

3. CONCLUSIONS AND RECOMMENDATIONS

134. The conclusions and recommendations emanating from the evaluation findings presented in the previous chapter are structured in accordance with the four evaluation criteria. *Annex 1* sets out the conclusions and recommendations in tabular form.

Relevance

SOP Transport

135. *Conclusion:* In the short to medium term, the crisis affected traffic and the future available financing. Probably the most important external constraint arising from the crisis is the need to rationalize public spending sharply and implement reforms in the public administration in general and the transport sector in particular. However, the current approach of the Ministry of Transport (MoT) and beneficiaries seem to be 'business as usual', relying on the assumption that budget rectifications can occur several times a year. The current forecasts of full absorption in 2013-14 must therefore be considered unrealistic (*ref: 12, 14, 15*).

136. *Recommendation:* MoT and beneficiaries – National Roads Company (CNADNR) and National Railways Company (CFR) implement the institutional changes recommended by the World Bank in the Functional Reviews consultancy: clarification of the respective institutional roles of the MoT and the beneficiaries, privatization of National Railways Company for Freight (CFR Marfa), review of expenditure portfolio. The sector may also want to streamline the implementation of the Medium Term Expenditure Framework (MTEF), as foreseen in the Fiscal Responsibility Law. This means preparation of budgets based on realistic schedules for implementation and available financing.

137. *Conclusion:* The relevance of projects may be affected by traffic variations. In particular, major projects for railways (PA1), railway station rehabilitation (PA2) and some smaller road projects on PA2 might no longer be relevant in economic terms. With their current technical specifications, some railway projects (PA1) are not economically efficient, even without the effects of the crisis (*ref: 34 - 43*).

138. *Recommendation:* While economic relevance might currently not be the only determinant for keeping some of the projects in the SOP T (particularly rail projects in PA1, where the reopening of the discussion on technical specification might lead to even longer delays), the assessment of economic efficiency could be useful.

SOP Environment

139. *Conclusion:* The changes in the socio-economic environment resulting from the economic crisis do not affect in any way the relevance of the interventions under SOP ENV. The needs identified during the programming period remain as relevant as initially estimated. Needs analysis started from the requirements of compliance with EU environment standards being agreed through the Accession Treaty and this is not connected to the economic crisis (*ref: 16 - 33*).

140. *Recommendation:* Although the economic crisis does not affect the relevance of the interventions, in the context of the limited ownership of the beneficiaries on the SOP ENV projects, the MA SOP ENV is advised to increase the awareness of the beneficiaries on the relevance of the SOP ENV interventions.

141. *Conclusion:* The financial allocation for Key Area of Intervention (KAI) 2.2 was overestimated. Public authorities own only six out of 1,800 historically polluted sites. Project proposals were prepared for only three of these six sites (*ref: 48 - 51*).

142. *Recommendation:* The MA for SOP ENV is advised to seek reallocation of the balance under KAI 2.2 to KAI 2.1, or, alternatively, the development of project applications for the other three publicly owned sites, but only after considering the findings of the in-depth interim evaluation scheduled for 2011.

Consistency

SOP Transport

143. *Conclusion:* The implementation to date of the projects under the different KAIs is not complementary, with road projects being more developed than railways, water and air transport projects. The projects tend to support a modal shift from rail to road, contrary to that which is desired, i.e. from road to rail. An additional determinant of this modal shift is that the initial railway construction programme under PA1 will now be finalized in two programming periods of SOP T (by 2022). While the preparation of railway projects has recently speeded up and those to be submitted in 2010 will likely exhaust the relevant allocations, the risk to railway projects remains in those cases where the MoT expects quicker implementation and absorption by reallocations to road projects (*ref: 52 - 55*).

144. *Recommendation:* The MoT is advised to adopt an integrated approach of national and EU strategies to rationalize spending and complement investments and should not give in to the temptation to push for reallocation to road sub-sector projects if project implementation in the rail sub-sector encounters difficulties, but seek to enhance CFR capacity to ensure a balanced absorption of the SOP T. Although possible in principle, it is advisable that reallocations be made only if all opportunities to implement the envisaged railways programme have been exhausted. This should be agreed also with ACIS/MoPF to ensure that budget allocations are not cut from seemingly lagging KAIs.

145. *Conclusion:* SOP T has a stabilizing effect on transport sector strategies, as the only programme that has been pursued largely consistently over several electoral cycles and with spill-over effects on other strategies (including road-user charging and preparation of maintenance). The focus on full absorption as a yardstick for its success (to judge by the latest wave of projects under preparation and evaluation) may reduce the coherence of SOP T and its value as a 'strategy substitute' (*ref: 60 - 65*).

146. *Recommendation:* The MoT and the MA are advised to improve the budgetary forecasts under SOP T, by introducing the effective, realistic multi-year budgeting required by the EC, and introduce a similar approach in national programmes. The MoT is further advised to reassess and prioritise, in economic terms, the total investment portfolio for the transport sector resulting from previously approved strategies, based on a similar process as for the SOP T, in the interest of ensuring a balanced development of the transport sector.

147. The MoT and the MA are advised to consider carefully its current 'full-absorption-as-measure-of-success' approach. The purpose of the SOP T is to make the best use of available resources, focus

on key priorities and reach transport sector objectives. The current focus on full absorption encourages the selection of non-priority, but 'mature' projects, which results in preference being given to projects with returns on investments lower than for other possible projects.

148. *Conclusion:* The SOP T portfolio of projects provides the opportunity to focus on expensive, but politically less 'visible' investments, such as those related to traffic safety and monitoring, as well as projects of lower direct public interest, but long-term high impact (inter- or co-modality, in particular). However, because of implementation difficulties, some projects (e.g. inter-modality) are being dropped or up for re-assessment in the context of the preparation of the next SOP T (*ref: 68*).

149. *Recommendation:* The MA and beneficiaries are advised to focus on implementing the projects with lower visibility and high impact, and avoid reallocations from these as much as possible. In respect of inter-modality, the MA is advised to discuss with the EC – in advance of the next SOP T – the institutional framework necessary for a broader approach to establishing transport nodes relevant to the main corridors at several large cities (Bucharest, Timisoara and Constanta).

SOP Environment

150. *Conclusion:* Consistency was given much consideration during the programming of SOP ENV. By contributing to regional development, SOP ENV projects are complementary to most other EU-funded programmes (including ROP, SOP IEC and NRDP). The objectives of the SOP ENV are fully correlated with the *National Strategy for Waste Management* and with *the National Strategy for the Sustainable Development. Romania 2013 – 2020 - 2030*. However, at the local level, consistency in implementation is reduced by the lack of ownership of projects on the part of local authorities (*ref: 56, 58, 59, 69*).

151. *Recommendation:* The Ministry of Environment and MA SOP ENV are advised to take action in order to strengthen the role and contribution of the Regional Environment Protection Agencies in the Regional Strategic Evaluation and Correlation Committees. To increase the local project ownership, the MA and IBs of SOP ENV are advised to request higher engagement of the Agencies in the Committees' meetings.

Effectiveness

SOP Transport

152. *Conclusion:* Implementation of SOP T started slowly, but gathered pace in 2010, as indicated by the recent improvement of popularity ratio (14% at mid-2009, over 100% currently). Consequently, approval, contracting, payment and absorption ratios are smaller, showing the new thrust for preparation of projects that will need to go through all the next stages in the next months. Currently, projects submitted for major axes and KAls generally exceed the respective allocations. The new wave of projects will possibly put pressure on the capacity for evaluation and approval in 2011. The implementation of major projects may experience delays for the usual reasons (land expropriation delays, tender contestations, faulty design and claims from constructors). Implementation may well exceed the capacity of understaffed beneficiaries. Although the MoPF is likely to allocate resources with priority to the absorption of EU funds, it remains necessary for the MoT to take budget availability in respect of SOP T into account. Application of the Fiscal Responsibility Law and limited opportunities for amending budgets may negatively affect implementation of SOP T (*ref: 70 - 75*).

153. *Recommendation:* As prioritization and realistic implementation schedules are critical to obtaining adequate budgets at the beginning of the fiscal year, the MA is advised that additional financing for projects not yet approved by the EC might be secured by taking advantage of the 2009 amendment of Council Regulation (EC) N° 1083/2006 according to which the EC can approve reimbursement of certified expenditure before the actual approval of major projects. This would avoid the need for budget rectifications/amendments mid-year by ensuring predictability of financing from the beginning of the year.

154. *Conclusion:* While delays in the implementation of SOP T can be overcome by adopting several measures proposed by the MA (including submission of any mature and eligible projects for EU financing), the main concern is that the success SOP T is measured in terms of full absorption of funds. Focusing on absorption may well ensure the spending of the full amount of available funds by the end of the programming period (N+2), *inter alia* through approving all projects that meet the eligibility criteria and reallocations from projects that do not work to those that likely do (*ref: 82, 83*).

155. *Recommendation:* The MA and beneficiaries are advised to assign proper importance to physical targets and correlate these with applicable strategies. For example, in respect of the target for the total number of km of road to be built under the SOP T, adequate provision must be made for the timely financing of maintenance works on the relevant road sections in the future.

156. *Conclusion:* The major internal factors that affect the implementation of SOP T are understaffing and high workloads, excessive staff turnover, including at top management level (particularly at the beneficiary entities), and risk aversion and red tape in the Romanian administration. Major external factors are the lack of good consultancy firms for the design of major projects in the market, current public procurement regulations, and the budgetary restrictions resulting from the crisis, including the recent introduction of the Fiscal Responsibility Law. While the latter is a good factor aimed to create predictability in the Romanian budgetary system, it requires good forecasting and planning capacity, which in case of MoT is still limited (*ref: 90 - 95*).

157. *Recommendation:* The MoT and MA are advised to put in place an effective risk management system. To facilitate sharing information on critical risk areas, before a formalized institutional arrangement is in place, an informal mechanism may be adopted at practically zero cost. This mechanism involves the sharing of information on a common platform, allowing for example future railways project managers to see how roads project managers handle land expropriation issues. The TA available under PA4 should be effectively allocated to adequate training that enhances capability of the beneficiaries to handle risks and manage projects effectively.

158. *Conclusion:* Although the economic crisis has not affected the implementation of SOP T directly, it may have negative effects through potential budget restrictions and the decision to restructure entities and lay off staff in 2011. The MoT and beneficiaries are preparing for a future reorganization and re-definition of structures and roles, because of the World Bank/IMF/EC joint loan conditionality and because the Government now focuses on accelerating the absorption of EU Funds (*ref: 107*).

159. *Recommendation:* The decision to restructure the entities involved in SOP T (MA, CFR and CNADNR) must take into account the need for qualified and accountable staff in key risk areas. The Functional Reviews, as well as TA provided under the World Bank Transport Restructuring Project

may be used to cover the business areas subject to restructuring and staff reductions and fill in the needs of those departments where additional staff is needed, so as not to affect overall functionalities. The start of works on motorways, national roads and railways will require adequate staff resources and expertise, some of which cannot be outsourced (design approval and a part of works supervision).

SOP Environment

160. *Conclusion:* The overall projects' submission level is over targets, conclusion of contracts for the projects approved is closed to 100%, while the projects approved compared to projects submitted is lower (approx. 60%). The payments within the contracted projects are quite delayed. The situation indicates the existence of problems in the SOP ENV implementation system, especially related to the length of the projects approval process. Unless the issues raised are urgently solved, the attainment of the SOP ENV targets may be endangered. Nevertheless, taking into account application of the n + 2 rule and the current efforts at the national level directed to measures for increasing the SI absorption, there are good premises for improvements and the targets to be met (*ref: 76 - 81*).

161. *Recommendation:* MA SOP ENV is advised to increase the control over the timely implementation of projects in order to meet the established deadlines. The TA services should be used based on needs assessment process identifying and prioritizing the problems in the implementation system considered as a moving target.

162. *Conclusion:* The pace of submitting project proposals under for KAI 5.1 is slow, mainly because of a lack of consistency between technical solutions put forward in the project proposals and the provisions of relevant EU Directives. This is caused by experts' insufficient knowledge of sustainable development concepts in watercourse management, including the latest developments in this area in the 'old' Member States (*ref: 89, 102*).

163. *Recommendation:* The National Administration *Romanian Waters* is advised to draw up a plan and take measures for improving its technical capacity in respect of formulating efficient and cost-effective technical solutions under KAI 5.1 that are in line with applicable EU Directives.

164. *Conclusion:* The fact that beneficiaries lack ownership of projects in the design and preparation phase generates bottlenecks in the course of project implementation (*ref: 96 - 99*).

165. *Recommendation:* Beneficiaries are advised to establish the core team of future PIUs at a very early stage of the project cycle, preferably already during the design phase. This PIU core team can then act as the main interlocutor with the IB/MA for all project stages.

166. *Conclusion:* Most of the SOP ENV projects with delays in implementation face problems related to the public procurement process. One underlying cause of this is the fact that Unit for Coordination and Verification of Public Procurement (UCVPP), National Authority for Regulating and Monitoring Public Procurement (NARMPP) and the National Council for Solving Complaints (NCSC) tend to address the same problem in different ways (*ref: 104*).

167. *Recommendation:* Using TA services, ACIS is advised to create a common understanding between contracting authorities, tenderers and regulatory bodies, by establishing of a Working Group with NARMPP, UCVPP and NCSC participation. Although this matter came up during the

review of the SOP ENV, it might also be of interest for other OPs. It is therefore recommended to inform relevant other MAs accordingly and invite them to participate.

Efficiency

SOP Transport

168. *Conclusion:* SOP T is a learning exercise and solutions are found to problems as they are encountered, partly based on previous experience gained with ISPA and Phare projects. There are however some institutional weaknesses that need urgent correction, as they appear to be systemic and cannot be solved without explicit and clear policy decisions. The most important of these is the lack of clarity on the respective roles of MoT and its subordinated companies, which negatively affects the continuity of guidance. This results in unclear lines of responsibility and a high degree of informality in problem solving (inadequately documented ad hoc solutions, many of which lack clear timetables for implementation and deadlines), combined with a largely ineffective risk management system (*ref: 110 - 118*).

169. *Recommendation:* The clarification of the respective institutional roles between the MoT and beneficiaries (CFR and CNADNR) is critical for the success of SOP T and the functioning of the transport sector overall. The MoT is advised to retain policy preparation and strategy formulation and supervision functions, with CFR and CNADNR acting as companies that implement MoT strategies on the basis of performance contracts. It is advisable to limit the sanction of replacement of the companies' management staff to failure to comply with the performance obligations only. The MoT and the companies are also advised to implement in full the recommendations on institutional reform in the sector as in the World Bank Functional Reviews and the accompanying Action Plan.

170. *Conclusion:* Given the track record of the beneficiary companies in implementing the investment projects proposed by them, which necessitated downward adjustment of budgets in the course of the financial year, the main risk in the short run concerns the financing available for future projects. At present it is assumed by MoT that budgets should be conservative with additional resources granted during the financial year in case of better than expected performance. However, the Fiscal Responsibility Law may prevent this approach. The CFR expects to be granted around 15% of its estimated budget requirements for 2011. The CNADNR expects to have enough resources for project implementation, but it is unclear if they will suffice to finance the necessary land expropriations (*ref: 128, 129*).

171. *Recommendation:* Both the MA and beneficiaries should focus on a realistic implementation schedule for the next year, starting from the assumption that the granted budget is the final one. This would prompt the MA and beneficiaries to consider the attaching risks in full and seek ways to mitigate them through coherent risk management procedures, instead of ad hoc solutions.

SOP Environment

172. *Conclusion:* The marginal position of some PIUs within their respective organisations makes it difficult for project managers to distribute tasks to team members. This applies especially true if project team members are hierarchically superior to the project manager or formally belong to other departments with job descriptions containing functions and tasks beyond their involvement in the PIU (*ref: 121*).

173. *Recommendations:* Local public administration beneficiaries are advised to consider revising their organisational structure by subordinating PIUs directly to the highest level of management. In addition, using desk monitoring and site visits, the IBs are advised to monitor closely the stability of PIU staff and their tasks with regard to each project.

174. *Conclusion:* In the absence of in-house technical staff, beneficiaries find it difficult to fill the expertise gap with existing human resources, resulting in slow progress in project design and implementation (*ref: 123*).

175. *Recommendation:* The beneficiaries are advised to make use of the TA budget in order to contract services for their specific technical needs during the project implementation.

176. *Conclusion:* The management system in use within the MA for SOP ENV is of a very general character, lacking detailed instructions in respect of activities and evidence-based continuous improvement of business processes (*ref: 124, 125*).

177. *Recommendation:* The MA for SOP ENV is advised to use TA services for improving its management system by the re-definition of processes, so as to avoid overlaps, mapping and formalising business processes, and establishing procedures for troubleshooting and remedial action.

178. *Conclusion:* The IBs have limited capacity for uploading data into SMIS, which is the cause for the usability of SMIS being limited for the purposes of the MA (*ref: 127*).

179. *Recommendation:* Provided that is considered useful by other MAs and IBs staff, ACIS is advised to establish a help-desk for the purpose of assisting SOP ENV IB staff with issues related to SMIS use in the day-by-day activities.

ANNEX 1 – DETAILED CONCLUSIONS AND RECOMMENDATIONS²⁶

Conclusions	Recommendations	Responsible	Implementation Modalities	Time Line
Relevance				
1. The crisis affects budget deficits, triggering the need for reform to meet external conditionality (<i>ref: 12, 14, 15, 135</i>).	1.1. Implement the institutional changes recommended by the World Bank in the Functional Reviews consultancy: clarification of the respective institutional roles of the MoT and the beneficiaries, privatization of National Railways Company for Freight (CFR Marfa), review of expenditure portfolio. The sector may also want to streamline the implementation of the Medium Term Expenditure Framework (MTEF), as foreseen in the Fiscal Responsibility Law. This means preparation of budgets based on realistic schedules for implementation and available financing. (<i>ref: 136</i>).	MoT, beneficiaries, ACIS	MoT and ACIS representatives bring these topics in the Government meeting discussions on faster absorption of EU funds and preparation of National Reform Program; the discussions take into consideration the Government Memorandum to implementation of the Functional Reviews Action Plan	First semester 2011
2. Traffic variations caused by the crisis affect projects that were marginally economically justified (KAI 1.2 <i>Modernization and development of railway infrastructure along the TEN-T priority axis 22</i> , KAI 2.1 <i>Modernization and development of national road infrastructure</i> , KAI 2.2 <i>Modernization and development of national railway infrastructure and passenger service</i>).	2.1. While economic relevance might currently not be the only determinant for keeping some of the projects in the SOP T (particularly rail projects in PA1, where the reopening of the discussion on technical specification might lead to even longer delays), the assessment of economic efficiency could be useful (<i>ref: 138</i>).	MoT, MA SOP T	Amending the CBA	2011-2012

²⁶ References in the 'Conclusions' column indicate the numbered paragraphs in Chapters 1 and 2 of the report.

Conclusions	Recommendations	Responsible	Implementation Modalities	Time Line
Under current technical specifications KAI 1.2 is not economically justified, but cannot be changed in the current SOP T because of risk of further delays (<i>ref: 34 – 43, 137</i>).				
3. The changes in the socio-economic environment resulting from the economic crisis do not affect in any way the relevance of the interventions under SOP ENV. The needs identified during the programming period remain as relevant as initially estimated. Needs analysis started from the requirements of compliance with EU environment standards being agreed through the Accession Treaty and this is not connected to the economic crisis (<i>ref: 16 – 33, 139</i>).	3.1. Although the economic crisis does not affect the relevance of the interventions, in the context of the limited ownership of the beneficiaries on the SOP ENV projects, the MA SOP ENV is advised to increase the awareness of the beneficiaries on the relevance of the SOP ENV interventions (<i>ref: 140</i>).	MA SOP ENV	Services contracted from KAI 6.2 <i>Support for information and publicity</i> , decided based on the findings of the evaluation of the SOP ENV Communication Plan and of the interim evaluation of the SOP ENV	2011 - 2012
4. The financial allocation for KAI 2.2 was overestimated. Public authorities own only six out of 1,800 historically polluted sites and projects proposals were prepared for only three of them (<i>ref: 48 – 51, 141</i>).	4.1. Either reallocation of the remaining amount from KAI 2.2 to KAI 2.1, or the development of project applications for the other 3 sites (<i>ref: 142</i>).	MoENV, MA SOP ENV	Following the in-depth analysis of the coming interim evaluation	Last quarter 2011
Consistency				
5. Implementation to date of KAIs is not complementary and reinforces modal shift from rail to road, contrary to EU trend (<i>ref: 52-55, 143</i>).	5.1. Adopt an integrated approach of national and EU strategies to rationalize spending and complement investments and should not give in to the temptation to push for reallocation to road sub-sector projects if project implementation in the rail sub-sector encounters difficulties, but seek to enhance	MoT, ACIS, MoPF	MC meetings discussions	Bi-annual

Conclusions	Recommendations	Responsible	Implementation Modalities	Time Line
	CFR capacity to ensure a balanced absorption of the SOP T. Although possible in principle, it is advisable that reallocations be made only if all opportunities to implement the envisaged railways programme have been exhausted. This should be agreed also with ACIS/MoPF to ensure that budget allocations are not cut from seemingly lagging KAIs. (ref: 144).			
6. SOP T has a stabilizing effect on transport sector strategies, as the only programme that has been pursued largely consistently over several electoral cycles and with spill-over effects on other strategies (including road-user charging and preparation of maintenance). The focus on full absorption as a yardstick for its success (to judge by the latest wave of projects under preparation and evaluation) may reduce the coherence of SOP T and its value as a 'strategy substitute' (ref: 60-65, 145).	<p>6.1. Improve the budgetary forecasts under SOP T, by introducing the effective, realistic multi-year budgeting required by the EC, and introduce a similar approach in national programmes.</p> <p>6.2. Re-assess and prioritise, in economic terms, the total investment portfolio for the transport sector resulting from previously approved strategies, based on a similar process as for the SOP T, in the interest of ensuring a balanced development of the transport sector. Improve budget forecasts based on realistic implementation schedule and streamline MTEF in all transport projects. (ref: 146).</p> <p>6.3. Refocus SOP T implementation from 'full absorption' to 'most relevant projects' (those that contribute the most to reaching outcome objectives/have the highest impact for the transport sector) (ref: 147).</p>	MoT, ACIS, MoPF, beneficiaries	MC meetings discussions; preparation of budget requests by MoT and beneficiaries	Bi-annual
7. The SOP T portfolio of projects provides the opportunity to focus on expensive, but politically	7.1. Focus on implementing the projects with lower visibility and high impact (traffic monitoring, safety), and avoid reallocations	MoT, ACIS, beneficiaries	MC meetings discussions	Bi-annual

Conclusions	Recommendations	Responsible	Implementation Modalities	Time Line
less 'visible' investments, such as those related to traffic safety and monitoring, as well as projects of lower direct public interest, but long-term high impact (inter- or co-modality, in particular). However, because of implementation difficulties, some projects (e.g. inter-modality) are being dropped or up for re-assessment in the context of the preparation of the next SOP T (ref: 68, 148).	from these as much as possible. (ref: 149). 7.2. Regarding inter-modality, in advance of the next SOP T consider the institutional framework necessary for a broader approach to establishing transport nodes relevant to the main corridors at several large cities (Bucharest, Timisoara and Constanta) (ref: 149).	MA SOP T	Discussions with CE	2012
8. Consistency was well considered in the programming phase of the SOP ENV. By contributing to the development of the regions, the SOP ENV projects are complementary to most other UE funded major programmes (ROP, SOP IEC, NRDP). At the local level consistency in implementation is reduced by the lack of ownership of the projects by the local authorities. The objectives of the SOP ENV are fully correlated with the National Strategy for Waste Management and with the National Strategy for the Sustainable Development. Romania 2013 – 2020 - 2030, However, at the local level, consistency in implementation is reduced by the lack of ownership of projects on the part of local authorities. (ref: 56, 58, 59, 69, 150).	8.1 Increase role and contribution of the Regional Environment Protection Agencies' in the Regional Strategic Evaluation and Correlation Committees (CRESC) (ref: 151).	MoENV, MA/IBs SOP ENV	Notifications of the Ministry of Environment, discussions during the meetings of CRESC	Bi-annual
Effectiveness				
9. SOP T project submission is speeding up and will overstretch evaluation, approval and contracting in 2011-2012 (ref: 70-75, 152).	9.1. Re-direct resources (staff, training) towards evaluation and approval (MA), and contracting and implementation (beneficiaries) functions	MoT beneficiaries, ACIS	MC meetings discussions; preparation of next year work plan and budget	First semester 2011

Conclusions	Recommendations	Responsible	Implementation Modalities	Time Line
	9.2. Explore possibility to take advantage of the 2009 amendment to EC Regulation 1083/2006 for faster availability of funding (<i>ref: 153</i>).			
10. Full absorption is the measure of success for SOP T and no proper importance is given to programme objectives and targets (<i>ref: 82, 83, 154</i>).	10.1. Monitor closely the implementation of the TA contract that will establish intermediary and revised final targets for SOP T (<i>ref: 155</i>).	MA SOP T	MC meetings	First semester 2011
	10.2. Correlate targets for SOP T with other programmes (e.g., maintenance for future infrastructure) (<i>ref: 155</i>).	MoT, beneficiaries	MoT discussions with management of beneficiary companies	First semester 2011
11. Internal bottlenecks for implementation are staff turnover, management and organizational changes, and risk aversion. External risks consist of recurrent problems such as land expropriation, tender contestations, claims and faulty designs (<i>ref: 90 – 95, 156</i>).	11.1. Start procedures to create an effective risk management system (under the envisaged reform of the transport sector); implement immediately an informal risk information sharing (<i>ref: 157</i>).	MA SOP T, MoT, beneficiaries	Setting-up a communication system among project managers	First semester 2011
12. The crisis might trigger staff layoffs and budgetary cuts in 2011 (<i>ref: 107, 158</i>).	12.1. Implement recommendations of previous World Bank and EU TA for management development (<i>ref: 159</i>).	MoT, beneficiaries	Discussion between MoT and beneficiaries	2011
13. The overall projects' submission level is over targets, conclusion of contracts for the projects approved is closed to 100%, while the projects approved compared to projects submitted is lower (approx. 60%). The payments within the contracted projects are quite delayed. The situation indicates the existence of problems in the SOP ENV implementation system, especially related to the length of the projects approval	13.1. Increase the control over the timely implementation of projects in order to meet the established deadlines (<i>ref: 161</i>).	MA SOP ENV	TA services used based on needs assessment identifying and prioritizing the problems in the implementation system considered as a moving target	2011

Conclusions	Recommendations	Responsible	Implementation Modalities	Time Line
process (ref: 76 – 81, 160).				
14. Projects submission for KAI 5.1 is slow because of a lack of consistency between technical solutions in the project proposals and the provisions of the related EU Directives (ref: 89, 102, 162).	14.1. Improve the technical capacity of the National Authority <i>Romanian Waters</i> to formulate solutions in line with the EU Directives (ref: 163).	National Authority <i>Romanian Waters</i> , MA SOP ENV	Technical assistance services	First semester 2011
15. Beneficiaries lack ownership in the project preparation phase, which generates bottlenecks in project implementation (ref: 96 – 99, 164).	15.1. Request beneficiaries to set-up the core team of the future PIU from an early project phase (i.e. design phase) as the main interlocutor with the IB/MA for all project stages (ref: 165).	MA SOP ENV	Include this as a precondition in the project design phase	First semester 2011
16. Most of the SOP ENV projects delayed in the implementation have problems related to the public procurement process. UCVPP, NARMPP and NCSC have different approaches to the same problem (ref: 104, 166).	16.1. Create a common understanding between contracting authorities, tenderers and regulatory bodies (ref: 167).	ACIS, MA SOP ENV	Establishment of a Working Group with NARMPP, UCVPP and NCSC participation	First semester 2011
Efficiency				
17. SOP T has several institutional weaknesses (roles, accountability, informality, ad hoc decision making style) that prohibit the emergence of an effective risk management system (ref: 110-118, 168).	17.1. Implement recommendations from Functional Reviews: MoT to retain policy and strategy function, CFR and CNADNR implementing agencies on clear performance contract, dismissal of management only for non performance (ref: 169).	MoT, beneficiaries	Government Memorandum to implement Functional Reviews Action Plan	2011
18. Past track record of investment budget implementation of beneficiaries limits the available budget for next year (ref: 128, 129, 170).	18.1 Focus on a realistic forecasts and implementation schedule, starting from the assumption that the initial budget would be final. This would increase urgency for proper risk management (ref: 171).	MA SOP T, beneficiaries	MC meetings, preparation and negotiation of budgets	2011

Conclusions	Recommendations	Responsible	Implementation Modalities	Time Line
19. The marginal position of some PIUs within the organisational chart makes it difficult for the project manager to distribute tasks to all team members, especially when some of them are hierarchically superior to the project manager or are hired by other departments, having their own obligations derived from the job description (<i>ref: 121, 172</i>).	19.1. Positioning PIUs under the direct subordination of the top management (e.g. President of the County Council).	SOP ENV beneficiaries	Revision of the internal organisational chart	Recurrent
	19.2. Closely monitor the stability of PIU staff and tasks as per the project approved Desk and on the site monitoring visits (<i>ref: 173</i>).	MA/IBs SOP ENV, SOP ENV beneficiaries	Desk and on the site monitoring visits	
20. In the absence of technical staff, the gap of expertise is difficult to be covered with the existing human resources. Therefore, the progress in projects' design and implementation is slow (<i>ref: 123, 174</i>).	20. Contract services for their specific technical needs during the project implementation (<i>ref: 175</i>).	SOP ENV beneficiaries	Technical assistance services (PA6)	First semester 2011
21. The management system implemented within the MA SOP ENV has a high level of generality. Instructions for detail activities and evidence of the continuous improvement process are lacking (<i>ref: 124, 125, 176</i>).	21.1. Improvement of the management system by the re-definition of processes to avoid overlaps, drawing-up the processes map, establishment of procedures for the identification of aspects that need correction and the related action plan and elaboration of system procedures (<i>ref: 177</i>).	MA SOP ENV	Technical assistance services	First semester 2011
22. Limited capacity of the IBs of uploading data in SMIS generates limited usability of the SMIS for the MA (<i>ref: 127, 178</i>).	22.1. Setting-up of a help-desk in order to assist the IBs' staff with punctual issues related to the system use in the day-by-day activities (<i>ref: 179</i>).	ACIS	Technical assistance services	First semester 2011