6% of the OPTA  
allocation for 2007-13

2007-09: EUR 4,059,651

7.8% of the OPTA  
allocation for 2007-09.

### **Relevance of original programming**

88. The coordination network is critical for the good management of SMIS. As planned in the programming phase, special attention still needs to be paid to SMIS coordinators, in respect of both the selection of qualified personnel and the training and career development of this network, which has an important role in the optimum functioning of the larger community of SMIS users.
89. Hiring contractual staff could prove to be useful at both ACIS and MA/IB level during peak periods. At ACIS level, as inferred from the discussions with the SMIS CU, specialised assistance provided by top external experts may be needed in the process of designing the technical requirements and the ToR for launching tenders. The most relevant situation at MA/IB level is related to the data uploading requirements, which currently require significant effort, especially in the case of call for proposals with fixed deadlines<sup>29</sup>. When MySMIS application will become functional, it will allow switching the effort of primary data introduction from the MA/IBs staff to the beneficiaries and hiring the contractual personnel at a local level may no longer be necessary.

<sup>29</sup> All applications need to be then processed in the SMIS in a very short time – even the unsuccessful ones.

90. The SMIS help desk application can be considered functional, but it does not have an optimal shape and functionality. Interviewed users pointed to the fact that they tend to avoid using this function, due to the high response times and the increased complexity of the help desk application itself. Therefore, OPTA support in increasing the efficiency of the help desk would still be needed.

### **KAI 2.3 - Training of the users, distribution of procedural guides and user manuals and information activities related to SMIS**

#### **Initial programming**

91. KAI 2.3 finances operations aimed at training the SMIS users and at distributing manuals and other guides. A series of communication events are also supported under KAI 2.3 (OPTA, pg. 52-53, FDI pg. 36-37, Applicant's Guide pg 10).

<b>Financial allocation</b>	
2007-13:	EUR 10,007,137 4.7% of the OPTA allocation for 2007-13
2007-09:	EUR 3,004,738 4.3% of the OPTA allocation for 2007-09.

#### **Relevance of original programming**

92. SMIS is benefiting from a dedicated KAI for training users, which goes beyond the overall training provisions under KAI 1.3. Training SMIS users is key to increasing the efficiency of SMIS, as this not only reduces the potential input errors in the system, but also increases the capability of using the system as a true management instrument.
93. Manuals and guides have already been distributed to users with OPTA back-up. However, interventions are still required in order to create versions of the manuals that are more user-friendly.

### **KAI 2.4 - Supply of IT&C goods and services**

#### **Initial programming**

94. The KAI 2.4 supports the procurement and the implementation of ICT services and equipment necessary for the correct SMIS functioning (OPTA pg 53-54, FDI pg 40-41, Applicant's Guide pg 10).
95. The financial allocation for this area is the most generous out of all of the areas gathered under PA 2 of OPTA, having as intended beneficiaries the SCD, CPA and AA, as well as the MAs and the IBs. Out of this allocation, EUR 6,235,553 is represented by the EU contribution (ERDF).

<b>Financial allocation</b>	
2007-13:	EUR 29,175,585 13.7% of the OPTA allocation for 2007-13
2007-09:	EUR 7,794,442 11.1% of the OPTA allocation for 2007-09.

#### **Relevance of original programming**

96. Most of the institutions managing SI have benefitted in the period 2005-08 from pre-accession assistance for acquiring ICT equipment. As SMIS functionality relies on a network of ordinary PCs, there was no significant need to acquire new equipment.
97. The recommended life-span of PCs is around 3-5 years, which would suggest that most of the MAs/IBs would need to upgrade their ICT equipment from 2010 onwards. Therefore, the KAI would increase in relevance over the second half of the financial perspective. Nevertheless, it is unlikely that the ICT equipment upgrading cost would be as high as the overall allocated budget for this KAI. Even a 50% of the total allocation would probably be generous enough to cover all required new and upgraded equipment, including network specific equipment.

***Ensure full compatibility between SMIS and third party applications***

98. A special situation of applications developed separately, but in a way connected to SMIS, is represented by the HRD OP own ICT system – ActionWeb, functioning in parallel with SMIS application, without an automatic interface between them, thus requiring a double effort to upload data. ActionWeb was designed to collect data from beneficiaries, but is not fully addressing the SMIS data requirements, making an automatic link to SMIS difficult. ESF projects have some characteristics that are not totally covered by SMIS, in the opinion of HRD OP MA. The local application ActionWeb was developed in 2008 to meet specific SOP HRD needs and it is used to manage the projects under that OP.

***Securing 100% and reliable upload of data***

99. One important short-term need in 2009 and at the beginning of 2010 was to accelerate the uploading of beneficiary, respectively, contractor identification data. For this purpose, two SMIS connected applications were developed, allowing registering such data at MAs and IBs level and supporting migration to SMIS after ACIS validation. The two applications are web-based and were created 'in-house', with SMIS CU resources.
100. However, the current solution is unsustainable, as the number of projects and beneficiaries filing progress reports and reimbursement claims will grow. There is not enough staff to go over all small details of a project.
101. To address this issue, an application with a high impact on the SMIS user community needs to be developed with OPTA support, i.e. MySMIS. This application could externalise the process of data upload to beneficiaries during a project's life, covering submission, implementation and reporting. Beneficiaries may have then free access to a web-based application, where they can upload data from the Financing Application, reimbursement documents and progress reports. This way, an important workload can be transferred from MAs/IBs staff to beneficiaries that will have to manually upload themselves all primary data regarding the projects submitted for both the pre- and post-contracting periods. Data from MySMIS will be uploaded to SMIS only after a validation phase managed by authorised MA/IB staff (the back-end function), which would cross check the electronic data with the hard copies of documents submitted by the beneficiaries (front-end function).
102. Even if, at first look, the main purpose of MySMIS is to reduce the workload of the MA and IB staff MAs/IBs, the advantages of using such an application are important. Beneficiaries would become more accountable in relation with the data transmitted and, as a consequence, the quality of documents could be improved, leading in the medium term to improving projects proposals, with intermediate impact on absorption capacity.
103. MySMIS is not only a tool for uploading data, but aims to be interactive and dynamic, registering the beneficiaries reactions related to the ICT system's changes. Therefore, MySMIS may be very useful, with a positive impact in the short term, but also in the long term.

***Opening SMIS customization for stakeholders***

104. Another need is to generate customized reporting for stakeholders (ACIS, MAs and IBs). A temporary solution has been developed in the form of a Business Intelligence component, which was generated internally by SCD staff. Ideally, this needs to be replaced by a full Business Intelligence Application for SMIS (BIAS application),

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<sup>30</sup> This section is answering a specific evaluation question, namely Q19. Please refer to Table 3.

delivering flexible reporting, including data exports<sup>31</sup>, accessing databases in real time, and providing high level security and activity audit.

105. For the next version of SMIS that may be developed under OPTA, the reporting component should cover all types of standard reports, compulsory for the official documents flow, and BIAS application would ensure the flexible data access, according to the specific needs of each stakeholder managing SI.

### **Continuous training**

106. In addition to SMIS development, another need outlined during interviews by SMIS CU staff is related to specific training sessions on issues such as public procurement. Additional training on project monitoring and financial procedure would also be useful for SMIS CU staff in order to understand better the needs of the users.

### **2.3.3 Priority Axis 3**

107. In compliance with Council Regulation (EC) N<sup>o</sup> 1828/2006, each Member State must develop a Communication Plan (CP), detailing the communication and information tools to be used in order to ensure visibility and to increase the awareness level regarding the OPs and the Community role.
108. The communication need has its roots in the EC experience regarding the low level of information concerning the role and impact of structural instruments. Therefore, Member States are responsible to develop a single CP for all OPs or a CP for each OP.
109. Romania decided on detailing a CP for each OP, based on ACIS' National Communication Strategy for SI (NCS). The NCS aims to promote the EU interventions, in a coordinated manner as to avoid overlaps and to ensure synergy.
110. In this context, ACIS, as coordinator of SI in Romania and also as OPTA coordinator (with its DTA acting as MA) developed the CP for 2007-13, financed by OPTA and with two major components: SI-related communication and OPTA-related communication.
111. The general objectives of the two components are complementary, aiming not only to reveal the EU contribution to Romania's modernisation process, but also to consolidate the SI management system, as well as the role and the results achieved by using SI and OPTA financing. Moreover, the goal of the information, communication and publicity activities detailed in the CP is to inform the target groups constantly and correctly about the financing opportunities offered by the SI and OPTA, including the objectives and benefits of SI and OPTA implementation. In addition, the communication process is intended to ensure transparency and support for SI absorption.
112. Taking into account the complex dimension of the communication and information process related to the SI, the PA 3 is entirely dedicated to activities of information dissemination and promotion of the SI.
113. Therefore, the objective of PA 3 is to *'ensure coordinated delivery of general messages related to Structural Instruments at national level'*<sup>32</sup>. For achieving the horizontal communication and information dissemination objectives, PA 3 has two KAI: the first KAI aims to disseminate general information and carry out publicity activities related to SI, whilst the second KAI plans to support the establishment and functioning of an Information Centre for SI (IC).

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<sup>31</sup> In .csv format.

<sup>32</sup> OPTA, pg 54.

114. The specificity of these activities led to assigning the SCD as sole beneficiary for PA 3, having the possibility to submit projects on a continuous basis over the whole period 2007-13.

### **KAI 3.1 - Dissemination of general information and publicity activities regarding the Structural Instruments allocated to Romania**

#### **Initial programming**

115. The objective of KAI 3.1 is to offer assistance for the implementation of the Communication Action Plan, elaborated by ACIS. This assistance includes information campaigns, public opinion surveys, publicity activities, events organisation, information materials, impact evaluation and analysis of the best promotion and publicity tools. (OPTA pg 56, FDI pg 45, Applicant's Guide pg 11).

#### **Financial allocation**

2007-13: EUR 29,115,819

13.7% of the OPTA allocation for 2007-13

2007-09: EUR 9,512,670

13.5% of the OPTA allocation for 2007-09.

#### **Relevance of original programming**

116. The activities of this KAI continue the information effort supported from 2007-08 pre-accession funds (brochures, information campaigns, regional seminars, conferences and debates).
117. A general characteristic of the programming period was that the level of awareness regarding the SI was very low, with the programmes perceived as difficult to access and obtain, mainly because of bureaucracy and corruption.
118. As the general information needs on SI were broadly covered either through Phare support or by third parties (mass-media coverage, consultancies and NGOs), one would expect a shift from the need for basic information to a more specific and sophisticated need for targeted information. Such a situation would imply a slight adjustment of the initial programming.
119. However, a Survey commissioned by ACIS and launched in June 2010<sup>33</sup> proves that only one third of Romanians have ever heard of SI, out of which only 14% consider themselves adequately informed. Only 28% of people up to 35 years old have heard about SI. Interestingly, only 26% of respondents are interested to know anything about SI.
120. This suggests that the information campaigns so far were ineffective in increasing general awareness about SI and that to a large extent only the people that were knowledgeable and interested to learn more about SI became familiar with Structural and Cohesion Funds.
121. Based on the above, it can be argued that the assessment made at the time of programming is to a large extent still valid and that the interventions within KAI 3.1 remain relevant.

### **KAI 3.2 - Operation of the Structural Instruments Information Centre**

#### **Initial programming**

122. KAI 3.2 offers resources for the development and the functioning of an IC for SI, resources for developing a dedicated webpage, a call centre and a regional and local network of information points.

#### **Financial allocation**

2007-13: EUR 13,452,701

6.3% of the OPTA allocation for 2007-13

2007-09: EUR 4,749,701

6.7% of the OPTA allocation for 2007-09.

#### **Relevance of original programming**

123. Beyond the EC general requirements related to SI

<sup>33</sup> Analysis Report – The information degree of the public on SI in Romania, produced by TNS CSOP Romania, June 2010.

information, the Government adopted the National Communication Strategy (NCS), as the main planning instrument for the communication and information process. The need for developing an IC was included in the NCS.

124. The IC for SI was seen, at the programming time, as the 'central point that all interested persons can contact following the campaigns and where they can find answers to general questions or be directed toward other specialized organisations in accordance with their specific interest' (FDI, pg 49).
125. The related tool-mix envisaged by OPTA includes the development of a website, a call centre and a regional network of information points, in order to deliver uniform and correct messages and information. Apart from the website, no other information tool has been put into practice. This is due to external factors (ACIS headquarters was inadequate for the initially anticipated needs), but also to internal factors (capacity of SCD to coordinate information and communication instruments).
126. All such instruments, and especially the IC, are still needed in order to provide the right infrastructure for disseminating information related to SI. Without these tools, the goal of the entire PA3 would be jeopardized. At the time of the programming, there was no anticipation of such a substantial delay in the implementation of the IC. However, the creation of the IC is still both needed and relevant.

### 3. Programme Coherence and Consistency

#### 3.1 Introduction

127. This section investigates the coherence and the consistency of OPTA. Coherence relates to the quality of the coordination between OPTA interventions and the technical assistance interventions available under and specific to each of the other OPs. Consistency refers to a programme not having logical, internal or external, contradictions. In the case of OPTA attention is focused on the degree to which there is contradiction with the EU cohesion policy or the NSRF overall.
128. The analysis of the consistency and coherence of OPTA involved obtaining information on the following:
- ❖ OPTA's empowerment to supply TA and the degree of matching or overlap, with regard to the mandate of the TA-related axes under other POs;
  - ❖ the actual implementation so far of OPTA support in terms of TA delivery and the degree of overlap in TA implementation with relevant components of all OPs;
  - ❖ OPTA consistency with Cohesion Policy and NSRF, with regard to implementation.

#### 3.2 Findings

129. OPTA is intended to help ACIS in two major ways. On the one hand, OPTA provides ACIS and its directorates with the necessary resources for improving their day-to-day functioning. On the other hand, it enables ACIS to coordinate SI interventions by supporting all coordination instruments at horizontal level for SI, such as Committees or Working Groups. This inherently implies the need to correlate OPTA interventions with vertical TA from other OPs, both horizontally and vertically.
130. Details on the main existing coordination mechanisms are provided in **Annex 7**. For all WGs, the Statute and the Functioning and Organisation Regulations were taken into account during the analysis. Documentation review was validated through interviews for most of the WGs.

##### 3.2.1 Coherence

131. The complementarity between OPTA and the TA axis of each OP starts from the programming mandate of the envisaged interventions. While OPTA offers horizontal support for problems common to at least two OPs, at OP-level the mandate of TA is to focus on solving problems specific to the respective programmes.
132. This distinction did not imply a complete separation of each type of TA. On the contrary, this option was chosen to create synergy between horizontal coordination measures at NSRF level, and vertical resources at OP level for efficient programme implementation, based on each programme's specificity.
133. Whilst there are obvious benefits attaching to this choice, there are nevertheless risks of duplication of effort or double funding. To manage this risk, ACIS created the CCTA,



which was mandated with providing the general coordination for the implementation of the TA. The CCTA was given three main responsibilities<sup>34</sup>:

- ❖ providing good cooperation between all the TA responsible units (among all MAs) with regard to the experience exchanges and best practice in the field of TA implementation;
  - ❖ providing a strategic general guidance for all the directorates and units owning responsibilities in the TA field (within all MAs);
  - ❖ Coordinating TA interventions in order to formulate action plans and proposals for improving the managing and implementation of TA and to submit them to the Management Coordination Committee (MCC).
134. The CCTA includes representatives of the entire MA responsible for implementing specific TA, as well as representatives of the OPTA MA and ACIS directorates. CCTA meetings take place every 3 months. CCTA decisions are taken by consensus or by qualified majority. Representatives of the AA, PCA and EU take part of the CCTA meetings, as observers. In order to facilitate the permanent operational activity of the CCTA a permanent Secretariat was created, provided by the OPTA MA – Strategies Service – and coordinated by the CCTA President (OPTA MA director).
135. Beyond the coordination role of CCTA, the thematic WGs set up by ACIS [ref: **Annex 7**] also have influence on how well horizontal and vertical TA is correlated. This is particularly evident in the case of the Evaluation, Training and Communication WGs. For instance, the Training Working Group (TWG) determines how TA should cover training needs, decides which general training courses should be funded through OPTA, and leaves specific OP related training to be contracted under vertical, OP-level, TA.
136. Considering the importance of the WGs in coordinating the TA in their thematic domains, there is an obvious need for cooperation between the CCTA and the WGs. CCTA meetings, after reviewing the general aspects concerning the TA on NSRF/OP level, customarily discuss the activity of the WGs, for pin-pointing specific coordination problems, should they arise.
137. All WGs share the goal of ensuring crosscutting coordination of thematic activities with TA elements. Hence, it is only natural that their activity should be directly supported through OPTA-financed projects. Already at the end of 2009, there were a number of projects in implementation or ready to be launched. For example, OPTA PA 1 and PA2 manage the following projects:
- ❖ KAI 1.2 supports the Evaluation Working Group (EWG) through the project Improving the evaluation capacity of the Evaluation Units in MAs and ACIS, which was recently approved for financing;
  - ❖ KAI 1.3 supports the activity of the TWG through the project Continuous training in managing and coordinating the Structural and Cohesion Funds in Romania, currently under implementation;
  - ❖ KAI 1.4 supports the SI and some WG coordination activity. The project Support for the functioning of ACIS and the OPTA MA, which provides both logistical and content-based support for the MCC, the CCTA and the CWG is already under implementation;
  - ❖ KAI 2.3 supports the activity of the SMIS WG through the project Support for CSD for managing SMIS-NSRF, (in project phase).
138. The existing coordination architecture therefore ensures appropriate institutional arrangements for reaching optimum complementarity between OPTA and TA axis of OPs.

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<sup>34</sup> According to the CCTA statute.

139. By the end of 2009, the CCTA activity had several outcomes. Firstly, a set of procedures were agreed and implemented to better coordinate TA horizontally and vertically. These procedures include the following:
- ❖ broad agreement on dividing TA at OP level into two KAIs for better monitoring: support for management and support for promotion and communication<sup>35</sup>;
  - ❖ agreement on splitting TA eligible activities in five categories: support for management capacity of MAs/IBs, support for SI beneficiaries, support for studies and evaluations of OPs, support for ICT systems, support for information and publicity;
  - ❖ agreement on standardized reporting on TA both for OPTA and the other OPs, during CCTA meetings;
  - ❖ agreement on permanent review and consultation of AT ToRs for intended tenders in order to avoid overlapping;
  - ❖ agreement on WG debriefing during CCTA meetings on thematic WG activity, including a mandatory WG assessment of envisaged TA contracts in the respective thematic field.
140. Secondly, CCTA meetings have become a platform for debate on problems encountered during TA implementation and for finding solutions for the procedure of designing, selecting, approving and contracting TA projects.
141. Thirdly, the CCTA has urged its members to move beyond quantitative reporting towards a qualitative assessment of the role and impact of existing and planned TA, both horizontally and vertically.
142. As a result of these achievements and set procedures, the CCTA was able to avoid potential overlap between OPTA and vertical TA. For instance, OP Transport was discouraged to fund its own ICT system, which would have contradicted the horizontal logic of SMIS, supported through PA 2 from OPTA. Similarly, several OP level ToRs for planned TA contracts were amended or cancelled, in order not to overlap with OPTA interventions through KAI 1.1.
143. However, not all coordination procedures went smoothly. There were cases of TA tenders still being launched at OP level, without prior consultation within the CCTA. Some of these tenders proved to have considerable potential for overlap with horizontal OPTA interventions. The reasons for such errors included:
- ❖ There are notable differences among the WGs in terms of efficient screening of possible TA overlapping and providing a proper debrief during CCTA meetings. The performance of a WG shows a high degree of correlation with the existence of a permanent team within ACIS and its level of engagement and representation;
  - ❖ There are situations where, at OP level, the TA representative does not have enough power to prevent higher level decision makers to launch TA projects without proper consultation within CCTA. The relative power of TA representatives at OP level depends on the institutional setting of the TA effort within the respective OP, on the quality of the formal and informal contacts at level with MA management and also on the personal skills of arguing the case of coordinating TA with ACIS. Especially the first one of these factors is quite significant, as the institutional structures responsible for TA at OP level vary a lot from one OP to another.

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<sup>35</sup> *There are still several differences from one OP to another in terms of dividing the two KAI on detailed TA activities – for instance, SOP IEC includes evaluation and ICT support in the second KAI, together with communication support, whereas in other OPs, such as SOP HRD, evaluation and ICT support are bundled together within the first KAI, which focuses on management support.*

## Box 2: Comparative analysis of the most relevant Working Groups for the coordination of TA

The **EWG** is one of the most active coordination structures, especially through the professional culture that it created among its members. EWG meetings tend to exceed statutory formalism and address the promotion of technical instruments, as well as the development of the necessary mentality and paradigm for improved SI evaluation as a means of improving absorption. EWG benefits from its solid structure within ACIS, allowing direct reporting to ACIS Director, and thus more relative power over counterparts at OP level.

The **SMIS WG** had a difficult mission in 2009, especially due to the blockage of the contracting phase for assistance in developing the ICT-platform. Basically, under the System Coordination Directorate (DSC) within ACIS, the WG tried to offer internal optimization solutions to overcome some of the system barriers. The amount of effort was considerable and, although a compromise solution, it allowed for progress in the much needed data provisioning of the system and the use of the system overall. In addition to addressing the strictly technical problems, the SMIS WG meetings aimed at a proper training of the SMIS coordinators layer, based on OPTA support for that specific issue. Although at the end of 2009, there were still a number of serious issues related to the use of SMIS, the SMIS WG activity had practically saved the day by avoiding a situation of complete blockage, which would have had much more serious consequences. SMIS WG had more success in dealing with technical issues than with strategic agreement between OPTA and the other OPs on how SMIS should function. The fact that SMIS development was raised by the EC as a top systemic priority led to a closer connection with the top management of ACIS.

The **TWG** manages the Training Mechanism that allows the centralized gathering of all training needs at MAs and IBs level, which are then discussed to ensure a correlation between the training needs assessment and the best solutions to address those needs. Although they would have wanted to install software platform to facilitate this process, this improvement had not been implemented by end-2009, and remains to be completed in 2010. The TWG had an intense activity in the last period also because it had a large OPTA support, more exactly 2 external training contracts. The discussions within the TWG allowed for a better understanding of the adjustment of the training modules, in the direction of letting go of the general training on the SI, as it is no longer of great interest for the MA/IB representatives, and to focus more on the other modules, such as financial management or public procurements. TWG is headed by the OPTA MA Director, which provides adequate representation, but in terms of permanent structure, it is understaffed and poorly placed in the organizational chart in terms of direct link to ACIS top management.

The **CWG** pursued the elaboration and update of the CPs, as well as coordinating them. Moreover, with OPTA support the first communication products at ACIS level were developed and approved. The last period however was under elections and crisis-related budgetary constraints; consequently the promotion and communication activities were more difficult to manage, as they were considered to be low-priority expenses. CWG is led by the Director of the SCD within ACIS, which does not have direct professional experience on communication related issues. The structure ensuring the executive functioning of the CWG is the Communication Unit within SCD, which is understaffed and poorly placed in the organizational chart in terms of direct link to ACIS top management.

### 3.2.2 Consistency

#### Consistency with EU policy

144. The successful implementation of the EU Cohesion Policy implies the existence of a well-functioning public administration, with appropriate resources. The importance of administrative capacity is recognised by most European policy documents, both the strategic (Lisbon Strategy, EU 2020) and the operational ones (the EU regulations regarding SI).
145. This prioritisation can also be seen from the fact that operational changes have been made for the current 2007-13 financial perspective to allow for the development of administrative capacity. For example, Annex IV of the Council Regulation (EC) N<sup>o</sup> 1083/2006 supplemented the list of eligible expenditure by including those specifically related to the strengthening of the administrative capacity.

146. Romania has opted for two OPs for the purpose of enhancing administrative capacity: OP DAC for supporting the capacity to develop national policies and OPTA for boosting the capacity to manage SI. Therefore, OPTA's objective may be considered consistent with the new EC perspective regarding the support offered through TA for a better management of the Cohesion Policy<sup>36</sup>.
147. An important aspect when analysing consistency is the fact that the Cohesion Policy is in a process of constant review and reform. One of the main pillars of reform was the objective of policy simplification, clearly stipulated in Agenda 2000. The results were seen first in the 1999 reforms of Cohesion policy, which covered: procedures for revising the programmes; procedures for audit and control; mid-term evaluations and reviews; reporting activities; monitoring indicators; Performance Reserve allocation; annual meetings with the Commission; the Commission's role in monitoring committees; and financial management and automatic decommitment procedures.
148. Some of the measures had positive impacts on programme management, while several Member States have criticised the limited scope of the reform. This led to a new generation of reforms, incorporated into the 2006 reform of Cohesion policy. For the 2007-13 period, the Programme Complement was eliminated, and programmes became more streamlined with simpler financial tables. Evaluation requirements are more flexible, with responsibility for the content and timing of evaluations devolved to the Member States, and the Performance Reserve is voluntary. The key principle underlying the contract of confidence was built into the regulations, although the new compliance assessment exercise has not been without difficulties and has increased workloads at the start of the current period.
149. The launch of the 2007-2013 programmes has been followed by another simplification package. However, the main impetus this time was the economic crisis. The Commission's response was provided through two Communications setting out *A European framework for action* and *A European economic recovery plan* approved by the December 2008 European Council (European Commission, 2008b). The specific response of Cohesion policy was set out in the Communication *Cohesion Policy: investing in the real economy of October 2008* (European Commission, 2008a). It put forward a series of Commission recommendations for speeding up programme implementation and was promptly followed by supporting legislative proposals, including a range of simplification measures such as the frontloading of Community financing in 2009, enabling reprogramming of funds to accelerate spending, increasing the leverage of JEREMIE and JESSICA, accelerate reimbursement of expenditure incurred under major projects, increase State aid advances up to 100%, facilitate the launch of financial engineering instruments, broadening the eligible use of flat rates and lump-sum costs for some overheads.
150. The agenda for the future of Cohesion Policy 2014-2020 pushes for even further simplification. The main focus of attention is on how the current, administratively complex management and control system can be simplified while maintaining assurance on the regularity of spending. The agenda for reform encompasses a range of possible changes, including: the use of a different management and control system; differentiation of procedures; a higher tolerable risk of error; the harmonisation of eligibility rules; and adjustments to decommitment rules<sup>37</sup>.

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<sup>36</sup> More about the way in which OPTA is aligned with EU policy, as required by Art 29 of Council Regulation (EC) N° 1083/2006, will be explored in Section 6.2 discussing programme impact.

<sup>37</sup> "Review and assessment of simplification measures in Cohesion Policy 2007-2013", John Bachtler and Carlos Mendez, commissioned by the European Parliament, September 2010.

151. The entire simplification reform needs to be put in the wider context of reform at EU level which focuses on balancing the reduction of administrative costs with the needs for ensuring that the EU budget is being effectively and properly spent.
152. Recent research has suggested that the administrative costs of Cohesion policy may not be excessive compared to other policy fields and that, in some cases, high administrative costs are attributable to national 'gold plating' – whereby national interpretation of EU regulations goes beyond what is necessary<sup>38</sup>.
153. As a stakeholder and important beneficiary of the Cohesion policy, Romania currently is directly connected and concerned about the past and current reform. Through ACIS, the MAs and other relevant institutions, Romania is expected not only to implement the agreed reforms, but also to contribute actively to the reform process.
154. The OPTA is the first resource that Romanian institutions can use to prepare for the future and to engage in the wider European debate. In terms of structure and content, OPTA is fully consistent with this need, allowing full support for ACIS.

### **Consistency with the approach of other Member States**

155. Romania's choice of having a separate OP for TA is not singular among new Member States. Several other countries eligible for support under the Cohesion Policy opted for the same. In terms of structure, the OPTA is similar to other TA OPs in other Member States, as most of them provide support to the institutions managing SI, support for training, support for ICT monitoring system and for information and communication.
156. However, there are also country specific choices in terms of TA content. In Poland, the TA OP has an entire PA dedicated to supporting only HR related to SI. In Bulgaria, the parallel OP contains direct provisions of support for developing public-private-partnerships in the context of SI interventions (PA 1), and for support to developing statistical and econometrical models related to the impact of SI (PA 3). In Hungary, the equivalent OP is named Implementation Operational Programme (IOP) with as second its PA (Tools required for the high-standard utilisation of support), which contains a dedicated KAI entitled Operation of a locally accessible network of advisers assisting (potential) beneficiaries in their efforts to generate and implement quality projects. In Portugal, there are two TA OPs, one for ERDF and one for ESF.
157. Given that similarities are clearly stronger than differences, it can be argued that the Romanian OPTA is consistent with the approaches of other Member States, while the specific differences may suggest topics of interest for TA projects, which are by and large eligible for support under the current OPTA structure.

### **Consistency with national policy**

158. As far as national policies are concerned, the goal is to test the consistency of OPTA's objectives with NSRF objectives. There are two ways in which OPTA consistency with NSRF can be interpreted.
159. First, the NSRF postulates the need for efficient management and coordination of SI, which is exactly the main mandate of OPTA. There is no need for additional elaboration on this part, as all OPTA interventions are aimed at enhancing the SI management and coordination capacity. All the analysis that focused on the implementation mechanisms related to SI is relevant for proving the existing consistency.

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<sup>38</sup> "Regional governance in the context of globalisation: reviewing governance mechanisms and administrative costs", Final Report to the European Commission (DG Regio), SWECO International, Stockholm, 2010.

160. Second, within the NSRF there is an explicit priority with regard to Building an Effective Administrative Capacity within the Romanian Public Administration. Here OPTA's contribution is also critical, as the staff responsible for SI implementation is expected to gain a high level of expertise and skill through OPTA's support. Indirectly, best practice and expertise gained as a result of OPTA support are expected to have a positive spill-over effect on the rest of the public administration. It is true that enhancing the administrative capacity outside the framework of SI is the main objective of a different OP, i.e. OP DAC. It is therefore crucial that there is a need of consistency on this point between OPTA and OP DAC.
161. As a matter of fact, the OPTA ex ante evaluation highlighted explicitly the need for OPTA and OP DAC to cooperate<sup>39</sup>. The focal point of such cooperation should be that of transferring good practices from SI management towards the management of the rest of the public policies in Romania.
162. There are several areas with the potential for enhanced cooperation between the two OPs that can be split at PA/KAI level, as seen below.

### Priority Axis 1

163. Difficulties in dealing with public procurement or state aid (KAI 1.1) are not SI specific. Procurement is not a hindrance only in implementing TA contracts within OPTA or other within other OPs. In fact, procurement problems are also frequent in the case of spending national funds. The regulatory framework is the same, regardless the funds are coming from the EU or from the national budget. This means OP DAC can also help improve the capacity of public institutions regulating procurement or state aid.
164. The use of evaluation (KAI 1.2), as a means to improve public policy design and implementation, is not only related to SI. In addition to OPTA's interventions, OP DAC provides a dedicated KAI<sup>40</sup> intended to support policy evaluation. In spite of OP DAC's efforts, the implementation of projects supporting the use of evaluation was very low. This led to the relative isolation of the ECU and the EWG, supported by OPTA<sup>41</sup>. This happened in spite of having adopted in 2006 the NES.
165. Training (KAI 1.3) is common to both OPTA and OP DAC interventions as well. Beyond the competencies, which are specific to SI, there are a lot of core competencies which are trained in both OPs. An example can be training in *Project management* which is key for any public servant, regardless the nature or the source of funding she may manage. This provides more scope for a national training strategy.

### Priority Axis 2

166. Setting-up SMIS as a monitoring system required by the EC only for SI (KAI 2.1-2.2-2.3) does not imply that the rest of the Romanian public administration could not use an IT instrument for better transparency in public spending and easier audit track. There are quite a few OP DAC projects related to IT solutions for public administration
167. The IT endowment required by SMIS (KAI 2.4) is to a large extent a standard IT prerequisite for all public administration (functional PC, not older than 3-5 years). Why

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<sup>39</sup> *Ex ante Evaluation OPTA, Tamas Lunk, Jan 2007, pg. 23.*

<sup>40</sup> *OPDAC - KAI 2.1 – Increasing the responsibility of the public administration;*

<sup>41</sup> *This is not completely OP DAC's fault, as one possible reason for the stalemate may be the lack of capacity on the part of potential beneficiaries to come up with eligible projects supporting the development of evaluation to help improve national public policies.*

should OPTA fund PCs when such equipment should be part of a national plan to ensure computer literacy and endowment?

**Priority Axis 3**

168. Similarly, providing proper information and ensuring adequate communication (KAI 3.1-3.2) are not bound to SI. These are general principles and standards that any public institution should respect.

## 4. Programme Efficiency

### 4.1 Introduction

169. This section aims to investigate the efficiency of OPTA implementation. Because at the time of the evaluation there were hardly any results of programme implementation, the best possible proxy for assessing OPTA efficiency is a combination of programme theory and process analysis.
170. Programme theory in the case of OPTA starts from the programme's concept and design, examines how it is organized and how that particular way of organizing it will lead to the desired outcomes. This method will be used to assess if the current institutional structure is adequate for reaching OPTA objectives.
171. Process analysis looks beyond the theory of what the programme is supposed to do and assesses how the programme is being implemented. The evaluation determines whether the implementation system is functional, whether target beneficiaries are being reached, as well as whether projects were generated, and contracts signed.
172. In order to analyse OPTA efficiency and answer the specific evaluation questions, several interviews were organised with ACIS and the OPTA MA management and staff.
173. The interviews provided information regarding the OPTA institutional structure, the OPTA management and implementation system. Desk research was carried out in parallel to evaluate internal procedures on issues such as monitoring and coordination.

### 4.2 Findings

#### 4.2.1 Overview

##### **Institutional assessment – OPTA MA**

174. OPTA does not have any IBs. It just has one MA, and one Manual of Procedures that reflects a single institutional set-up for the entire OP.
175. The OPTA MA is part of the DTA within ACIS. Two of the three services of the DTA have mainly OPTA MA-related functions. The third service has only a help-desk function, according to the existing procedures. However, the two dedicated services that constitute the MA have other significant tasks, not related to its OPTA management role. The finding is backed by survey data<sup>42</sup>, which show that 37% of MA staff is responsible for support functions. This compares to a maximum of 17% in other OPs.
176. A structural and HR analysis of DTA may serve as a first step in analysing OPTA efficiency [ref: **Box 3**].

##### *Box 3: In-depth Analysis – DTA institutional functions and HR allocation*

The **Strategies Service (SS)** has all 7+1 positions filled, but two persons are on maternity leave. A third person is fulfilling secretarial activities, acting as support staff. Even if the SS tasks are clearly stated by internal procedures, only 5 persons are actually fulfilling the attributions related to the MA role, a number insufficient to duly comply with procedures. Taking into account the fact that one of the persons benefiting

<sup>42</sup> Survey carried out by ACIS in relation to the administrative capacity of OPs, January 2009.



from the maternity leave is in charge of the irregularities detection, and that the procedure stipulates the 'four-eyes' principle<sup>43</sup>, the relevant procedure cannot be complied with when an irregularity occurs.

The SS workload is on a growing trend, caused on the one hand by the more frequent ad hoc tasks (weekly and monthly reports for the Government regarding OPTA implementation progress) and on the other hand by the increased number of approved and contracted projects.

As an example, at the end on 2009 and the beginning of 2010, SS had to deal with all new projects from KAI 1.1 related to the 75% bonus for staff involved with SI, which put a lot of pressure on the limited staff resources. For the time being, the procedures have been observed, but more difficulties are expected to intervene during 2010, as a large number of projects are expected.

An additional pressure on SS staff comes from the fact that beside the tasks strictly related to OPTA, their job description includes other functions such as managing the HIPERB programme<sup>44</sup>. Even if these are 'transitory' tasks, they bring a significant supplementary workload (in 2009 HIPERB required 15-20% of the total activity of SS).

The **Financial Management Service (FMS)**, as of 15 March 2010 has all 9+1 positions filled. Nevertheless, only half of staff is fulfilling the OPTA MA related tasks. As an example, there are three officers in charge of financial verification, but only two of them are working on MA issues. The third officer has tasks concerning the implementation of the remaining pre-accession assistance (Phare). Nevertheless, it should be mentioned that by the end of 2009, the Phare related tasks were almost over. Similarly, there are two financial officers; one dealing with OPTA functions and the other working on other ACIS related tasks. FMS staff with no prerogatives on OPTA implementation also includes an accountant and a cashier, the latter acting as a 'travel agent' for the entire ACIS (making reservations and buying tickets).

From the point of view of the practical experience, the persons within FMS have 2 to 5 years of specific experience in the field, but there are also new comers (hired from the end of 2009 or from the beginning of 2010), which do not have a relevant experience and only 'on-the-job' training, leading to difficulties in executing their tasks.

With limited staff, and with significant functions outside OPTA, FMS has difficulties in observing its MA-related attributions. The AA recommended<sup>45</sup> supplementing the organizational chart with two more positions, but due to the current restrictions this issue was not yet solved.

Given OPTA current progress, it is expected that the OPTA-related workload for FMS will increase abruptly in 2010, as an increased number of reimbursement documents will be submitted for FMS check. This may overwhelm the FMS staff, under the current structure.

As regards the procedures, they arrived to reflect well the MA-related tasks. However, procedures could not be fully observed, due to a limited understanding and capacity of OPTA beneficiaries to provide the required documentation<sup>46</sup>. This implies a lot of tutoring work on behalf of FMS that hindered meeting procedural deadlines.

The **Implementation Service (IS)** has been restructured in the first half of 2010, reaching a 9+1 organisational chart. A new bureau was created for project and public procurement assistance. A remaining vacancy was finally filled, through transferring an expert from CFCU. Even if these adjustments were made after the end of 2009, they were taken into account for analysing the institutional efficiency.

The only task of IS related to OPTA MA concerns the help-desk function. In practice, SI is not that active in providing such help-desk, relying on the fact that most of the beneficiaries are 'in-house' (CPA/ACIS).

As regards its other roles, at least before 2010, IS has had a limited capacity in supporting CPA/ACIS beneficiaries with public procurement issues. The IS is supposed to elaborate tendering documentations for ACIS and to give support for all the other beneficiaries. Unfortunately, until now, the quality of this service was poor (as seen by the beneficiaries). The reduced experience of IS staff related to public procurement legislation often led to contradictory or inadequate answers to the beneficiaries questions.

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<sup>43</sup> The principle that requires at least two different persons to check a procedure, to reduce margin for error.

<sup>44</sup> Greek Government bilateral development assistance: the Hellenic Plan for the Economic Reconstruction of the Balkans (HiPERB).

<sup>45</sup> Audit Report 2009.

<sup>46</sup> Also due to the limited capacity of the IS to assist OPTA beneficiaries properly and in due time.

177. The fact that the MA is not defined as a separate administrative structure, but is included within the DTA, combined with the fact that MA staff is required to perform functions outside the scope of OPTA, has the potential to limit efficiency of implementation.
178. Although job descriptions are well defined, formally reflecting the different tasks, the staff has to shift frequently from MA-related functions to non-OPTA related tasks, a fact that confirms understaffing problems.
179. There are two reasons why DTA/MA staff is given tasks outside the scope of OPTA. On the one hand, DTA/MA staff has good expertise in project and programme management. On the other hand, there are no other resources in ACIS who can do that work. This suggests an institutional problem affecting ACIS as a whole, which remains outside the scope of the present evaluation.
180. In spite of its additional functions, the DTA is performing its MA role in an adequate way. The department was accredited by the EC and considered to have the basic institutional and functional prerequisites in place for efficient functioning in its MA role.
181. Until April 2010, the Procedures Manual for OPTA was modified fourteen times, in a permanent effort to further improve the functioning of the MA.
182. All services within the DTA are understaffed and have difficulties in complying with procedures. The workload problem is most acute for the FMS, which in the event of more reimbursement activity will be unlikely to respect procedures.
183. Apart from understaffing, junior staff is confronted with a significant de-motivating factor in respect of professional development. Deserving staff members cannot be promoted, even if they meet all requirements for the higher position. This problem is likely to increase staff turnover rates if not solved properly and promptly.
184. Regarding the level of training, MA staff has attended several basic training sessions concerning the SI, financed from pre-accession support. However, there seems to be an increased need for more specific training courses, particularly at FMS level, related to financial management or public procurement details<sup>47</sup>. An additional hindrance is the limited staff capacity to attend training sessions, mainly because of the current workload does not allow the necessary training time.
185. It is to be noted that, of all OPs, OPTA is leading in terms of the percentage of experienced staff. An ACIS survey<sup>48</sup> shows that more than 70% of OPTA staff have experience of more than 5 years, which explains why basic training is no longer required.
186. Given the hiring restrictions imposed by the economic recession, staff turnover is very limited, and very few, if any, staff requires initiation into SI issues. This means that OPTA staff has an adequate level of basic training and mostly needs specialised training.
187. Another aspect is assessing if there were any irregularities of OPTA management affecting the programme efficiency. Overall, there were no major irregularities. At MA level, only two minor irregularities were detected. The CPA detected the first one following an event organisation. Travel and accommodation expenses were paid for 45 persons but only 40 persons attended the event. It was decided that the three DTA staff members involved should reimburse the amount concerned. This has led to a higher level of caution within DTA/ACIS. The second irregularity (detected by the AA) concerned double reimbursement for two flight tickets, following a mission to the EC. This irregularity was easily corrected by deducting the respective amount from the next reimbursement application. A positive aspect is that the mechanism for irregularities

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<sup>47</sup> Also confirmed in the FMS interviews.

<sup>48</sup> Survey carried out by ACIS in relation to the administrative capacity of OPs, January 2009.

detection is functioning. A negative aspect is that the ambiguities related to the implementation details are persisting – the OPTA MA, the AA and the CPA are in a continuous learning process on a case-by-case basis.

188. By the end of 2009, beneficiaries had come to feel acutely the lack of a comprehensive **implementation manual**. During the interviews, beneficiaries expressed the need for clear and structured guidelines. Some guidelines were given by the IS, but in a rather erratic way<sup>49</sup>.
189. The IS also encounters difficulties in fulfilling its role to support **public procurement procedures** for all ACIS directorates and CPA, along with its other functions, such as managing contracts for ACIS and CPA and coordinating NSRF horizontal training interventions.
190. A first step to solve the capacity problem of the IS was already taken by creating a distinct bureau for project and public procurement assistance. This solution may ease the problems faced by the beneficiaries (CPA & ACIS).
191. The institutional problems described above have impacted negatively on OPTA beneficiaries, particularly where the functions of the IS were concerned. Beneficiaries complain that they do not receive adequate support and timely remedies for their problems. In some cases, beneficiaries maintain that they have been misled by IS staff, who gave contradictory answers.
192. There are also problems related to implementation of contracts, most of them registering significant delays in disbursing the expenses. It is true that the ‘guilt’ is shared: on the one hand, the contractors are delaying the submission of reimbursement documentation but, on the other hand, the documentation is verified and processed at MA level for several months.
193. Additional hindrances relate to the approval and signing procedures. Most of these problems are not caused by MA staff, but by procedures on beneficiaries’ side. The interviews outlined that from project idea to project approval and to contract awarding a very long period of time is elapsing<sup>50</sup>. The approval circuit is long and complex, involving approval at State Secretary level. Thus, the State Secretary has to approve the project idea, the ToR and tendering documentation, the evaluation commission, the contract and the possible addenda and, of course, the payments to contractors. Sometimes, this circuit is lasting much too long, rendering the projects almost irrelevant for solving pressing problems.

### **Role of Monitoring Committee**

194. In order to ensure compliance with Art. 63-66 of Regulation EC № 1083/2006, OPTA has set up a MC to oversee, among other issues, the quality of the implementation of the operational programme. The MC is chaired by a State Secretary and meets at least twice a year.
195. The OPTA MC is respecting the partnership principle by including among its members OPTA MA representatives, ACIS and other OP representatives, along with civil society representatives (NGO and employer and trade union) and representatives of local public authorities. EC representatives are also invited as observers.
196. According to the programming documents, the role of OPTA MC is to:
  - ❖ analyse and approve selection criteria;

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<sup>49</sup> Guidelines were sent by the IS in a series of informal e-mails. Oral instructions were also used frequently.

<sup>50</sup> Several months, up to more than half a year.

- ❖ analyse OPTA progress towards fulfilling its objectives;
  - ❖ examine the implementation results and the degree of reaching set targets;
  - ❖ examine OPTA evaluations;
  - ❖ analyze and approve annual and final implementation reports;
  - ❖ be informed on annual control reports;
  - ❖ approve any proposed amendment of OPTA for improving its management;
  - ❖ suggest to the OPTA MA new amendments for improving the programme.
197. Because a Directorate within ACIS leads OPTA, and due to the existence of various coordination mechanisms [ref: **Annex 7**] most of the issues discussed at MC meetings is already well known to ACIS and other OP representatives.
198. The value added of the OPTA MC is the membership of civil society and local authorities, which may come with fresh ideas on how to make better use of OPTA resources.
199. The civil society representatives are active during the MC, but the high level of technicality and the relatively narrow scope of OPTA interventions are limiting their capacity to contribute to solutions for improving programme efficiency.
200. However, the MC had a positive role in terms of strategic planning, as it agreed the need for a bi-annual Action Plan<sup>51</sup>. Similarly, the amendment related to the eligibility of support for Growth Poles coordinators within OPTA was debated in the MC.
201. Previous MC experience suggests that EC representatives are quite active during meetings and put great value on using the MC for assessing OPTA implementation.
202. Overall, the MC provides valuable information for its members, creates a good opportunity for interaction, especially with EC representatives, allows general critical thinking from social partners, but so far has not provided spectacular new insights on how to improve OPTA efficiency.

### **Contracting and absorption**

203. The rate of contracting and the level of payments can be considered proxies for OPTA efficiency.
204. The evaluation has covered projects approved for financing until end-2009, as well as at the contracts, corresponding to these projects, which have been formally signed before the same cut-off date.
205. For the 2007-09 timeframe, OPTA had a planned total allocation of EUR 70,447,762, out of which the EU contribution, through the ERDF, amounted to EUR 56,358,210.
206. **At the end of 2009**, the status of OPTA projects was the following:
- ❖ 31 projects had been submitted (for a total of EUR 50,461,546, i.e 71.6% of the 2007-09 allocation);
  - ❖ 8 projects were rejected;
  - ❖ 23 projects were approved for financing (with a total value of EUR 37,603,973);
  - ❖ 19 projects had their financing decisions signed (total value of EUR 33,859,997, meaning 48.1% of the 2007-09 allocation), out of which:
    - 1 project does not imply any subsequent public procurement contract<sup>52</sup>;

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<sup>51</sup> *At the first MC meeting it was agreed, at the suggestion of the EC suggestion, to adopt a 2007-2008 Action Plan, which was monitored in subsequent MC meetings.*

<sup>52</sup> *The project Support for the partial financing of the SI coordination, management and control personnel expenses of the Ministry of Public Finance does not plan to have any subsequent contracts.*

- 1 project was withdrawn, and was re-launched in 2010<sup>53</sup>;
- 3 projects had not yet launched any procurement contracts;
- 14 projects have launched and concluded a number of 40 public procurement contracts, worth a total of EUR 7,088,929<sup>54</sup>.

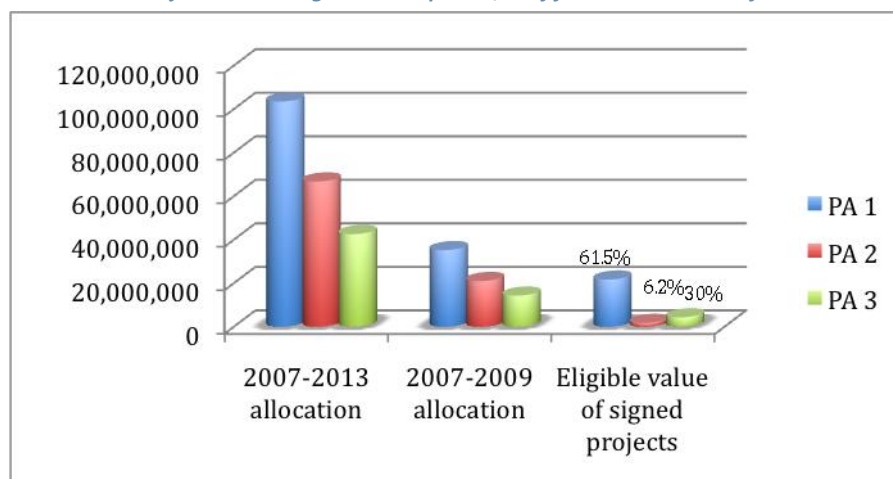
207. The 19 projects are distributed across PAs and KAIs as follows [ref: **Annex 1**]:

- ❖ 15 are financed out of PA1 (8 under KAI 1.1, 3 under KAI 1.2, 1 under KAI 1.3 and 3 under KAI 1.4);
- ❖ 3 are financed through PA 2 (1 projects from KAI 2.3 and 2 on KAI 2.4);
- ❖ Only 1 project is financed through PA3 (from KAI 3.1).

*Table 5: Weight of Contracted Projects in total EU Allocation (31 December 2009), EUR*

Priority axes	N° of projects	Eligible project value	OPTA allocation 2007-13	OPTA allocation 2007-09	% eligible projects out of the OPTA allocation <sup>55</sup> (2007-09)
PA 1	15	21,654,585	103,490,869	35,197,085	61.5
PA 2	3	1,719,358	66,737,849	20,988,306	6.2
PA 3	1	4,286,326	42,568,520	14,262,371	3.0
Totals	19	27,660,269	212,797,238	70,447,762	39

*Figure 1: Contracted Projects: Financing Allocated per PA, % of financial allocation for 2007-09*



Source: own calculation, based on OPTA FDI and on the ACIS reporting regarding the projects contracted up to 31 December 2009<sup>56</sup>

208. At the end of 2009, payments for contracted projects amounted to EUR 705,206, representing only 1.2% of the EU 2007-09 allocation. By end-April 2010, additional payments were made, worth EUR 682,034, i.e. another 1.17% of the 2007-09 allocation<sup>57</sup>.

<sup>53</sup> The project related to TA to develop the capacity for CBA.

<sup>54</sup> In addition to the contracts mentioned above, there is a case where a contract was signed, without the existence of a specific project (small contract on maintenance of the national digital network for SMIS).

<sup>55</sup> Figures are in EUR, at the InforEuro exchange rate for December 2008: EUR 1 = RON 4.2778.

<sup>56</sup> <http://www.fonduri-ue.ro/stadiul-absorbtiei-231>.

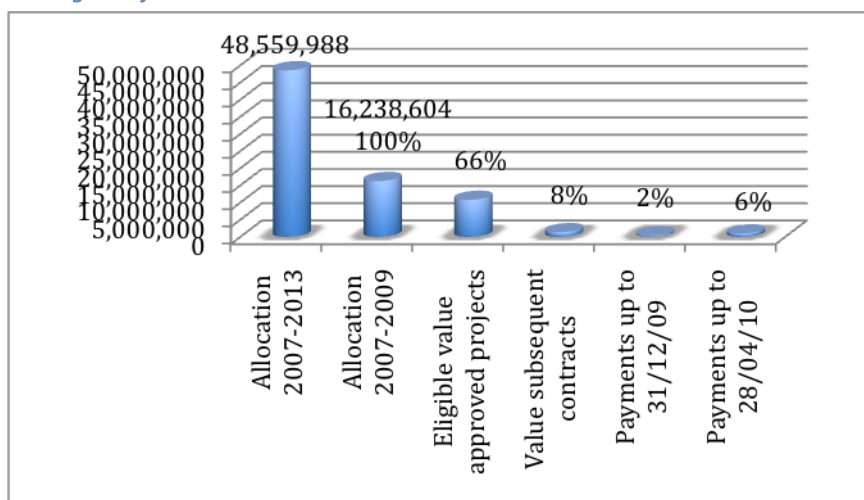
<sup>57</sup> Please refer to Annex 1 – Projects contracted up to 31 December 2009.

**KAI 1.1 – Support to the management and implementation of the Structural Instruments**

**Absorption progress**

209. In terms of absorption by the end of 2009, the approved projects cover two thirds of the planned budget for 2007-09, as seen in the figure below.

Figure 2: Absorption Progress of KAI 1.1



Source: own calculations, based on data from the OPTA FDI and the ACIS Report regarding projects contracted until 31 December 2009.<sup>58</sup> NB: contract values are exclusive of VAT.

210. In terms of payments, only 2% of the 2007-09 financial allocation was paid by end 2009, and 6% by end-April 2010. The well-filled project pipeline augurs well for an acceleration of payments in the second half of 2010 and 2011.

**Contracted projects**

211. Until the date of the analysis (31 December 2009), eight projects have been contracted, with a total eligible value of EUR 10,776,130<sup>59</sup>.

<sup>58</sup> <http://www.fonduri-ue.ro/stadiul-absorbtiei-231>.

<sup>59</sup> Please refer to Annex 1 (figures are in EUR, at the InforEuro exchange rate for December 2009: EUR 1 = RON 4.2788).

**Table 6: Value of Contracted Projects at Cut-off Date - KAI 1.1**

Nº	Projects Contracted by 31 December 2009	Eligible Value (EUR)
1	Technical Assistance Facility (TAF)	6,321,942
2	Study to identify the priority reform directions for the Cohesion Policy post 2013 from Romania's perspective	32,656
3	Improving the system of indicators used in NSRF and OPs monitoring and evaluation	490,791
4	Support for CPA staff to improve efficiency in SI implementation by encouraging the experience exchange	375,312
5	Support for partial financing of personnel expenditure of the MoPF for the personnel involved in SI coordination, management and control	1,661,460
6	Support for coordinating the implementation of the Integrated Plan for the development of the Brasov Growth Pole	568,895
7	Support for coordinating the implementation of the Integrated Plan for the development of the Iasi Growth Pole	560,425
8	Support for coordinating the implementation of the Integrated Plan for the development of the Ploiesti Growth Pole	764,649
<b>Total for KAI 1.1</b>		<b>10,776,130</b>

212. **Table 6** shows that the most important approved (and partially contracted) project is the TAF, which aims to establish a framework agreement for horizontal TA support.

213. The TAF project is the most important endeavour under KAI 1.1, and focuses on:

- ❖ prompt solutions towards solving procedural and legal bottlenecks in the implementation of SI, of a horizontal nature;
- ❖ general improvement of system performance through a series of analyses and studies providing common recommendations and guidelines for several OPs;
- ❖ fostering exchanges of experience and 'good practice' within the SI system;
- ❖ support for beneficiaries and potential beneficiaries in preparing and reviewing of project and contracting documents.

214. The EC uses framework-agreements that function fairly smoothly, so it is quite normal that ACIS may introduce as business as usual such type of contracts. However, at the EC level, framework-agreements are divided into several lots, which are more clearly defined than the TAF, Lot 1 of which is quite vaguely delineated. Due to the loose and mixed definition of the lots, there is a risk that the contractors selected may not perform at the best level on the market (quality-efficiency). A consortium that gathers more than 10 different areas of expertise (as required in order to qualify for Lot 1 under the launched tender), without knowing exactly what the subsequent contracts will address in detail, may be less efficient than a niche contractor selected after a tender for a well defined and focused lot. This issue was raised during the annual TA conference, where NARMPP drew attention to Article 143 of GD 34/2006 on public procurement.<sup>60</sup> The way of tackling Lot 1 under the current tender may suggest that it is currently seen as a panacea for all the delayed OPTA needs. In the short term, it may seem a good solution, as it can simplify and speed-up OPTA implementation. All beneficiaries that were confronted with bottlenecks in launching and running their own procedures will resort to the TAF. In the long run, it does not provide the right set of incentives for solving the internal project management capacity problems of eligible beneficiaries, such as DAP or MD, to prepare and manage their own projects.

<sup>60</sup> Art. 143 states: The contracting authority must not make abusive or inappropriate use of framework-agreements so as to hinder, limit or distort competition.

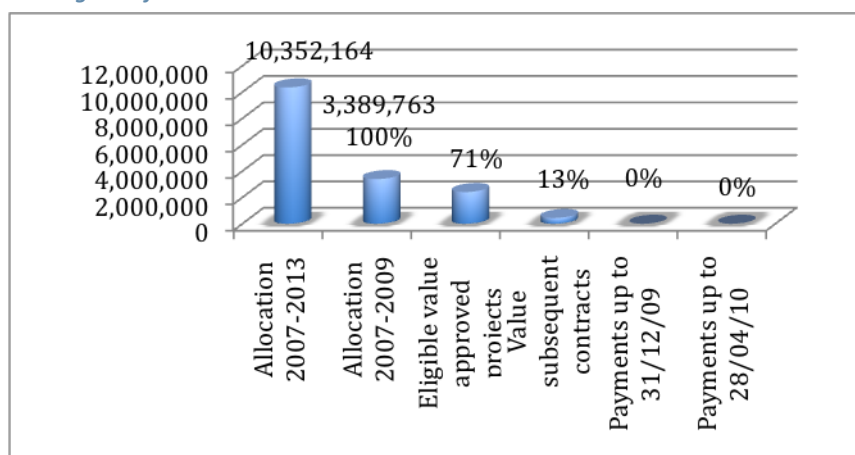
215. The DAP submitted the project concerning the study to identify the priority reform directions for the Cohesion Policy post 2013 from Romania's perspective. The DAP was one of the two entities<sup>61</sup> within ACIS that submitted a project under KAI 1.1. The MD had also the intention to submit a project but failed to do so because of staff overload with pre-accession management. During the interviews, representatives of both of the above Directorates have expressed their concerns related to the capacity to manage such projects.
216. It further to be noted that half of the eight contracted projects focus on two eligible activities that were subsequently introduced under KAI 1.1, i.e. support towards covering the 75% staff bonus (project 5) and support for the coordination of SI interventions within Growth Poles (projects 6-8). These four projects were in fact just the beginning of a very dynamic contracting process that has clear potential for securing the absorption of SI on KAI 1.1, as the remaining four Growth Poles and all other Ministries that host IBs/MAs are eligible for applying.
217. This tendency is illustrated by the fact that, between 1 January 2010 and end-March 2010, seven more projects were approved in respect of similar activities.

## KAI 1.2 - Evaluation

### Absorption progress

218. In terms of absorption by end-2009, the approved projects cover 71% of the planned budget for 2007-09, as seen in the figure below.

Figure 3: Absorption Progress of KAI 1.2



Source: own calculations, based on data from the OPTA FDI and the ACIS Report regarding projects contracted until 31 December 2009.<sup>62</sup> NB: contract values are exclusive of VAT.

219. Although this KAI is leading in terms of the value of approved and signed projects, only a small part of available resources was subsequently contracted (13%). Even less encouraging is that, by end-April 2010, no disbursements were made for the three contracted projects.

### Contracted projects

220. By the evaluation cut-off date (31 December 2009), from the total allocation, three projects had been contracted<sup>63</sup>, with a total eligible value of EUR 2,406,048 (71% of the 2007-09 allocation)<sup>64</sup>, of which EUR 1,924,838 representing the ERDF contribution.

<sup>61</sup> ECU within ACIS has also submitted a project under KAI 1.1.

<sup>62</sup> <http://www.fonduri-ue.ro/stadiul-absorbției-231>.

<sup>63</sup> Meaning approved to be financed by OPTA.



*Table 7: Value of Contracted Projects at Cut-off Date - KAI 1.2*

N°	Contracted projects	Eligible Value (EUR)
1	Developing the evaluation capacity of the MAs and ACIS evaluation units	653,220
2	Conducting Evaluations for the Period 2009-10	560,905
3	Developing the methodological framework for cost-benefit analysis	1,191,923
<b>Total for KAI 1.2</b>		<b>2,406,048</b>

221. Only one of the three projects was already externally contracted through a procurement procedure<sup>65</sup>. The tender procedure for the second project, focused on cost-benefit analysis, was put on hold temporarily during the first months of 2010, in order to clarify its content with the EC, and then launched in June 2010. The contract for this third project is supposed to be signed in the second half of 2010.

*Box 4: In-depth Analysis – support instruments for increasing the efficiency of KAI 1.2*

Developing a shared evaluation culture requires a change of mentality regarding higher accountability for public interventions, more transparency and more openness to take on board recommendations to improve existing policy. Such change is by definition difficult. OPTA's instruments for this purpose, as defined in the programming documents, are well chosen. Training, networking, publishing results and actively launching new evaluations, while unceasingly seeking better quality, are solid ways to move forward.

**Training**

Training sessions and experience exchanges are still the key instruments for ensuring horizontal improvement of NSRF and NDP evaluations. However, the implementation of this type of activities within OPTA is hampered by a number of factors:

- ❖ The long approval process and public procurement procedures severely limit the capacity of ECU to rapidly launch TA projects to cover urgent training needs;
- ❖ The relative rigidity in defining eligible expenditure (e.g. catering expenses during training events) and eligible beneficiaries (e.g. restrictions for staff outside IBs/MAs but which are relevant for NSRF/NDP evaluations – such as ministerial advisors or other core government staff);
- ❖ The small number of core evaluation staff creates vulnerability in the case of higher turnover (given that there are on average 2-3 persons in charge of evaluation at MA level, that are continuously receiving training; one or two experts leaving may create a serious capacity problem).

Also related to training, there is a need to differentiate between the specific, advanced training for core evaluation staff (EWG members) and other staff that needs to be initiated through basic training of the importance and instruments of evaluation. It was noted that a better understanding of the usefulness of evaluation may be achieved by expanding training outside evaluation units. Overall, the more staff from the MAs and the host ministries understands the significance of the evaluation activity and becomes stakeholder in the evaluation process, the higher chances of increasing the overall quality of SI interventions. One certain aspect about the evaluation culture is that it should not and cannot exist outside the day-to-day professional culture of ministries and MAs.

**Networking**

The EWG is well placed for developing SI-related evaluation. It has high professional standards and acts responsibly for promoting the importance of evaluation. OPTA support for this structure is therefore natural. However, networking is claimed from other stakeholders as well, which are not part of the EWG. Other IB, central and local government staff, researchers, professors, public accountability NGOs, consultancies, individual evaluators are important stakeholders for SI implementation and the improvement of evaluation quality.

<sup>64</sup> Please refer to Annex 1 (Figures are in EUR, at InforEuro exchange rate for December 2009 RON/EUR=4.2788).

<sup>65</sup> The project Conducting Evaluations for the period 2009-10 was contracted in October 2009.

## **Publishing**

Publishing evaluation reports is a crucial way of increasing awareness about evaluation, and its importance for public policy. Currently the basic understanding of publishing is limited to printing and distributing the evaluation reports, and posting them on the public web-sites for consultation and future reference. Publishing should be seen in much closer correlation with PR related to SI. Until 2009, media coverage of evaluation activities related to SI was almost absent.

## **Improving evaluation quality**

Overall, very few evaluations have as yet been launched under OPTA. The ones launched have put a serious pressure on ECU staff, in order to ensure proper administrative management.

ECU has only six staff, and all the MA level evaluation units are facing staff issues, given the current budgetary constraints. With the current number of staff, even excellently trained and proactive, it is difficult to cover all the evaluation needs requested by regulations and, at the same time, generate institutional commitment to evaluation as a management and policy improvement instrument.

Most evaluations are externalised, which is both normal and understandable from the point of view of developing an active local evaluation market.

Some evaluation units within MAs have tried to provide in-house evaluations (e.g. SOP IEC, ROP), but the above mentioned staff constraints are limiting the capacity of providing such activities.

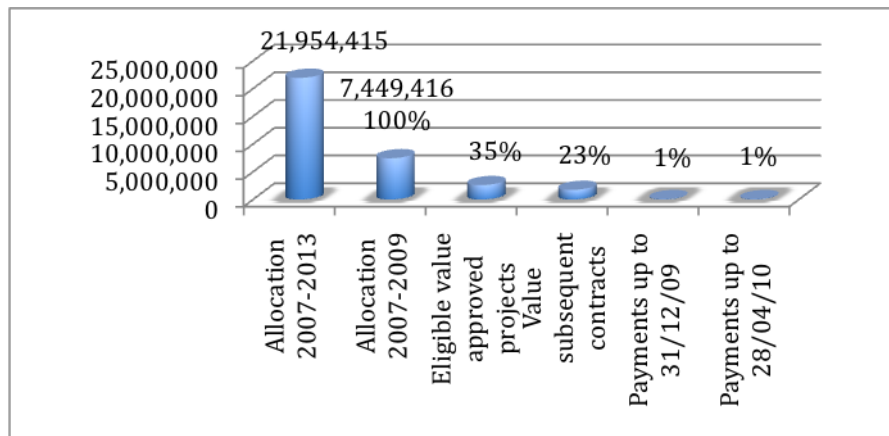
Generally, new evaluations are identified through a top-down approach. In the case of mandatory SI evaluations (e.g. Interim Evaluations), ECU implements them in accordance with EU regulations in force. In the case of other evaluations (e.g. *ad hoc* evaluations), in most cases ECU is drafting the ToR. The role of Programming and Monitoring Departments across the ACIS, MAs and IBs is still limited in providing topics and writing ToRs for horizontal evaluations, although the EWG hosts debates led by ECU on what other evaluations can be of use for improving SI absorption. But also EWG members have troubles in assessing evaluation needs in their host MAs, as in some cases they are not in direct connection to MA management.

### ***KAI 1.3 - Horizontal training in the field of the management of programmes/projects***

#### **Absorption progress**

222. In terms of absorption by end-2009, the contracted projects cover 35% of the planned budget for 2007-09, as seen in the figure below:

Figure 4: Absorption Progress for KAI 1.3



Source: own calculations, based on data from the OPTA FDI and the ACIS Report regarding projects contracted until 31 December 2009.<sup>66</sup> NB: contract values are exclusive of VAT.

223. In terms of payments, only 1% of the 2007-09 financial allocation was paid by end-2009, and no additional payment was made by end-April 2010.

<sup>66</sup> <http://www.fonduri-ue.ro/stadiul-absorbtiei-231>.

## Contracted projects

224. By end 2009, only one project was contracted, with an eligible value of EUR 2,605,064 (35% of 2007-09 allocation), of which EUR 2,084,051 represents the ERDF contribution.

*Table 8: Value of Contracted Projects at Cut-off Date KAI - 1.3*

N°	Contracted projects by 31 December 2009	Eligible Value (EUR)
1	Continuous training in Structural and Cohesion Funds management in Romania	2,605,064

225. Besides the above project, at the end of 2009 (on 17 December 2009) a second project was approved for OPTA financing and it was contracted in February 2010. The project aims the continuous training of CPA's staff in the field of efficient management of the Cohesion and Structural Funds. The project has a value of EUR 573,427.

226. By end-March 2010, a third project was approved for financing. The project aims at training beneficiaries and potential beneficiaries in the field of implementation the SI financed projects.

227. A particular issue concerns the IS functions carried out by its Training Development and Coordination Unit (TDCU). The Procedures Manual states that it is one of the roles of the IS to host and empower the TDCU. The organisational chart [ref: **Annex 3**] shows that the TDCU does not exist as a separate unit. Out of the 9+1 staff of the IS, there is only one person formally entitled as in charge of training. Oddly enough, that person belongs to the unit dealing with project and public procurement assistance.

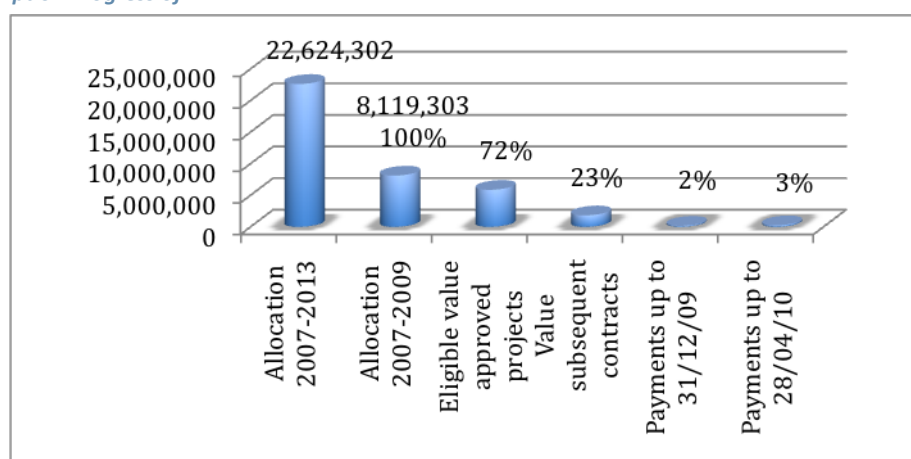
228. In addition, there is only a second person assigned to TDCU-functions within the IS, judging by the formal job description. This understaffing situation is severely limiting IS capacity for horizontal coordination of all SI training, including the TDCU mandate to provide the permanent secretariat of the TWG.

## **KAI 1.4 – Functioning of OPTA, ACIS, the CPA and the AA**

### Absorption progress

229. In terms of absorption by end-2009, the contracted projects cover 72% of the planned budget for 2007-09, as seen in the figure below:

*Figure 5: Absorption Progress of KAI 1.4*



Source: own calculations, based on data from the OPTA FDI and the ACIS Report regarding projects contracted until 31 December 2009.<sup>67</sup> NB: contract values are exclusive of VAT.

<sup>67</sup> <http://www.fonduri-ue.ro/stadiul-absorbtiei-231>.

230. The subsequent contracts signed by end 2009 amounted to 23% of the allocation for the same period. In terms of payments, only 2% of the 2007-09 financial allocation was paid by end-2009, reaching 3% by April 2010.

### **Contracted projects**

231. During the evaluated period, 3 projects had been contracted<sup>68</sup>, with an eligible value of EUR 5,867,343.

*Table 9: Value of Contracted Projects at Cut-off Date KAI - 1.4*

N°	Contracted projects by 31 December 2009	Eligible Value (EUR)
1	Support for ACIS functioning, including for OPTA MA	2,956,863
2	Development of CPA capacity for an efficient management of the SCF	2,076,789
3	Support for CPA functioning for on-the-spot verification process	833,691
	<b>TOTAL</b>	<b>5,867,343</b>

232. Besides ACIS, which it was expected to apply for this KAI support, the CPA was the only institution, among the potential beneficiaries, which seized the opportunity of using this support and it had 2 projects approved for financing, until the cut-off date. The AA was unable to prepare any projects for support under KAI 1.4. The interviews confirmed that both CPA and AA have institutional problems related to the preparation and implementation of projects under OPTA. CPA is more advanced, as they already organized a PIU-like structure, which, however, still lacks proper SI implementation experience. In the case of AA, due to the significant institutional reform which happened in 2008-2009, there is no structure equivalent or similar to a PIU that can deal with OPTA projects. The interview with AA confirmed nevertheless that the institution envisages progress in the creation of a fully-fledged PIU in the near future.

233. During the project *Support for the functioning of ACIS, including OPTA MA*, there were direct purchases made for renting meeting rooms, promotional materials etc. and two contracts had been awarded: the purchase of consumables for the functioning of ACIS (launched in December 2008, cancelled and re-launched in July 2009) and the support for the functioning of ACIS and OPTA MA, which covers ACIS and OPTA MA travel costs, MCC, NCC and WG event costs and other consultancy services for ACIS, including the organisation of annual TA conferences and of other similar events.

234. For the project *Developing the CPA capacity for an efficient management of Structural and Cohesion Instruments*, the CPA envisaged the launch of procurement contracts, of which two of them were already signed: the purchase of equipment and the tendering of consulting services, in order to develop the CPA capacity for an efficient management of SI.

235. The purpose of the second project of CPA, which has not yet been launched for contracting, is to increase its own capacity to make field checks, this representing the one of the institution task in its role of a Certifying and Paying Authority.

#### 4.2.3 Priority Axis 2

236. In order to assess the efficiency of PA2 implementation, an in-depth analysis is provided in the box below:

<sup>68</sup> Projects approved for OPTA financing.

#### *Box 5: In-depth Analysis – Understanding SMIS Challenges and its Implementation Status*

As any other IT application, SMIS must go through a series of development, testing and acceptance phases before reaching full functionality.

The SMIS application was developed with Phare technical assistance and it was designed – based on data and requirements available at that date – for Phare, ISPA and SI. The application has been implemented for SI from the start based on 2000-2006 regulations. In 2007 the application began to be adjusted according to 2007-2013 new framework for SI. However, after SMIS was launched for SI use, the OPs' procedures were frequently modified (or even created, if they not existed before), which was an additional challenge for the ICT system.

When the Phare programmes were closed, the technical development of the application remained frozen at 2007 level, due to the failure to contract new technical assistance for SMIS. As the OPs were becoming operational and new requirements surfaced after the development of the system, the data could not be uploaded in optimal fashion. Errors occurred and were perpetuated, inducing a surplus in workloads and data inconsistency (compared to an acceptable ICT benchmark, in terms of workload and error percentage).

Most of the errors reported by users are not due to the system structure, but are technical 'bugs', inherent to the life cycle of an ICT product. The errors were much escalated by two unfavourable and simultaneous factors. On the one hand, the identified errors could not be corrected in time, due to a lack of technical assistance and, on the other hand, the application was required to function to full capacity, by uploading real and concrete data following the calls launched beginning with 2008, while the application was developed, tested and accepted for the OPs as they were during their design phase in 2007.

Trying to standardise and integrate into a single application all the specific needs of all OPs represented a major challenge, due to the complexity of that approach and the time lag between the initial development of the system and the collection of data needed to achieve full functionality of the application.

The main problems affecting SMIS operations can be categorised as follows:

- ❖ **technical problems (bugs)** – These problems are not inducing critical errors and do not affect the functional integrity of the application. But not duly solving them may led to perpetuating errors and data inconsistency. The staff that uploads data into the system (i.e. 'final users') signalled quite a series of such problems (e.g. numerical fields not allowing decimals; and 'yes/no' buttons inconsistently alternated) as discouraging them to use the application. Engaging TA for SMIS development can easily solve this type of problem.
- ❖ **functional (business process) problems** – These problems are more complex and relate to the harmonisation of monitoring needs among all OPs. Some OPs have specific requirements that need to be dealt by further developing the application's functions.
- ❖ **procedural problems** – These result from not respecting the requirements for uploading data and are inherent for an ICT system with manual data input. Procedural errors are considered acceptable as long as the percentage of the induced errors is within normal thresholds. There are no error statistics at SMIS level, but the evaluation found that the system documentation and manuals detail well how to use the application, how to fill in each field, and what errors can be avoided. However SMIS users consider the manuals to be too 'technical' and not covering all specific functional situations. Furthermore, the manuals (as well as the labels, buttons and field names in SMIS) are in English slowing down users understanding of them.

Another problem identified by users concerns the procedure of correcting the errors once they are discovered. Usually, errors are noticed immediately by the user uploading data – a wrong value, or the wrong field used – but that user cannot fix them. Instead, all errors have to be notified to SMIS Central Unit (SMIS CU), requiring a relatively long time to correct them.

The interviews revealed that validation and access to different categories of data, in line with national data accuracy and security stipulations, are a major cause of problems. The caution implicit in the current procedures for correcting errors cannot be faulted. But the size of the SMIS CU team and the workload caused by its having to correcting input errors by final users, induce system down time and slow down the work of the final users.

An important element of the infrastructures needed for the functioning of SMIS is the network, which was created specifically for SMIS use. The network has two components – a local loop (servers, routers) managed by the SMIS CU and an external loop managed by the Special Telecommunication Service and its county network, linking the institutions at regional local level that are using the application.

At local level, final users of SMIS do not need specific hardware or software, because the application is web-based and can be accessed on any computer and with any internet browser. The user needs only a registered username and password to access the application.

### ***KAI 2.1 – Development and maintenance of the SMIS and its digital network***

#### **Absorption progress**

237. The absorption rate for this KAI is zero, as at the end of 2009 there were no projects or contracts in implementation phase.

#### **Contracted projects**

238. Until the cut-off date of the analysis (31 December 2009), no project was contracted under this KAI. For the immediate next period, one contract is planned to be financed through OPTA within PA 2, KAI 2.1: Developing the MySMIS Portal, with an estimated value of 2 MEUR.

### ***KAI 2.2 – Functioning of the SMIS Central Unit and its coordination network***

#### **Absorption progress**

239. Since the available funds for this area have not been used at all, the absorption rate is zero.

#### **Contracted projects**

240. By 31 December 2009, no contracts had been either finalised or in the implementation stage for this KAI.

241. The process of hiring temporary staff that was supposed to be supported by OPTA under this KAI is quite difficult under current regulations, requiring dedicated vacant positions formally approved in the organisational chart. Given the recent measures adopted during the economic crisis, almost all vacant positions were disbanded. Therefore hiring contractual staff is not feasible for the moment, leaving no scope for OPTA interventions, at least until a policy or regulatory change.

### ***SMIS help-desk***

242. Formally, the SMIS CU fulfils the help-desk function. Informally, the help-desk function is shared by SMIS coordinators<sup>69</sup>.

243. The coordinators have a double interface role. The first role is to participate in the design of the application, and bring into discussion the specific needs and the particularities of their respective OP. The second role is to disseminate the information received at central level, during the SMIS meetings and WGs, within their local organisation, thus ensuring the bidirectional flow of information.

244. The SMIS coordinators have benefited from special training, which was more comprehensive than usual user training. Normally, they should be the first help-desk and should have in-depth knowledge of the ICT system, as well as privileged access to the application with advanced security rights. SMIS coordinators are also in charge of making a preliminary training for new employees, as future SMIS users.

245. Nevertheless, sometimes the SMIS coordinators cannot fully meet their responsibilities, either due to excessive workload or due to the lack of staff with technical and functional abilities to adequately fulfil this role.

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<sup>69</sup> The SMIS coordinators are thought of as the 'pillars' of the SMIS community. Each IB has 2 coordinators (a main coordinator and a deputy). Similarly, each MA also has 2 coordinators.

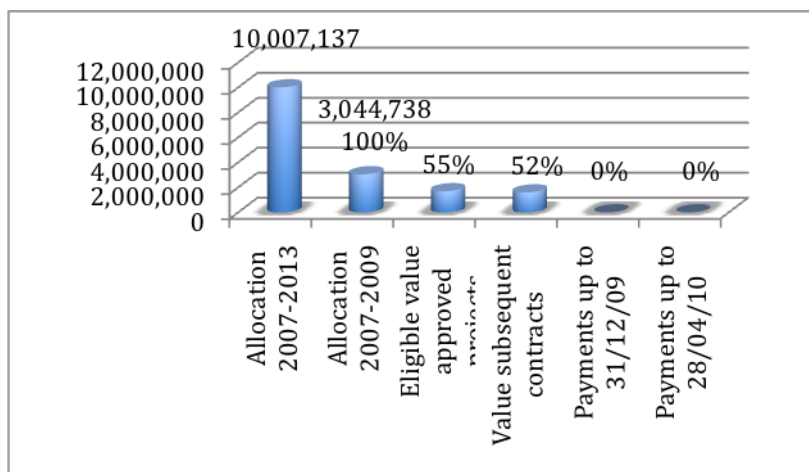
246. As a result, despite the fact that the SMIS CU was initially thought of as a help-desk of last resort, it is often used a first source of help, which leads to an unscheduled workload.
247. Even if interviews suggest that SMIS users are satisfied with the quality of answers and the response times of the SMIS CU, the current support provided is not sustainable in terms of staff overburden.
248. The need to change and improve the help-desk application was acknowledged by SMIS CU<sup>70</sup> but was not considered to be an immediate priority.
249. Some MAs have created their own informal SMIS help-desk, tailored for the specificities of their OPs. In the case of ROP, coordinators at IB level are first asking for the help of the MA SMIS coordinator, usually for issues particular for this OP.
250. This indicates the need to consider a help-desk application with two levels – a general one, available to all users and focused on the technical component of the application (managed by SMIS CU) and a specific one, focused on the functional side and on the specific data uploading problems and management issues characteristic for each MA (managed in a decentralised way at OP level and relying on SMIS coordinators).
251. In terms of tools backing up the help-desk function, SMIS CU acknowledges the need to implement a web-based interactive and dynamic support framework. The help-desk portal can include a discussion forum for the SMIS community, thus officialising the existing informal discussion group. Such approach can prove to be extremely efficient in terms of data resources and response times.

### ***KAI 2.3 – Training of the users, distribution of procedural guides and user manuals and information activities related to SMIS***

#### **Absorption progress**

252. In terms of absorption by end-2009, the contracted projects cover 55% of the planned budget for 2007-09, as seen in the figure below:

*Figure 6: Absorption Progress of KAI 2.3*



Source: own calculations, based on data from the OPTA FDI and the ACIS Report regarding projects contracted until 31 December 2009.<sup>71</sup> **NB:** contract values are exclusive of VAT.

253. No payment was made by end-April 2010.

<sup>70</sup> Based on an interview with the SMIS CU.

<sup>71</sup> <http://www.fonduri-ue.ro/stadiul-absorbtiei-231>.

## Contracted projects

254. By end 2009, only one project was contracted for SMIS training.

Table 10: Value of Contracted Projects at Cut-off Date - KAI 2.3

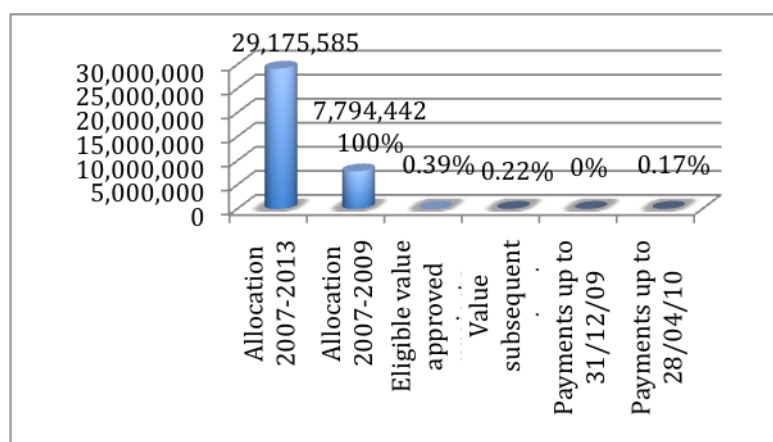
N°	Contracted projects by 31 December 2009	Eligible Value (EUR)
1	Development of an efficient and professional community of SMIS-NSRF users	1,689,308

## **KAI 2.4 – Supply of IT&C goods and services**

### Absorption progress

255. In terms of absorption by the end of 2009, the contracted projects cover only 0.39% of the allocation for 2007-09, as seen in the figure below:

Figure 7: The Absorption Progress of KAI 2.4



Source: own calculations, based on data from the OPTA FDI and the ACIS Report regarding projects contracted until 31 December 2009.<sup>72</sup> NB: contract values are exclusive of VAT.

256. In terms of payments, only 0.17% of the 2007-09 financial allocation was paid by end-April 2010 (no payments until end 2009).

## Contracted projects

257. By end 2009, only two projects for the procurement of SMIS equipment were approved, whose beneficiaries were the OP DAC MA and the Bucharest-Ilfov RDA.

Table 11: Value of Contracted Projects at Cut-off Date - KAI 2.4

N°	Contracted projects by 31 December 2009	Eligible Value (EUR)
1	Support for SMIS functioning within OP DAC	21,604
2	Acquisition of ICT&C equipment for SMIS functioning within RDA Bucharest Ilfov	8,445
<b>TOTAL KAI 2.4</b>		<b>30,049</b>

258. These projects have a total eligible value of EUR 30,049, which is very low as compared to the financial allocation for this KAI.

259. The short term perspective is marked by 3 projects which are part of the contracting plan and which were at the end of December 2009 still in the planning stage: Modernising the SMIS-NSRF by acquiring new equipment and licenses, valued at EUR

<sup>72</sup> <http://www.fonduri-ue.ro/stadiul-absorbtiei-231>.



490,791, ACIS ICT Equipment, estimated at EUR 490,791 and Service- upgrade for out-of-warranty equipment, valued at EUR 196,316.

260. Additionally, at the beginning of 2010 a small contract was entered in the SEAP for the maintenance of the SMIS national digital network (without having submitted a project for OPTA financing). This contract is valued at EUR 20,000.

#### **ICT equipment and licences endowment**

261. At the end of 2009, the technical services and equipment existing at the level of the institutions involved in managing the SI ensured a normal functioning of the SMIS applications.
262. Keeping in mind fact that the SMIS applications are web-based, and therefore do not require a particular type of equipment for the end-user (the access is allowed from any type of station, using any Internet browser, as long as the employee has a predefined username and password with the respective security clearance), many MAs and IBs use the existing computers or the ones acquired through other programmes (Phare) or through their own TA axes.
263. The territorial transmission loop is ensured by the County Special Telecommunication Offices within the STS – without any acquisitions or maintenance costs being supported by the SMIS users.
264. At the central level, the initial equipment acquired in 2005 through the first Phare project dedicated to SMIS is still functioning and has not raised any concerns during the implementation period. Nonetheless, after 5 years, when the equipment must be considered as having reached the end of its technical life and will be out-of-warranty, it will be in need of a thorough updating.
265. Therefore, the low demand for ICT&C equipment and services within this KAI over the period 2007-09 is understandable as endowment was relatively good. However, the ending of the warranty period for the equipment, both at central and local levels will enhance access to this KAI from 2010 onwards.

#### **4.2.4 Priority Axis 3**

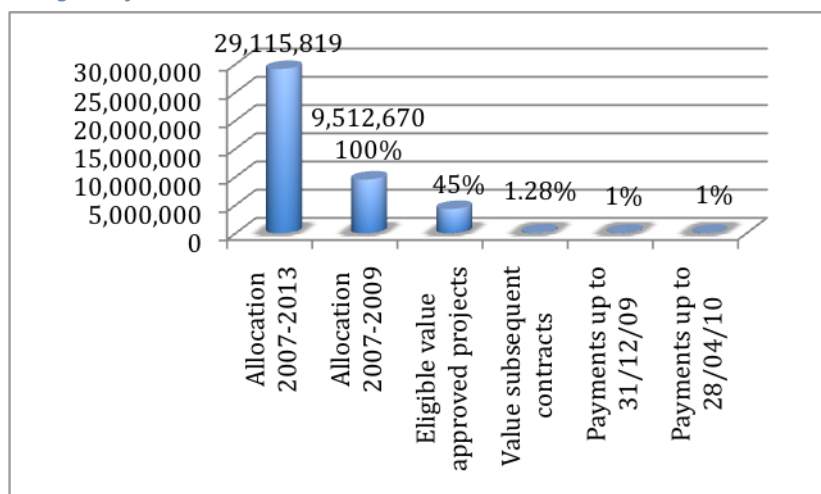
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##### ***KAI 3.1 – Dissemination of general information and publicity activities regarding the Structural Instruments allocated to Romania***

##### **Absorption progress**

266. In terms of absorption by the end of 2009, the contracted projects cover 45% of the allocation for 2007-09, as seen in the figure below:

Figure 8: Absorption Progress of KAI 3.1



Source: own calculations, based on data from the OPTA FDI and the ACIS Report regarding projects contracted until 31 December 2009.<sup>73</sup> NB: contract values are exclusive of VAT.

267. In terms of payments, only 1% of the 2007-09 financial allocation was made by end-2009 and no additional payment was made by end-April 2010.

### **Contracted projects**

268. As part of KAI 3.1, the SCD submitted only one project for OPTA financing, aiming at supporting the implementation of the Communication Plan.

269. A reason for the slow dynamics of projects is the postponement, contest and cancellation of tenders. During 2009, an important communication campaign, with a budget in excess of EUR 850,000, had to be cancelled due to contest of the tender outcome.

270. Even the contractors for the single active project within KAI 3.1 have been subject to excessive bureaucracy, in the tender period as well as during implementation. It takes long before contracts are signed (2-3 months from the moment of contract award notice) and a similar period for getting paid (2-3 months from the invoicing date).

Table 12: Value of Contracted Projects at Cut-off Date - KAI 3.1

N°	Contracted projects by 31 December 2009	Eligible Value (EUR)
1	Support for the implementation of the ACIS CP	4,286,326

271. Two subsequent contracts were concluded within the framework of the above-mentioned project: one for developing and maintaining the [www.poa.ro](http://www.poa.ro) website and another for maintaining the [www.fonduri-ue.ro](http://www.fonduri-ue.ro) website.

272. As part of the same project, during 2009, a TA brochure was edited (1 title) and a communication and promotion event was organised for Europe's day, with 150 participants. Also, two TV and two radio spots were produced, promoting the Structural and Cohesion Funds. However, the four spots have never been used by ACIS, at least before mid-2010.

273. In addition to the contracts already mentioned, by 31 December 2009, two more contracts were launched for public procurement. The first contract is intended for broadcasting the spots and the second contract focuses on an opinion survey (the contract was signed on 31 March 2010 and the draft survey delivered in June 2010).

<sup>73</sup> <http://www.fonduri-ue.ro/stadiul-absorbtiei-231>.

274. In terms of message dissemination efficiency, the findings suggest that the only tools with national coverage used to promote SI were the two websites mentioned above. The brochure and the promotion event had limited, respectively, narrow distribution and participation lists. In addition, the TV and radio spots were not launched<sup>74</sup>.
275. The above mentioned opinion survey<sup>75</sup> confirms that 13% of all Internet users<sup>76</sup> have visited at least once the website [www.fonduri-ue.ro](http://www.fonduri-ue.ro). The visit frequency is even higher for respondents involved in projects funded through SI. In addition, 72% of the respondents have declared themselves satisfied with the website. These results suggest that the official ACIS website is the only efficient way to disseminate information used so far with OPTA support.

### ***KAI 3.2 – Operation of the Structural Instruments Information Centre***

#### **Absorption progress**

276. As no project was contracted for financing, the absorption rate of KAI 3.2 funds is zero.

#### **Contracted projects**

277. By the cut-off date of the evaluation (31 December 2009), no project was developed in order to be financed under KAI 3.2.

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<sup>74</sup> *The TV/radio spots had still not been launched at the end of the first semester 2010.*

<sup>75</sup> *Analysis Report on the level of awareness of public on SI in Romania provided by TNS CSOP Romania as contractor for ACIS with OPTA support (KAI 3.1).*

<sup>76</sup> *The respondent sample was made of 475 Internet users.*

## 5. Programme effectiveness

### 5.1 Introduction

278. This section investigates the effectiveness of OPTA to date. Given the early stage of programme implementation, effectiveness will be looked at from two angles.
279. First, the evaluators will assess the results by the cut-off date of 31 December 2009. Where available, an indication of progress up to April 2010 will be provided. This quantitative analysis includes a comparison between planned and achieved results and indicators.
280. Second, the evaluation will take into account aspects that may be indicative of trends in implementation. This qualitative approach addresses ways to improve programme effectiveness.
281. The analysis focused on the following information in order to supply a well-documented response regarding OPTA effectiveness:
- ❖ submitted, contracted and implemented projects up to the moment the evaluation started;
  - ❖ performance and monitoring indicators, up to the moment the evaluation started;
  - ❖ project pipeline, plans for future calls and perspectives on this issue;
  - ❖ the main factors that prevented speedier or better implementation.
282. The quantitative part of the analysis relied mostly on desk research and on data received from OPTA MA regarding implemented projects. The qualitative assessment was backed by a series of interviews, which focused on the implementation progress.

### 5.2 Findings

283. To analyse the **differences between planned and actual performance**, the evaluation team compared the targets of the output indicators supplied by the FDI with the actual values at the end of 2009, and the updated targets for 2010<sup>77</sup>.

*Table 13: Comparison of Planned Indicators: AIR and CCTA Reporting (27 January 2010)*

Programme indicators (as in FDI)	Baseline 2006 (FDI)	Target FDI 2009	Reported at 31 Dec 2009 (AIR 2009)	Target FDI 2010	Target 2010 (CCTA, Jan 2010)	Target FDI 2015
Studies, analysis, reports, strategies	1	35	2	52	46	154
Guides and other methodological documents	0	5	1	13	13	38
Events focused on experience exchange concerning the SI implementation and thematic aspects	0	28	0	46	30	159
Meetings of committees and relevant WGs (WGs, OPTA MC, TA CC, NCC, MCC)	0	28	29	50	19	158
Participant training days – beneficiaries	0	3,500	0	7,000	4,750	42,000
Participant training days – managing structures	0	5,420	3,924	11,770	6,961	28,000
Participant training days – other structures	0	100	n.a	300	n.a.	700

<sup>77</sup> Presented during the CCTA meeting in January 2010.

Programme indicators (as in FDI)	Baseline 2006 (FDI)	Target FDI 2009	Reported at 31 Dec 2009 (AIR 2009)	Target FDI 2010	Target 2010 (CCTA, Jan 2010)	Target FDI 2015
SMIS versions	1	0	0	1	n.a.	5
SMIS connected applications	0	0	0	3	n.a.	3
Inquiries received at help-desk	0	0	0	50	n.a.	420
Information and publicity materials (no of issues)	0	17	1	24	n.a.	72
Mass-media campaigns	0	2		4	1	10
Communication and promotion events	0	20	1 (150 participants)	34	2	120
Level of overall public awareness	5	8	0	9	n.a.	15
Number of visits on the SI website	0	250,000	499,165	400,000	n.a.	1,000,000
Inquiries received by the IC	0	9,000	0	17,000	n.a.	40,000

Source: FDI OPTA; AIR 2009; CCTA Report (27/01/2010)

284. Both the AIR 2009 and CCTA reporting from January 2010 lack data on all indicators<sup>78</sup>, making it hard to provide a full quantitative assessment of progress. The low values of the reported indicators, as compared with initial estimates, show the slow start of OPTA, although recovery in some areas may be expected for 2010.
285. As the performance of OPTA is not homogenous, the following sub-sections provide a breakdown at PA/KAI level.

### 5.2.1 Priority Axis 1

#### **KAI 1.1 - Support to the management and implementation of the Structural Instruments**

##### **Performance**

286. Judged by the status of projects implementation at the end of 2009, progress must be considered very modest. Six out of eight contracted projects were signed just in the last part of 2009, and consequently there have been no results as yet.
287. In terms of its 2009 target, KAI 1.1 performance is rather poor, especially in terms of the number of studies, analyses, reports and strategies – only two out of a planned total of 26 had been delivered by end-2009. The two studies provided concerned the future of the cohesion policy from Romania's perspective, and a needs assessment for designing the TAF.

Table 14: Analysis of KAI 1.1 Indicators

Indicators	Baseline 2006 (FDI)	Target 2009 (FDI)	Reported at 31 Dec 2009 (AIR 2009)	Target 2010 (FDI)	Target 2010 (CCTA Jan 2010)	Target 2015 (FDI)
Studies, analysis, reports, strategies	0	26	2	36	32	106
Guides and other methodological documents	0	4	1	5	3	7
Events focused on experience exchange concerning the SI implementation and thematic aspects	0	1	0	1	24	3
Meetings of committees and relevant WGs (WGs, OPTA MC, TA CC, NCC, MCC)	0	7	2	14	5	49

Source: FDI OPTA; AIR 2009; CCTA Report (27/01/2010).

<sup>78</sup> No data on supplementary indicators available.

288. In addition, the TAF project produced a guide, whilst two meetings were organized (in the context of the study regarding the future of the cohesion policy).
289. The targets for 2010 are unlikely to be met, even if the TAF should not meet obstacles with regard to contracting. The TAF is expected to become functional at end-2010, at the earliest<sup>79</sup>. Regarding the possible progress until 2015, even under conditions of smooth implementation of the TAF, the launch of a similar project will still be necessary to come close to the planned targets.
290. It is important to note that for the new interventions added to this KAI (75% bonus to SI staff and support for the coordination of Growth Poles) there are no monitoring indicators and an assessment of actual vs. planned performance is not possible.

**Focus: ensuring common standards, tools and information**

291. Overall, this KAI has not made a major contribution to ensuring the availability of the common standards, tools and information necessary for the efficient management and implementation of SI.
292. On the positive side, the project regarding the future of the cohesion policy was useful in shaping Romania's view for the next financial perspective 2014-2020. This project involved all OPs and can be considered a prologue for the next programming exercise. However, it had several delays due to the relatively weak capacity of the DAP/ACIS to manage this kind of project<sup>80</sup>;
293. Another positive result concerns the support for motivating the staff involved in managing and coordinating SI, in the form of funding the 75% bonus in a time of budgetary difficulties. Bonus payments have been made to eligible staff and are reimbursable under KAI 1.1.
294. The bonus scheme, although likely beneficial in terms of staff motivation has the potential to create two problems:
- ❖ It introduces certain feelings of discrimination between the staff responsible for the EU funds and the staff responsible for domestic funds. Within institutions managing both national and EU funds this creates a certain degree of tension among staff. However, differences between the two categories are not always significant, as staff not-related to SI implementation often receives other bonuses, which substantially reduces the differences created by the 75% SI bonus. A particular case is that of staff involved in the implementation of structural funds on the beneficiary side (e.g. public administration staff managing EU funded projects), which are not eligible for the 75%, although arguably they are involved in SI absorption. For this category instead of expanding the OPTA-financed bonus it would be advisable to ensure equivalent performance/project management bonuses from the national budget.
  - ❖ It generates an eligibility issue, as OPTA restricts eligibility for the 75% bonus to only those institutions dealing directly with the coordination and management of SI, while the regulation in place, GD N° 595/2009, defines as being eligible for support not only all MA, IB, ACIS, CPA and AA staff involved in SI management and coordination, but also the staff of '*structures involved in activities of a legal nature*' related to SI implementation<sup>81</sup>. This implies that legal staff in ministries hosting MA/IB is eligible for the 75%, but the bonus is provided from the national budget and it is not reimbursed

<sup>79</sup> The tender was cancelled in the first semester of 2010, as no offer seemed to fulfil the required criteria. This decision was then appealed by some of the tendering companies. This prevented a quick re-launch.

<sup>80</sup> As acknowledged by a DAP representative during the interviews.

<sup>81</sup> Art 2b, pt 16.

through OPTA. Nevertheless, the lack of perfect overlapping between the national framework and the OPTA eligibility does not entail any problems other than a rather limited substantiation of the reasons behind such decision.

295. Another positive development was the 2009 decision to make support for the coordination of SI interventions within Growth Poles eligible under OPTA. Aside from the potential boost for absorption of KAI 1.1 resources it represents, this activity is likely to provide more coherence between sectoral and regional SI interventions.
296. There are two main limitations to support for Growth Poles coordination. The first one relates to the rather low capacity of coordinators in respect of influencing the final decision-makers, the County and Local Councils represented in an Inter-community Development Association, which provides the daily management of the Growth Poles. The degree influence varies with the charisma and expertise of the coordinator, but IDAs fully autonomous in their decision-making.
297. The related, second limitation concerns the mandate of the coordinator, which is only generally defined and lacks details regarding implementation mechanisms or monitoring activities. Currently, there is no evidence to suggest that if pole coordinators receive KAI 1.1 support this will with certainty lead to a better quantitative and qualitative absorption of SI-support for growth poles. As remarked above, the lack of target indicators for support to growth pole coordination makes it hard to assess the effectiveness, as well as ultimate impact of this specific intervention<sup>82</sup>.
298. On the negative side, KAI 1.1 does not address horizontal themes such as public procurement and state aid. This is a significant vulnerability of OPTA, as public procurement issues are considered major bottlenecks, not only for the implementation of OPTA but also that of the other OPs.
299. MA and IB expectations with regard to solutions for an efficient public procurement process are mainly directed at ACIS, as this is a shared issue and identified as such during the programming of OPTA. The theme of state aid also requires horizontal support, but potential beneficiaries consider this need as less acute.
300. ACIS seems to rely to a large extent on the TAF project to obtain external legal support on public procurement issues. The ToR for the TAF framework agreement, launched in April 2010 [ref: [Section 4.2.2 Para 212-214](#)], contain specific eligibility requirements for senior and junior legal experts with experience in public procurement.
301. ACIS was confronted with significant delays in launching the tender for the TAF framework agreement. These delays were partly determined by the prudential reaction of the ACIS<sup>83</sup> management in treating a tender of this scale and the relative limited degree of familiarity with this type of contract in Romania. Although the management of this project was externalised in September 2008, the framework agreement for service providers within the TAF was only released for contracting in April 2010. Therefore, a signed contract cannot be expected before second half of 2010.
302. ACIS has tried to reinforce its cooperation with the key institutions in the field, NARMPP and UCVPP, to try and simplify SI implementation. Several coordination meetings were held with these institutions to clarify aspects of TA public procurement contracts (e.g. how to best draft ToRs and which evaluation criteria to choose).

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<sup>82</sup> In April 2010, only the coordinator of the Iasi pole submitted a report of activity, whereas there is no template recommended officially by OPTA MA.

<sup>83</sup> At the level of the State Secretary's Cabinet.

303. Although some progress has been achieved, there is a need to work on these issues on a continuous basis, in order to provide adequate answers to quite a number of pertinent questions raised by SI stakeholders.
304. Permanent cooperation in this field cannot be established without shared ownership between the three entities in respect of the problems to be addressed and the results to be obtained in enhancing the public procurement process.
305. In order to increase NARMPP and UCVPP interest and involvement, it is advisable that these institutions become beneficiaries under KAI 1.1, so as remove bottlenecks more rapidly, especially with respect to the evaluation and selection criteria in TA contracts. The Competition Council likewise might benefit from KAI 1.1 support in relation to state aid issues.
306. One explanation for the slow progress under KAI 1.1 is the availability of pre-accession (Phare) support of like character until end-2008 and early-2009.
307. The relatively weak capacity of potential beneficiaries to manage OPTA funded projects is another reason for poor progress. Two of the units within ACIS that were expected to be main beneficiaries of KAI 1.1 were not very active in respect of preparing project **proposals**. The DAP has submitted only one project [ref: [Section 4.2.2 Para 215](#)] and the MD none. Both directorates held responsibilities in the period 2007-09 unrelated to SI that made up a substantial proportion of their activity<sup>84</sup>. This situation adds to the existing staff members' significant workload, with negative impact on the interest in OPTA implementation. Furthermore, the MD benefited from two EC-funded twinning programmes (United Kingdom – France and Germany) and, by end-2009, from bilateral support from Germany.
308. Both directorates have shown interest in submitting a project for GIS mapping of SI interventions, but it has not been possible to reach clarity on which of the two entities should take the lead for this activity.
309. DAP has been confronted with a difficult experience regarding the public procurement procedure for its only submitted project. This experience has much reduced its interest in submitting new projects, as long as it will not have external support for procurement management<sup>85</sup>. However, DAP admits the necessity of becoming more active in applying for OPTA support in coming years, in view of its involvement in the programming for the next financial perspective (2014-20).

## KAI 1.2 - Evaluation

### Performance

Table 8: Analysis of KAI 1.2 Indicators

Indicators	Baseline 2006 (FDI)	Target 2009 (FDI)	Reported at 31 Dec 2009 (AIR 2009)	Target 2010 (FDI)	Target 2010 (CCTA Jan 2010)	Target 2015 (FDI)
Studies, analysis, reports, strategies	0	3	0	6	4	14
Guides and other methodological documents	0	1	0	2	n.a	7
Events focused on experience exchange concerning the SI implementation and	0	1	0	2	4	3

<sup>84</sup> MD representatives stated in interviews that Phare-related activities accounted for 50% of the Directorate's work in 2009 and even more in earlier years. DAP has allocated resources for managing the assistance from European Economic Area (EEA) and Norway grants 2004-2009 (98.5 MEUR) and is currently managing the grants for 2009-2014 (305.95 MEUR);

<sup>85</sup> Finding emanating from interview conducted with DAP.



thematic aspects						
Meetings of committees and relevant WGs (WGs, OPTA MC, TA CC, NCC, MCC)	0	1	1	2	n.a	7
Participant training days- beneficiaries <sup>86</sup>	0	500	0	1,000	n.a	1,500
Participant training days- managing structures	0	420	0	770	n.a	2,220
Participant training days- other structures	0	100	0	300	n.a	700

Source: FDI OPTA; AIR 2009; CCTA Report (27/01/2010)

310. Only one indicator for KAI 1.2 has been achieved during 2009, namely that of *Meetings of relevant committees and WGs*. One EWG meeting was organized within the project concerning the development of evaluation capacity. The three projects<sup>87</sup> that were approved before 31 December 2009 are likely to improve the achievement of some indicators, such as the studies, analysis, reports and strategies to be developed and the events based on experience exchange.

#### Focus: developing a common evaluation culture

#### **The institutional framework for evaluation of SI**

311. The evaluation activity in relation to SI interventions has at least two major roles. Firstly, the evaluation assesses progress in achieving the Cohesion Policy objectives and, secondly, it helps helping to improve public policy formulation overall.
312. EU funds constitute important support for Romania, but more important than the money is the chance to reform institutions and mentality. The chance to understand and implement the principles and functions of evaluation is at least as important as the financial support offered to carry out evaluation exercises.
313. In this context, the creation of the ECU and, later, the EWG, laid the foundation for an institutional framework with an ambitious mandate, i.e. to generate a profound change of perspective on public policy evaluation arrangements vis-à-vis the SI, in accordance with EU regulations.
314. With financial support from the pre-accession period, ECU has established itself as a proactive structure for coordinating SI evaluation at national level. From a strategic and a technical point of view, the framework for SI evaluation was easy to implement because of the in-built regulations of the Cohesion Policy. Multiannual and annual evaluation plans were developed and evaluation units at the MAs level created, thus setting up the institutional modalities for evaluation activities.
315. The EWG is a sound institutional initiative that emerged from the need to coordinate evaluation activity at NSRF level. But the WG's objectives now include the farther-reaching one of contributing to the development of a common evaluation culture at national level.
316. The EWG invested much in the professional upgrading of its staff in the evaluation field. With pre-accession support (Phare, including the Transition Facility), a series of TA projects were used for a sustained learning process and exchange of best practice, to meet the performance standards implied by the Cohesion Policy evaluations.
317. Regarding structural funds support for evaluation, the TA was divided in two main components. The first, funded through OPTA, ensures horizontal support for the

<sup>86</sup> ECU does not intend to submit projects under KAI 1.2 providing training to beneficiaries, which may need a revision of the FDI to eliminate the respective monitoring indicator.

<sup>87</sup> Please refer to Table 7, pg.54.

coordination and development of evaluation at NSRF level. The second component, financed separately under the TA axis under each OP, ensures support for specific evaluation needs related to the respective OP.

318. Within OPTA, support for evaluation was concentrated in KAI 1.2, with the ECU as the only eligible beneficiary.

### **Developing a common evaluation culture**

319. The first requirement related to the objective of creating an evaluation common culture is to define the goal and the concept. A good starting point to address this issue is to define a series of common standards.
320. Achieving a common culture is more complex than observing a minimum set of common standards. Benchmarks are a professional requirement, but they are not sufficient. Evaluation can only be efficient and effective, if it is well embedded in the public policy process.
321. With the support of EU pre-accession assistance, the ECU has made solid progress on formulating common evaluation standards for Romania. For instance, with Phare-funded TA, the ECU has defined since 2006 a set of evaluation benchmarks. It has further stimulated evaluation demand and supply, thus enabling the development of an evaluation community.
322. In terms of embedding evaluation within public policy, the ECU has been instrumental in launching the NES, as the framework for increasing quality of public interventions.
323. Due to political instability and institutional change, the other governmental stakeholders responsible for the implementation of the NES were unable to provide follow-up to the strategic intention in their respective areas, leaving the ECU the only institution active in promoting evaluation in a continuous, coherent manner.
324. ECU's mandate is related to SI implementation, and although NSRF-related evaluations can create positive demonstration effects, it is not enough to reach a robust national policy on public intervention evaluation. Until the end of 2009, the discussion about an evaluation culture related to SI implementation was at the inception stage, as there were not so many evaluation reports related to SI published (only the ex ante evaluations for all OPs and the ROP IE were available). From 2010 onwards, given the fact that most of the interim evaluations will also be available, there will be better conditions for debating the quality of the evaluation culture in the field of SI.

### **The role of OPTA in promoting a common evaluation culture in the field of SI**

325. Taking into account the limited progress on OPTA implementation, including within KAI 1.2, it can hardly be argued that OPTA has as yet contributed to achieving its targets in this area. As noted, positive developments were primarily generated by pre-accession assistance, particularly during 2005-08 and by EWG activity during the last three years. In fact, the existence of Phare support can be considered a plausible explanation for the late start of OPTA interventions.
326. At most it can be argued that, given the support for organising one EWG meeting so far, OPTA has contributed partially to EWG-related achievements to date.
327. That said, progress in the course of the fourth quarter of 2009 suggests that there are now better perspectives for OPTA to play a more direct role in consolidating a common evaluation culture in the field of SI in the next years.
328. The approved project – *Developing the evaluation capacity of the MAs and ACIS evaluation units* – that aims to support the evaluation units within the MAs has considerable

potential for consolidating EWG-related activity. The EWG already acts as a small professional community, which constitutes a good foundation to build upon.

329. It is understandable that not all the MAs have reached the same level of understanding of the evaluation activity, leading to slight differences in perception of the role of evaluation. Some of the main factors influencing the development of a common evaluation culture are staff attitudes, inter-departmental communication and MA management support for its evaluation units.
330. The institutional structure of evaluation units within MAs varies significantly, which influences the relative influence on MA management. The ECU's recommendation, as early as in 2006, was to subordinate the evaluation unit directly to the MA Director, in order to ensure good communication and enhance the evaluation culture. This has been achieved in the case of ACIS, as the ECU is subordinated directly to the ACIS Director, as well as in a few other MAs, but was not generalized.
331. Apart from support to the ECU, to evaluation units within MAs and to the EWG, OPTA will likely play a key role in developing an evaluation culture by enabling the launching of on-going and *ad hoc* evaluation exercises. This creates evaluation demand, supports external evaluation providers and improves the quality of evaluations through gains in experience in and competitive bidding.

### ***KAI 1.3 - Horizontal training in the field of the management of programmes/projects***

#### **Performance**

*Table 9: Analysis of KAI 1.3 Indicators*

<b>Indicators</b>	<b>Baseline 2006 (FDI)</b>	<b>Target 2009 (FDI)</b>	<b>Reported at 31 Dec 2009 (AIR 2009)</b>	<b>Target 2010 (FDI)</b>	<b>Target 2010 (CCTA Jan 2010)</b>	<b>Target 2015 (FDI)</b>
Studies, analysis, reports, strategies	0	0	0	0		1
Guides and other methodological documents	0	0	0	0		0
Meetings of committees and relevant WGs (WGs, OPTA MC, TA CC, NCC, MCC)	0	3	3	5		15
Participant training days- beneficiaries	0	3,000	0	6,000		40,500
Participant training days- managing structures	0	2,500	1,500	5,000		5,780
Participant training days- other structures	-	-	-	-		-

Source: FDI OPTA; AIR 2009; CCTA Report (27/01/2010).

332. One of the 2009 targets set for KAI 1.3 was achieved (3 meetings of the TWG) and one was achieved at 60% (days/participant to training – managing structures).
333. As shown in Table 9, beneficiaries were not trained at all until the end of 2009, which is a major vulnerability in terms of effective implementation of this KAI. The target of training 6,000 beneficiaries by end-2010 must be considered unrealistic under current circumstances.

#### **Focus: ensuring highly qualified personnel**

334. The interviews conducted in the course of the present evaluation yielded information regarding the quality and the usefulness of training activities financed by OPTA.
335. The Training Mechanism was established in 2004. Since then a series has occurred in respect of institutional progress in the field of training activities coordination, especially with regard to the methodology for training needs assessment within the public administration. The new approach, proposed in 2005, was based on a detailed

framework that set out training priorities, a total of five measures and topics of interest for four target groups:

- ❖ institutions with horizontal responsibilities in the field of SI management;
  - ❖ MAs and IBs;
  - ❖ members of MCs;
  - ❖ beneficiaries and potential beneficiaries.
336. At OP-level, the TWG members, deputy members and IB representatives do the training activity and, implicitly, the need assessment.
337. The interviews conducted for the present evaluation yielded the following:
- ❖ TDCU activity for supporting MAs training activity is complex, from need assessment and development of ToT projects, through support for elaborating public procurements documents (for projects financed by OPs TA axis), to on-going support for the MAs' own needs assessment activity. The TDCU is not organised as a separate unit within ACIS, but as part of the Implementation Service (IS), within the DTA. Moreover, the identify and functions of the TDCU are not always clear even to a part of ACIS staff, the TDCU being within IS/DTA and seen as a distinct institution with the role of horizontal training coordination<sup>88</sup>.
  - ❖ Each member of TDCU has additional tasks in their job descriptions, related to other activities of the Implementation Service. Neither TDCU nor TWG members have a background in HR studies (with some happy, but entirely coincidental exceptions);
  - ❖ Training needs assessment is a product of the Training Mechanism, which will be updated to reflect current requirements. Compared to the initial programming period, when the training needs assessment was more qualitative, a unitary structure has been created at MA level to identify training needs, supported by a software application, which, unfortunately, was not implemented. The last comprehensive exercise for training needs identification was in 2008 (an up-date of the training needs fiches was done in 2009);
  - ❖ The software application is still a desideratum, and the trend is to simplify the needs assessment. Thus, as the needs are becoming more and more specialised, more details about them are necessary. The TWG members are in the process of discussing a modification of the methodology for identifying and consolidating training needs;
  - ❖ When identifying the training needs, other training initiatives for public administration are not taken into account, and the institutions developing these activities are not included in the training activities supported by OPTA. Moreover, these institutions, excepting the MA for OP DAC, are not represented in the TWG. Similarly, the IBs have no representative in the TWG and TWG members disagree on the usefulness of their membership. Their absence requires an effort on the part of the MA representatives to inform IB staff.
338. The training supported by OPTA is generally appreciated as useful, as it is sometimes the only training opportunity for MA and IB staff. The training activities eligible under KAI 1.3 are considered sufficiently large to cover all beneficiary needs. The training events on horizontal issues with participants from several MAs are especially appreciated because of the opportunity they offer to identify and share best practice and experience.
339. So far, no overlaps have been identified between the OPTA activity and each OP TA axis, with interviewed participants confirming the existence of a clear separation of training activities. Moreover, a communication and mutual information mechanism to avoid overlaps is in place at TWG level.

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<sup>88</sup> Finding emanating from interviews.

340. Among MA and IB staff, the interest in the training activities varies from one institution to another, depending on the training activities developed at programme level (supported under OPs' own TA axes) and on training topics. So far, the training under KAI 1.3 has covered horizontal subjects, such as Structural and Cohesion Fund principles, the project management cycle and the new public procurement legislation (basic notions, 220 participants), financial management and control (102 participants), preparing and developing beneficiary guides and the management of financing applications (127 participants), Structural and Cohesion Funds audit (62 participants), and identifying instruments and techniques for monitoring horizontal issues (37 participants<sup>89</sup>).
341. For 2010, the training programmes aims to develop training sessions for the following themes identified through Training Mechanism: 1.1 Introduction to SI; 2.2 SI Coordination; 2.3 SI Management; 2.4 Project Evaluation, Selection and Contracting; 2.5 Financial Control; 2.6 Operational Programmes Audit; 3.1 Increasing Management Capacity; 3.2 Communication; 3.5 HR Management and Training. Training sessions for beneficiaries and potential beneficiaries will also be carried out in the field of: project cycle management, project identification and development, submitting and selection process, project management, monitoring and reporting processes<sup>90</sup>.
342. In view of the above (and also because of reduced staff turnover) basic training in the field of SI is now considered less interesting than specialised training in the areas of financial management, audit and public procurements. These trends are also confirmed by the latest needs assessment: as the complexity of functions is increasing, the need for specialised training becomes clearer. There is also an increasing need for experience exchange, best practice examples, study visits, and presentations by representatives of SI management entities from other Member States.
343. A worrying aspect is the fact that staff often cannot give priority to training and make free the necessary time to attend training events, due to heavy workloads and in spite of generally keen interest to participate. Experience, including that relating to pre-accession training shows that training delivered in or close to the work location (i.e. Bucharest for most central public administration staff) is least effective because participants tend to be distracted by office duties and leave to attend to urgent work.
344. Some of the training activities and study visits to other EU Member States especially, proved to be motivational for the staff participating. Experience suggests that there is a challenge in respect of selecting participants for these activities. Should the most knowledgeable and effective staff be selected, by way of showing appreciation for their work? Or should junior, less effective staff participate for the purpose of quickly upgrading skills through exposure to international best practice and know-how.
345. TWG members prefer the exchange of best practice, during study visits or by inviting experts from similar structures in other Member States. This need partly arises from difficulties encountered with contracting highly quality, specialised training services.
346. Even if the utility of training courses is undeniable in the process of improving staff knowledge, several negative aspects were underlined:
- ❖ due to the long period between needs identification and its delivery its, the relevance of the training may be lost;
  - ❖ training activity is often disconnected from the HR evaluation process; even though the evaluation fiches represent an important source for identifying personal development

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<sup>89</sup> Source: TDCU, 31 March 2010.

<sup>90</sup> Training Plan 2010.

needs, the staff in charge of training activities do not always have the right to access them;

- ❖ there is no training follow-up mechanism, aside from the questionnaires handed out at the end of training sessions. The utility of courses for the jobs it is not known. There is no know-how transfer from the training participant to the rest of his team.

347. The total separation of training activity and the human resources management is likely to lead to reduced effectiveness of the training and skills development process.

#### ***KAI 1.4 – Functioning of the OPTA MA, ACIS, the CPA and the AA***

##### **Performance**

*Table 10: Analysis of KAI 1.4 Indicators*

Indicators	Baseline 2006 (FDI)	Target 2009 (FDI)	Reported at 31 Dec 2009 (AIR 2009)	Target 2010 (FDI)	Target 2010 (CCTA Jan 2010)	Target 2015 (FDI)
Events focused on experience exchange concerning the SI implementation and thematic aspects	0	2	0	3	1	5
Meetings of committees and relevant WGs (WGs, OPTA MC, TA CC, NCC, MCC)	0	13	23	20	37	59

*Source:* FDI OPTA; AIR 2009; CCTA Report (27/01/2010).

348. KAI 1.4 has exceeded planned performance in terms of organizing meetings of committees and WGs (13 meetings planned and 23 meetings organised). The meetings included 5 OPTA Monitoring Committees and 5 CCTA meetings.

349. No events focusing on experience exchange were organized until 2009. One event of this type is foreseen for 2010 as part of the contracts signed at the end of 2009.

##### **Focus: functioning of relevant OPTA-supported structures**

350. KAI 1.4 covers a large variety of eligible activities that can be engaged by ACIS (including the OPTA MA), the CPA and the AA, to facilitate the functioning of these institutions, such as employment of contractual staff, operational expenditure, organisation of meetings and events, and supplies and consumables.

351. By end-2009, only ACIS and CPA had availed of OPTA financing. The AA has not yet applied for OPTA support, because it benefited from generous pre-accession TA until early 2009<sup>91</sup>. In addition, in 2009, the AA saw important HR restructuring, which affected its capacity to form a stable PMU.

352. For 2010, the AA plans to submit a project covering the revision of the audit manual, ICT development (document management and a system required by EC for monitoring the implementation of recommendations made by the AA in respect of audited institutions), organisation of regional meetings, various equipment and supplies, and the domestic and international travel costs related to working meetings.

353. Both ACIS and the CPA have encountered some contracting problems in relation to ongoing projects. Because these two beneficiaries form part of the MoPF, communication with the OPTA MA has generally been good in part because it could use informal lines of communication for overcoming obstacles.

<sup>91</sup> Funded under Phare 2005 and involving TA by an audit team from France, Poland and Portugal. The support covered the most important needs of the AA for the period 2007-08, in areas such as training, procedure manuals and audit manuals.

## 5.2.2 Priority Axis 2

### ***KAI 2.1 – Development and maintenance of the SMIS and its digital network***

#### **Performance**

*Table 11: Analysis of KAI 2.1 Indicators*

Indicators	Baseline 2006 (FDI)	Target 2009 (FDI)	Reported at 31 Dec 2009 (AIR 2009)	Target 2010 (FDI)	Target 2010 (CCTA Jan 2010)	Target 2015 (FDI)
Studies, analysis, reports, strategies	0	1	0	2	0	5
Guides and other methodological documents	0	0	0	6	0	24
SMIS versions	0	0	0	1	0	5
SMIS applications	0	0	0	3	0	3

Source: FDI OPTA; AIR 2009; CCTA Report (27/01/2010).

354. There was no progress with regard to KAI 2.1 until the end of 2009, as no projects and contracts were approved. However, the SMIS CU developed user manuals and add-on applications to increase the functionality of the IT system, using its own resources.
355. The performance for the remaining time of the financial perspective depends on the capacity of the SMIS CU to sign TA contracts in the second semester of 2010, the prospects for which are rather gloomy.

#### ***Box 6: Context of KAI 2.1 Performance***

The SMIS application needs to be functional for the whole life cycle of the OPs (ten years, taking into account the closing period). Four phases were envisaged for the life-span of the system:

- ❖ an initial deployment phase – SMIS development in order to fulfil basic needs of institutions involved in the SI system;
- ❖ a development phase – designed to address additional needs for ensuring optimal functionality;
- ❖ a constant phase when the system is as stable as possible;
- ❖ a closing phase - may again request additional elements for the system.

The first initial phase started in 2004 and was finalized at the end of 2006. The second phase of SMIS was developed based on requests formulated during 2007 by the institutions using the system and based on EC Community regulations, programming documents and procedures existing at that specific cut-off date. The application and the generated reports have been tested thoroughly by the SMIS WG. When SMIS was launched for practical use related to SI, at the beginning of 2008, the system was fully addressing the requirements. For the period 2008 to 2010, the procedural changes within the institutions using the system could not be reflected in SMIS due to difficulties in contracting specialised services for development and maintenance.

The SMIS was developed as a system to be used in real time by the staff of MAs, IBs, CPA, ACIS and AA. The major delays in uploading data generated discrepancy between the projects' real dates and historical dates registered in the system, and, thus, to inconsistency of reports.

Data uploading was much encumbered by the format of the application forms, reimbursement forms, and technical progress reports which do not allow an easy identification of the information to be uploaded into the system. The users perceived this aspect as a deficiency of the ICT system, which was not the case in fact.

As regards the second objective of KAI 2.1 (preparing manuals and users guides) the findings gathered during the evaluation were mixed. On the one side, the SMIS CU and some of the final users believe that the manuals are excellent and complete from a technical viewpoint. On the other side, several final users complained about the manuals, suggesting they are thick, difficult to read (mainly in English) and treating only general issues, without addressing specific questions, which if remained unanswered can generate errors in the system. Overall, the existing manuals can be considered as covering well the technical component of the application. Instead, there is a need for more details on the functional level, which implies more accessibility for users and more customization to problems specific to each OP.

## KAI 2.2 – Functioning of the SMIS Central Unit and its coordination network

### Performance

Table 12: Analysis of KAI 2.2 Indicators

Indicators	Baseline 2006 (FDI)	Target 2009 (FDI)	Reported at 31 Dec 2009 (AIR 2009)	Target 2010 (FDI)	Target 2010 (CCTA Jan 2010)	Target 2015 (FDI)
Reunions of the relevant committees and WGs	0	4	0	9	0	28
Requests received from the help-desk	0	0	0	50	0	420

Source: FDI OPTA; AIR 2009; CCTA Report (27/01/2010).

356. As no projects and contracts were approved, there has been no progress under KAI 2.2.
357. However, several meetings of the SMIS WG were organised and several requests received from the help-desk located within SMIS CU before the end of 2009. It is likely that the relevant OPTA indicators have been met, albeit not through KAI 2.2.

## KAI 2.3 – Training of the users, distribution of procedural guides and user manuals and information activities related to SMIS

### Performance

Table 13: Analysis of KAI 2.3 Indicators

Indicators	Baseline 2006 (FDI)	Target 2009 (FDI)	Reported at 31 Dec 2009 (AIR 2009)	Target 2010 (FDI)	Target 2010 (CCTA Jan 2010)	Target 2015 (FDI)
Events focused on experience exchange concerning the SI implementation and thematic aspects	0	4	0	7	2	28
Participant training days – managing structures	0	2,500	2,424	6,000	6,000	20,000

Source: FDI OPTA; AIR 2009; CCTA Report (27/01/2010).

358. KAI 2.3 is the only KAI under PA 2 that registered progress by the end of 2009. The degree of indicator achievement related to participants in training reached 97% of the target.
359. The perspective for 2010, based on the existing project, is positive in terms of reaching the planned target. The current contract, which started in April 2009, aims at providing six revised manuals (one for each SMIS-NSRF module), seven sets of data training (one for each OP), 6,000 training days and seven events for experience exchange.
360. Concerning the second indicator of KAI 2.3, two events focused on experience exchange are foreseen for 2010, which is not enough in terms of meeting the planned target.

### **Focus: contribution of training, communication and support activities for a better SMIS**

### Training

361. Some SMIS uses have remarked upon the limited usefulness of the training supported through OPTA under KAI 2.3, in that these training sessions were only available long after they had begun to upload data into the SMIS and use the application.<sup>92</sup> This contributed to a series of data input errors, which proved difficult to correct and had significant impact on the consistency of SMIS data. During 2009, and even in 2010, considerable effort had to be made to correct the existing data and fill in gaps.

<sup>92</sup> Findings based on interviews with SMIS users, crosschecked through interviews with the SMIS CU.



362. The training materials were elaborated on the state of affairs at the time of the last Phare TA in support of SMIS, when the details regarding the OPs and their specific data were unknown. This is why users participating in training stressed that data used for case studies was redundant and did not resemble the kind of information they had already introduced into the system.
363. Training sessions were limited to generalities and focused on technical aspects of SMIS. Due to the time lag between the development of the application and training delivery, participants that had not used the application before, had no questions. Those persons that had used the application before the training sessions had very specific questions, which the training was unable to answer.
364. This problem has been addressed in the case of the most recent series of trainees, with participants being regrouped on the basis of interest and shared experience, and with the case study material adapted to real data input situations.
365. The findings collected through interviews with SMIS users suggest that a basic level of training has been reached for all staff involved with SMIS.
366. Given their limited number and lack of external technical assistance, SMIS coordinators within the MAs and IBs were often under pressure from users to answer their questions, share information and know-how and solve technical glitches. However, some of the SMIS coordinators lack the necessary training and competences to disseminate information to other people effectively. This suggests that specific Training-of-Trainer sessions are needed.

### **Communication**

367. The information and communication process centres around the SMIS WG, which meets at the initiative of the SMIS CU and whenever necessary. SMIS CU staff collects and collates information on all problems encountered by its counterparts and bring them to the attention of the SMIS WG. SMIS coordinators at regional level are responsible for the information flow at that level.

### **KAI 2.4 – Supply of IT&C goods and services**

#### **Performance**

*Table 15: Analysis of KAI 2.4 Indicators*

Indicators	Baseline 2006 (FDI)	Target 2009 (FDI)	Reported at 31 Dec 2009 (AIR 2009)	Target 2010 (FDI)	Target 2010 (CCTA Jan 2010)	Target 2015 (FDI)
Entities equipped	-	5	0	10		50
Unplanned SMIS malfunctioning period	-	<15	0	<15		<15
Network availability	-	≥99	0	≥99		≥99
Package loss	-	≤1	0	≤1		≤1
Latency for data packages losses	-	≤100	0	≤100		≤100

Source: FDI OPTA; AIR 2009; CCTA Report (27/01/2010).

368. KAI 2.4 does not have any output or result indicators to measure the interventions under this KAI. The supplementary indicators assigned to this KAI [ref: **Table 15**] are reported neither in the AIR nor within the CCTA.

### 5.2.3 Priority Axis 3

#### ***KAI 3.1 – Dissemination of general information and publicity activities regarding the Structural Instruments allocated to Romania***

##### **Performance**

*Table 16: Indicators – KAI 3.1*

Indicators	Baseline 2006 (FDI)	Target 2009 (FDI)	Reported at 31 Dec 2009 (AIR 2009)	Target 2010 (FDI)	Target 2010 (CCTA Jan 2010)	Target 2015 (FDI)
Studies, analysis, reports, strategies	1	5	0	8		28
Communication and promotion events (no)	0	20	1	34		120
Information and publicity materials	0	17	1	24		72
Mass-media campaigns (no)	0	2	0	4		10
Level of awareness	5	8	0	9		15

Source: FDI OPTA; CCTA report, 27/01/2010.

369. Performance under KAI 3.1 is insignificant, as only two out of five indicators show (slight) progress. For 2009, 20 communication and promotion events and 17 information and publicity materials were planned. By end-2009, only one communication event had been held and only one set of information material developed. KAI 3.1 is therefore far removed from attaining its aims.

#### ***KAI 3.2 – Operation of the Structural Instruments Information Centre***

##### **Performance**

*Table 17: Indicators – KAI 3.1*

Indicators	Baseline 2006 (FDI)	Target 2009 (FDI)	Reported at 31 Dec 2009 (AIR 2009)	Target 2010 (FDI)	Target 2010 (CCTA Jan 2010)	Target 2015 (FDI)
Web pages visits	0	100,000	499.165	400,000	0	1,000,000
Information requests received at the IC	0	2,000	0	17,000	0	40,000

Source: FDI OPTA; CCTA report, 27/01/2010.

370. At a first glance, KAI 3.2 performance seems good, as the indicator concerning web page visits was exceeded by 499% at the end of 2009. Although OPTA MA reporting points to an achievement, it was not due to OPTA support, since there was no project. This suggests the target was set much too low. A new target should start from the yearly average of visits from the existing sites and set a higher average as the target to be reached after the incoming OPTA interventions.

371. There was no progress with regard to the handling of information requests, because the IC has not yet been established.

372. Even if the IC would be established by end-2010, it is unlikely that the planned target will be met.

#### **Focus: dissemination of general messages regarding the SI. Alternative solutions.**

373. During the period evaluated, the main instruments for information dissemination were two websites, respectively [www.fonduri-ue.ro](http://www.fonduri-ue.ro) and [www.poa.ro](http://www.poa.ro).

374. The site [www.fonduri-ue.ro](http://www.fonduri-ue.ro) is used as a portal with information about SI, in principle useful not only for (potential) beneficiaries but also for the general public and mass media. A recent survey tested the public opinion regarding the website (see analysis of efficiency, paragraph 264). More than half of respondents argued that the accessibility of

the language used to present information is not satisfactory (below average). The respondents also required more updated information.

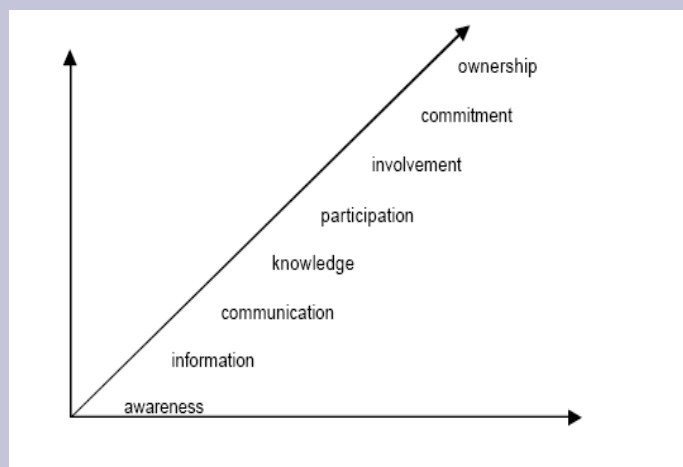
375. Where the opinion of mass-media representatives is concerned, several journalists argued during a focus group session dedicated to SI information and communication, that the website lacks a good structure and it is not very user-friendly (e.g. information on all OPs appears on a single webpage, making it difficult for users to find the information they are especially interested in. The portal was considered to contain valuable information but in a volume that creates the impression of overload. The portal has a cluttered structure likely to have new visitors cut short their visit and look for alternative sources of information (e.g. private websites, such as <http://www.fonduri-structurale.ro>; banks websites) In addition, even though the site is supposed to be bilingual, most of the information is in Romanian only. A total of 493,734 visits were registered on the website until the end of 2009. An additional number of 109,703 visits were recorded in the first six months of 2010.
376. The [www.poaat.ro](http://www.poaat.ro) website offers detailed, structured and organised information on OPTA, the financing opportunities for potential beneficiaries, but also details on contracting in the framework of OPTA financed projects. This website is opened to the general public as well but visited mostly by TA stakeholders. A total of 5,431 visits were counted on the OPTA website by 31 December 2009. An additional number of 2,894 visits were registered in the first semester of 2010, showing a slight upward tendency.
377. Aside from these two tools, a series of bilingual TA brochure was published with OPTA support (a first issue was produced under the project Phare 2006/018-147.04.03; the third issue appeared in March 2010), an event (celebrating Europe's day) was organised and four spots (two radio spots and two TV spots) were produced without being broadcasted.
378. According to the ACIS Communication Programme, the coordination and management of communication activities is the task of a '*dedicated communication team (communication unit)*<sup>93</sup>', functioning within the SCD. At present, the team consists of three staff, directly subordinated to the SCD Head.
379. The communication team has complex tasks, which cannot be efficiently performed in its current structure. The team has to:
- ❖ coordinate and manage ACIS's all communication activities;
  - ❖ coordinate the communication teams of the different OPs;
  - ❖ develop and propose to Monitoring and Coordination Committee policy, rules, communication tactics;
  - ❖ ensure operational coordination the communication activities, manage the fonduri-ue.ro portal, the IC and the call-centre;
  - ❖ ensure technical coordination of professional services externally contracted for implementing information and communication activities; and
  - ❖ report to DG Regio on the progress of communication and information activities.
380. The CWG, comprising communication staff from all Management Authorities, facilitated coordination of the communication activities for all OPs. CWG meetings provide the opportunity to discuss the communication and publicity activities undertaken by each MA, thus avoiding overlaps in the messages transmitted during campaigns or events organised by MAs.

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<sup>93</sup> *Communication Plan for OPTA, pg 9.*

381. A noteworthy outcome of CWG meetings is the Visual Identity Manual for Structural Instruments 2007-13, developed in close cooperation by the WG members. The Visual Identity manual was adjusted to the specificities of each OP and now forms part of all contracts.
382. One reason for the limited progress on KAI 3.1 implementation was the informal embargo on publicity expenses imposed by the Government. For almost a year, no contract for communication, information and publicity activities related to the SI could be concluded. The ban was lifted in March 2010, with several public procurement procedures foreseen in the short term to address activities stipulated by the CP and programming documentation.
383. The interviews conducted during the evaluation revealed that representatives of the mass media are willing to participate in SI-related communication and that they would appreciate training sessions and meetings on specific topics of interest to the media.
384. In a focus group organized during the evaluation, media experts have expressed their view that there is no 'spokesperson' for the SI, which causes a measure of confusion among the general public, with regard to the institution that is supposed to lead the management and implementation of interventions financed with EU assistance.
385. Building the communication and information tools and messages should take into account the fact that the involvement of a target group in a communication process can evolve from awareness level to ownership level, as seen below.

*Box 7: Improving the Communication Process – from Awareness to Ownership*



Source: DC Communication

A proper communication process implies customizing instruments for each target group. Otherwise, the general public will never be interested in reaching more than a minimal level of **awareness** regarding the SI. Once receiving customized messages, the target group gives more attention to specific **information** and starts to search for it in frequently used and trustworthy media. The next step is to encourage the target group to adopt a more pro-active attitude towards **communication** and to engage in a dialogue with communicators. When this level is reached, the target group should be invited to participate in a series of events (seminars, meetings, conferences) in order to assimilate the information acquired, thus reaching the '**knowledge**' stage. This stage should be the optimal stage of communication for potential beneficiaries, as target group.

Other target groups (mass-media, public institutions, stakeholders) may reach even higher levels of communication. For example, mass-media should ideally reach at least the **participation** stage, which would mean that journalists may go as far as taking over a part of the communication tasks – adding new messages, starting their own campaigns etc.

## **Information Centre**

386. By the end of 2009, there was no progress in the implementation of KAI 3.2 activities, which centre on the establishment of an IC for SI.
387. It was originally envisaged to establish the IC within ACIS headquarters, in order to create a solid and coherent entity and so ensure direct interaction between SI management system and target groups.
388. For various reasons (not subject to the current evaluation) ACIS headquarter were located in a building not well suited to the requirements of an IC. It had been intended to house the IC on the ground floor of the building, but this proved impossible due to a lack of space and access, as well as the design of the ground floor. The establishment of the IC had to be postponed until a proper location can be found.
389. The IC should provide the interface between the public and the institutions involved in SI management; it should gain the position of authorised and accurate information supplier. It should be the main channel of information about the SI and familiarise the public with concepts such as 'Structural Instruments' and 'European Funds'.
390. Based on the interviews with SCD/ACIS and with external communication experts, four alternatives seem suitable for the development of the IC within KAI 3.2:
- A. Establish the IC within ACIS, in more suitable premises for ACIS operations**
391. The first option is for ACIS to find another location for its operations, more in line with its needs, and offering the possibility to establish and to operate the IC.
392. The main advantage of the IC operating from the same premises as ACIS is that the activity of the IC may be closely supervised.
393. The main disadvantage consists in the fact that a decision on ACIS relocation cannot be taken rapidly, since it does not solely depend on ACIS management.
- B. 'Green field' establishment of the IC**
394. The second option is to find a separate location for the IC, meeting the criteria detailed below. This solution, by its nature, implies physical dissociation of ACIS and the IC.
395. The advantages of this option are many. First, the process of establishing the IC can start with little delay. Second, the whole process can be externalised, from finding an appropriate location, to recruiting the team and assuming IC management. An external contractor may be found to offer solutions to these issues, under the guidance of the ACIS communication team.
396. A disadvantage is that a tender for such an important contract runs a substantial risk of being contested, leading to delays or cancellation of the tender.<sup>94</sup>
- C. Taking over the Infoeuropa Centre from the Department for European Affairs (DEA)<sup>95</sup>**
397. The Infoeuropa Centre was the information centre of the EC Delegation in Romania in the period 1999-2007. The main advantage of this solution is that the location was used for 8

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<sup>94</sup> A case in point is a tender launched by the Ministry of Agriculture for consultancy services related to a Network Support Unit. The tender procedure was started on 30 December 2008, but a contract has not yet been awarded, because the tender outcome was contested twice.

<sup>95</sup> DEA is the national central authority for coordinating the European affairs and it is directly subordinated to the Prime Minister.

years for the same type of activity. The premises meet the key criteria in respect of central position, visibility, accessibility, lay-out, size and facilities for the public.

398. This option has the disadvantage that the premises are used by DEA and dedicating them to the IC would require negotiations involving ACIS management and the DEA Minister.

**D. 'Virtual' IC**

399. The fourth option concerns the establishment of a 'virtual' centre, involving a call-centre and on a web portal. The virtual IC would receive and answer solicitations from the public by phone or by e-mail.
400. The obvious advantage of this option is that premises housing the virtual IC can be simpler than those of a 'physical' IC, in terms of location, accessibility, dimensions and facilities. The main, important disadvantage is that this solution would remove face-to-face interaction with the public from the SI management and implementation system, perhaps perpetuating its negative image as being complex and inaccessible.

## 6. Impact

### 6.1 Introduction

401. Implementation of the Cohesion Policy in the period 2007-13 is based to a large extent on Council Regulation (EC) N° 1083/2006<sup>96</sup>. Article 29 of this regulation deals with the reporting required of Member States. Romania had to provide a concise report containing information on the contribution of the programmes co-financed by the Funds by the end of 2009.<sup>97</sup>

### 6.2 Findings

402. Given the early stage of OPTA implementation, little can be said about the programme's impact, as only a few of the implemented projects have started to show results.
403. The main findings in respect of impact are set out in the following paragraphs, in accordance with the evaluation questions stipulated in the ToR.

#### **Implementing the objectives of cohesion policy as established by the Treaty**

404. The analysis of OPTA's contribution to achieving the objectives set out in EU and national strategic documents is based on two pillars. The first pillar monitors OPTA's contribution to the priorities detailed in the Community strategic guidelines on cohesion as set in Council Regulation (EC) N° 1083/2006. The second pillar is represented by OPTA's contribution to the goals set out in the NSRF that underpins the OPs and ensures their synergy in meeting national medium- and long-term development needs.
405. Article 158 of the Treaty states that, in order to strengthen its economic and social cohesion, the EU aims to reduce disparities between the levels of development of various regions. Romania is eligible for support under the Convergence objective, which provides funding for improving conditions for growth and employment through the increasing and improvement of the quality of investment in physical and human capital, the development of innovation and of the knowledge society, adaptability to economic and social changes, the protection and improvement of the environment, and administrative efficiency.
406. Therefore, a critical condition for implementing the objectives of the cohesion policy and fulfilling the tasks of the Structural and Cohesion funds is adequate management and coordination of the EU support.
407. Given that OPTA's global objective is to ensure support for the coordination and to contribute to sound, effective, efficient and transparent implementation and absorption of the SI in Romania, it can be argued that OPTA is aligned with the goals of the Cohesion Policy.

#### **Fulfilling the tasks of the funds as set out in the Council Regulation (EC) N° 1083/2006**

408. Above and beyond the management of the Funds, the existence of an efficient public administration and public services is a fundamental requirement for stimulating economic growth and job creation. In line with the revised Lisbon Strategy which calls

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<sup>96</sup> Council Regulation (EC) N° 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) N° 1260/1999.

<sup>97</sup> The evaluation team delivered this section earlier than the rest of the IE, in order to be used for Romania's reporting. The cut-off date for this section therefore is end-September 2009 instead of end-December 2009.

for better legislation, policy design and delivery to create the conditions for economic growth and job creation, the structural funds are meant to support investment in the human capital of administrative and public services at all territorial levels.

409. For countries and regions under the Convergence objective, increasing productivity and quality at work in the public sector, especially in the economic, employment, social, educational, health, environmental and judicial areas, is essential to pursue and accelerate reforms, raise productivity and growth in the wider economy and promote social and territorial cohesion and sustainable development. Under the Convergence Objective, Member States are called upon to build up the public administration and public services at national, regional and local level.
410. In line with the principle of concentration, Member States have been invited to conduct a comprehensive analysis to identify the policy areas requiring the most support for administrative capacity. Romania has responded to this call and identified the main needs as: the need of coordination and networking, the need for training actors in all functions regarding SI management, the need of further developing the management and monitoring system, and the need of dissemination of information.
411. Consequently, the Romanian authorities have filled in the category list under Annex IV of the Council Regulation № 1083/2006 regarding expenses related to increasing the administrative capacity and believe that all 12 OPTA contracted projects contribute to fulfilling the Lisbon objectives, as they relate to ensuring efficient SI implementation.
412. The progress registered in 2008, namely the completion of preparations for the management and control system, the inception of actual implementation of OPTA and the enhanced experience of beneficiaries in accessing and using TA has created the prerequisites for a significant contribution of OPTA from 2009 onwards, to strengthening the SI management systems and hence the fulfilment of the Lisbon Strategy.

**Implementing the priorities detailed in the Community strategic guidelines on cohesion and specified in the priorities set by the NSRF**

413. The priorities set by the NSRF are defined in such a way as to meet medium and long-term national development needs, strengthen the synergy effect of the actions envisaged by the strategy and achieve the highest impact of the structural funding co-financed by the EU for the 2007-13 period. The NSRF is drawn up with a close view to the Community Strategic Guidelines for Cohesion and the general strategic direction defined by the EU regulations.
414. As concluded by the OPTA *ex ante* evaluation, the weakness of administrative capacity has been recognized as a key issue and included as a distinct thematic priority in the NSRF. Furthermore, together with the TA PAs, and especially with the OP DAC, OPTA directly addresses this priority, in that it contributes to Building an Effective Administrative Capacity.
415. OPTA contributes to the above mentioned NSRF thematic priority three-fold, namely by:
  - ❖ supporting the implementation of Structural Instruments and coordination of programmes (under PA 1);
  - ❖ developing and supporting the functioning of the Single Management Information System (under PA 2) and
  - ❖ disseminating information and promoting the SI (under PA 3).
416. The OPTA strategy takes also into account the commitments undertaken by the Government through the Complementary Position Paper on Chapter 21 – Regional Policy and Coordination of Structural Instruments and the developments in the implementation



of the Single Action Plan aiming at improving the management systems for the operation of the EU funds in Romania (pre-accession funds and SI), adopted by the Government in 2005 with the subsequent amendments.

417. Furthermore, considering the strategy for developing the growth poles in Romania the concept of pole coordinator responsible for supporting the coordination of the Integrated Development Plan for the related growth pole was created. In December 2008, to ensure support for the activities of these coordinators, they were integrated within OPTA, PA 1, KAI 1.1 – *Support for the management and implementation of the Structural Instruments*. This amendment contributes to another thematic priority stated in the NSRF, namely that of Promoting a balanced territorial development.
418. The AIRs<sup>98</sup> provide valuable insight in OPTA's progress towards implementing the NSRF objectives. The year 2008 marked the completion of preparations for the management and control system and the inception of OPTA implementation process. Apart from this, the AIR 2008 indicates progress in supporting the implementation of SI and coordination of programmes through the first series of meetings of committees and relevant WGs. In 2009, OPTA interventions led to a comprehensive debate on the EU Cohesion Policy, to several training sessions for staff coordinating SI, to enhanced coordination via the WGs, to enabling adequate SMIS functioning and to communication through two major web-sites<sup>99</sup>. For 2010, there are good premises for more active OPTA implementation, leading to solving horizontal hindrances in SI implementation and improving ACIS capacity to manage the objectives of the NSRF.

**Achieving the objective of promoting competitiveness and job creation and working towards meeting the objectives of the Integrated Guidelines for Growth and Jobs (2005-08)**

419. In its Communication on a renewed Lisbon strategy of February 2005, the Commission proposes to focus efforts on 'delivering stronger and lasting growth and creating more and better jobs'. This calls for member states actions to deliver growth and competitiveness and to make Europe a more attractive place to invest and work. It also emphasizes the need to stimulate entrepreneurial initiative, attract sufficient risk capital to start up businesses for a strong European industrial base. At the same time, facilitating innovation and eco-innovation, more and better investment in education and training, the uptake of ICT&C and the sustainable use of resources are being targeted.
420. In view of the above and the renewed Lisbon strategy for growth and jobs, programmes co-financed through the cohesion policy seek to target resources on the following three priorities:
- ❖ Improving the attractiveness of Member States, regions and cities by improving accessibility, ensuring an adequate quality level of services, and preserving their environmental potential;
  - ❖ Encouraging innovation, entrepreneurship and the growth of the knowledge economy by increasing the research and innovation capacities, including new information and communication technologies;
  - ❖ Creating more and better jobs by attracting more people into employment or by promoting entrepreneurial activity, improving adaptability of workers and enterprises and increasing investment in human capital.
421. The Integrated Guidelines for Growth and Jobs (2005 – 2008) particularly mention that only by mobilising the potential for growth that exists in all regions, can an equilibrated economic growth and the maximisation of the growth rate within the EU be attained. The

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<sup>98</sup> AIR 2008 and AIR 2009.

<sup>99</sup> [www.poa.ro](http://www.poa.ro), [www.fonduri-ue.ro](http://www.fonduri-ue.ro).

Cohesion Policy can have a significant contribution to meeting the Lisbon objects through:

- ❖ supporting the implementation of coherent strategies over the medium to longer term through multiannual budgeting;
- ❖ improving governance through fostering improvements in institutional capabilities related to policy design and implementation; and
- ❖ developing synergies and complementarities with other Community policies.

422. The Communication on Integrated Guidelines for Growth and Jobs (2005-08) specifically promotes the idea that strengthening institutional capacities and governance where they are considered to be a priority for less developed regions. In Romania's case, the OPTA *ex ante* evaluation concluded that the weakness of administrative capacity is a key issue that needs to be addressed.
423. Furthermore, as specified in the NSRF, increasing the capacity of public and central authorities for the management and control of SI is a top priority for Romania, that is addressed by OPTA for the programming period 2007-13 and which will unquestionably have a positive impact on the creation of jobs and will foster economic growth, contributing thus to the objectives of the Lisbon Agenda.
424. It can be argued that, through its interventions, OPTA has so far contributed to the attainment of the Cohesion Policy objectives, to the Integrated Guidelines for Growth and Jobs (2005-08), to the Lisbon Agenda and to the NSRF in at least three important ways.
425. First, it promoted Convergence by improving the coordination of SI used for TA and thus fostered synergy with the TA PAs included in each OP.
426. Second, it promoted inter-institutional coordination of funds at political, operational and technical level and also determined the distribution of tasks between the different structures of the management system in Romania, starting from the obligations laid down in Community regulations. Thus, it contributed to improving governance.
427. Third, it supported the implementation of coherent strategies and planning over the medium-term through multiannual plans (Training, Evaluation and Communication) and monitored through SMIS the progress of the SI implementation under the Convergence Objective. OPTA supports the evaluation activities planned in the Multi-Annual Evaluation Plans for NSRF, which allows ACIS to react for improving SI coordination, so as to better meet the NSRF, and indirectly, the Lisbon objectives.

**Which are the achievements, challenges and future prospects in relation to implementation of the OPTA strategy?**

428. This question has been addressed and answered earlier (please refer to the context changes discussed under, respectively 'Relevance' [ref: **Section 2.3**] and 'Effectiveness' [ref: **Section 5.2**]).
429. In summary, it can be argued that the 2007-09 timeframe meant a period of intense preparation for the OPTA MA, which materialized in the following achievements:
- ❖ OPTA approval;
  - ❖ set-up of the OPTA MC;
  - ❖ preparation and approval of the OPTA FDI, Applicant's Guide and Manual of Procedures;
  - ❖ completion of the establishment of the OPTA management and control system;
  - ❖ approval of eligibility criteria and project evaluation mechanism;
  - ❖ start of first round of projects by implementing their subsequent contracts.

430. The main challenges registered during this period were related, first, to the delay in launching OPTA. This was partially understandable because Romania was facing its first experience in managing SI and needed a longer time to prepare a coherent and efficient implementation system.
431. As previously presented [ref: **Section 2**], the negative context caused by the economic crisis also contributed to the generation of several strategic and operational difficulties in relation to:
- ❖ the difficulty of the main stakeholders to coordinate their actions;
  - ❖ the limited capacity of the main beneficiaries to prepare and manage projects;
  - ❖ the impact of economic crisis on public budgets, and indirectly on proper staffing and on adequate priority given to PR and transparency function;
  - ❖ the obstacles related to public procurement, financial management and long approval procedures, as well as the other regulatory obstacles caused by existing or changing national legislation.
432. Given current progress, the prospects for OPTA cannot be very optimistic, especially considering the relative failure to frontload TA in order to push for faster absorption. Stronger political support is required to improve national legislation by streamlining regulatory procedures, solve the understaffing problem, and keep SI coordination above the separate agendas of individual Ministries hosting MAs/IBs.

**Could examples of good practice be identified? Which are they and their added value?**

433. Examples of good practice are meant to highlight the positive experiences in the implementation of the SI, and offer solutions and ideas for the improvement of the impact of the Cohesion Policy. In the case of Romania, because the absorption of structural and cohesion funds is still in an incipient phase, there are a few positive elements that can qualify for good practice. In this context, the OPTA contribution to supporting the institutional coordination of SI can be considered as a possible good-practice.
434. Well aware of the challenges that may arise in the SI coordination process, the Romanian authorities have considered SI coordination by building a solid institutional framework, doubled by the creation of OPTA, which was entrusted with effectively supporting these new institutions, through a consistent budget.
435. The typical institutional architecture for the 2007-13 period assumed the existence of the MAs and IBs to manage the various OPs, under the coordination of a single national central unit responsible for the whole SI implementation process. A common problem of the system is the fact that the MAs and the IBs are on the one hand subordinated to their own ministries and follow the hierarchical organization principles of these entities, but on the other hand are also required to follow the rules regarding the implementation of the SI, established and coordinated by ACIS. As a result, an efficient management of the SI implies both a vertical, hierarchical coordination and a horizontal one at inter-institutional and thematic levels.
436. Vertically, SI strategic coordination is provided at top governmental level, through structures such as the NCC for IS or the Inter-ministerial Group for Monitoring the Community Funds Absorption.
437. Operational coordination is ensured by the MCC, under the leadership of ACIS. Horizontally, under MCC guidance, a series of WGs were created to answer the need for coordination of thematic aspects or issues that require inter-institutional coordination arise. The WGs benefit from support for their thematic activities through TA funding.

438. The TA architecture within the NSRF is based on OPTA, as well as on the TA axes in the OPs. This hybrid-solution was chosen in order to facilitate strategic actions at NSRF level and the flexibility at OPs level to use TA resources to support efficient programme implementation. The decentralisation of technical assistance resources at OPs level also allowed a higher adequacy of resources to meet specific programme needs.
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