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**Evaluation Report concerning the Absorption  
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# Evaluation of the Absorption Capacity of the Operational Programme Technical Assistance

Final version

## Evaluation Report concerning the Absorption Capacity of OPTA

Client:

Ministry of European Affairs, Romania

Authority for Coordination of Structural Instruments, Evaluation Central Unit

Bucharest, 20 June 2012



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## Preface

In this report the results of the "Evaluation of the absorption capacity of the Operational Programme Technical Assistance" are presented. The evaluation was done in the period January – June 2012 by Ecorys in consortium with LIDEEA and was commissioned by the Ministry of European Affairs, Authority for Coordination of Structural Instruments, Evaluation Central Unit.

An important part of the study was making the forecast for the absorption of the Operational Programme. The evaluation team has not only made the forecasts based on the available data, but also delivered the actual forecast tool, Lothar+, to the client and the beneficiary. As a result, the forecasts presented in this report are not static, but can be adjusted based on new developments within the programme. By creating a new monitoring and forecasting tool Lothar+, based on the Lothar model, developed for monitoring by DG Regio, and actually delivering it to the client and beneficiary, the team considers to have added an important value to the evaluation reports itself.

The team has worked with great enthusiasm on this challenging evaluation. We would like to thank all who have cooperated in this study, by participating in interviews, the focus groups and by delivering the data needed. Furthermore, we would like to thank the client, beneficiary and steering group for their comments.

*The Evaluation Team,*  
Bucharest, June 2012







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## Summary

The objective of this evaluation is to:

*To improve the quality, effectiveness and consistency of the assistance by providing a risk assessment of not fully drawing down the allocated funds of the OPTA, by assessing the danger of automatic de-commitment of OP funds over the next years and by proposing adequate options of reallocation of the possible unused funds within the programme or to other programmes.*

For this purpose, the following evaluation questions were answered.

- By the end of the programming period, will the allocations for PA2 and PA3 be entirely used in case no additional measures are adopted?
- To what extent and what way the reduced capacity of the beneficiary affects the planning and management of the project founded by PA2 and PA3? Which tasks can be outsourced?
- Are there any changes on eligible costs/ activities/ applicants/target groups that can be introduced to increase absorption for PA2 and PA3?
- What is the potential for spending the Funds of PA1 in the coming years for avoiding automatic de-commitment?
- Are there any changes on eligible costs/ activities/ applicants/target groups that can be introduced to increase absorption for PA1?
- What are the opportunities for reallocation of unused funds and would be the effects on indicators targets and on objectives of the programme?

### Current situation and dangers for de-commitment

Based on the current contracted projects (baseline scenario), we can see the following trends:

- Priority axis 1:
  - 121% contracted by end of 2013, taking into account the acceleration in the programme implementation in Jan-May 2012
  - Key area of intervention 1.1 (KAI 1.1) outpaces the rest of the programme in terms of contracting, payments and certification
- Priority axis 2:
  - Contracting lagging behind, payment and certification for 2012 could be below N+3/2 amount
  - Only 13.4% of commitments for PA2 would be achieved by the end of 2013, based on data up to May 2012
- Priority Axis 3:
  - Contracting level is slightly better, but payment and certification are lower.
  - Contracting will be 18.4% as of 2013, having a negative impact on payment and certification, based on the latest available information up to May 2012



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The main result generated by LOTHAR+, based on information up to 31.05.2012, is that with the exception of KAI 1.1 and 2.3, all other key areas of intervention have dangers of de-commitment in 2012 and after 2012<sup>1</sup>. KAI 1.1 is not at danger of de-commitment, while KAI 2.3 is expected to run into deficit of certification, starting from next year. At OPTA level there is no danger of de-commitment in 2012, but the programme faces significant risks starting from next year, even taking into account the pipeline projects. On the one hand, the certification pace has picked up in the first half of 2012, partly due to the suspension of the payment claims to the Commission in the second half of 2011. On the other hand, in 2013 both the N+3 for 2010 and N+2 for 2011 rules are applied, leading to a sharp increase in the de-commitment target and putting pressure on its achievement.

### Factors hindering absorption capacity

Several issues hinder the absorption of the funds.

- Time consuming approval and signing procedures at beneficiary level
- Limited capacity of beneficiaries (especially for PA 2 and 3)
- Complicated procurement procedures
- Immature consultancy market
- Economic crisis (less co-financing)
- Overestimation of funds needed for OPTA:
  - Insufficient analysis of the legal framework needed for implementation (public procurement)
  - Overestimation of equipment needs
  - Underestimation of staff number and qualifications
  - Overestimation of costs of certain activities needed for reaching the objectives

Especially for PA 2 and PA 3 there is a problem concerning the absorption capacity of the beneficiaries. The number of staff is insufficient to absorb more projects than already contracted; regular tasks require all capacity. Therefore, of the 34 projects in the pipeline for both priorities, there are currently only 4 projects financed under PA2 and 2 under PA 3. Within the SMIS CS there are opportunities for reducing the workload by working more efficiently (work procedures, workload distribution, less ad hoc tasks), but will not provide a solution on short notice. Hence, in order to increase the absorption capacity of both beneficiaries there is an urgent need to fill the vacancies in the units. Next to this the in- and outsource both activities related to their regular tasks (e.g. helpdesk function for the SMIS Coordination Unit (SMIS CS) and the outsourcing parts of the implementation of the communication plan for the Information Compartment for Structural Instruments, ICIS) as well as project management related tasks.

Furthermore, it is essential to establish a better demarcation tasks and cooperation relating to procurement between Implementing Service and beneficiary, as there are currently legal and liability risks. There is a need for implementation agreements between them.

<sup>1</sup> The danger of decommitment is calculated as the difference of certification and commitments with a lag, according to the N+3/2 rule, plus pre-financing. Commitments for 2007 are re-allocated across the remaining six years. Throughout the report, the N+3/2 rule (advance excluded) is calculated from commitments with a delay of 3/2 years, taking into account pre-financing as well.

In order to increase the capacity on the longer term, it is needed to improve the OPTA MA implementation procedures, to prepare a dedicated a beneficiary's procedures manual and to revise the division tasks within SMIS CS along with internal working procedures. For this, detailed recommendations are provided in the workload analysis report.

### Possibilities for new projects and consequences for eligibility criteria

As part of the evaluation, an inventory has been made on possible new projects that could be added to the project pipeline, based on international experience. The outcome of this exercise shows that there are mainly possibilities to add to new projects to the pipeline for PA1. In order to facilitate those project ideas some amendments in terms of applicants are needed (e.g. adding the Foundation Business and innovation centres, National Institute of Statistics, Universities). For PA2 the existing project pipeline is complete, the only new activities identified are the activities of the SMIS unit that could be outsourced. Also for PA3, there is no need for changes in the eligibility criteria, as it provides enough possibilities to cover additional activities identified.

### Forecast pipeline and pipeline+

Based on the project pipeline (P) available and the newly identified projects ideas (pipeline+, P+) a forecast was made for the contracting and certification. The results on PA level are presented below.

**Table 1 Contracting and certification pipeline scenario (in RON), based on data up to end 2011**

	Commitments (2015) <sup>2</sup>	Contracting - P (2015)	Contracting - P+ (2015)	Certification - P (2015)	Certification - P+ (2015)	Certification - P+ (2015) – accel.
OPTA	737 299 868	913 190 767	991 316 392	390 516 757	429 784 355	511 800 472
PA_1	358 575 162	744 804 862	794 948 237	302 170 950	325 601 578	404 947 824
PA_2	231 233 298	102 406 798	113 640 548	55 575 709	61 821 958	64 651 571
PA_3	147 491 408	65 979 107	82 727 607	32 770 099	42 360 819	42 201 077

\* Information in columns 2-5 is based on data up to the end of 2011. Data in column 7 incorporates most recent available data up to May 2012.

For KAI1.3, KAI2.2-2.4, and KAI 3.2 there is no difference between the pipeline (P scenario) and the pipeline with included new project ideas (P+ scenario).

According to the P+ scenario contracting of OPTA come close to 1 bln. RON, which is far above the commitments. Yet, certification is not expected to increase so significantly and the dangers of de-commitment remain. Overall in the P+ scenario there is an expected increase in contracting of nearly 600 mln. RON as compared to the baseline and 78 mln. RON over the pipeline scenario, mostly due to PA1 (KAI1.1). The increase in certification is 200 and 40 mln. RON as compared to the baseline and the pipeline scenario respectively. If the acceleration of OPTA funds absorption in the first five months of 2012 is taken into account, then certification would be expected to go beyond 500 mln. RON, i.e. 225 mln. would not be certified under this scenario.

<sup>2</sup> Figures based on: Government of Romania, Ministry of Public Finance 2011, Framework Document for Implementing the Operational Programme Technical Assistance 2007-2013

## Reallocation options

When including the pipeline and pipeline+ in the forecast, the results for the contribution to the danger of de-commitment and the insufficiency of funds are as following:

**Table 2 Contribution to the danger of de-commitment pipeline(+ scenario (figures in RON)**

			Pipeline scenario		Pipeline+ scenario	
	Funds left to be contracted- 31.12.2012	Funds left to be certified - 31.12.2012	Contribution to danger of de-commitment: Difference b/aw certification and N+3/2 31.12.2012	Contribution to danger of de-commitment: Difference b/aw certification and N+3/2 31.12.2012	Contribution to danger of de-commitment: Difference b/aw certification and N+3/2 31.12.2012	Contribution to danger of de-commitment: Difference b/aw certification and N+3/2 31.12.2012
	Based on data up to end 2011			Up to May 2012	Up to end 2011	Up to May 2012
<b>OPTA</b>	2 799 009	629 294 164	-20 699 735	9 367 726	-20 699 735	9 367 726
<b>PA_1</b>	-293 105 533	261 330 945	33 609 642	59 228 288	33 609 642	59 228 288
<b>PA_2</b>	189 551 344	220 914 982	-26 270 664	-23 349 978	-26 270 664	-23 349 978
<b>PA_3</b>	106 353 198	147 048 237	-28 038 713	-26 510 584	-28 038 713	-26 510 584
<b>KAI_1.1</b>	-346 193 226	91 239 143	48 146 791	69 816 689	48 146 791	69 816 689
<b>KAI_1.2</b>	-18 057 141	34 156 502	-4 506 992	-2 048 059	-4 506 992	-2 048 059
<b>KAI_1.3</b>	35 530 262	67 351 176	-4 886 055	-4 308 904	-4 886 055	-4 308 904
<b>KAI_1.4</b>	35 614 572	68 584 124	-5 144 101	-4 231 439	-5 144 101	-4 231 439
<b>KAI_2.1</b>	57 393 620	59 042 696	-8 723 673	-10 366 089	-8 723 673	-10 366 089
<b>KAI_2.2</b>	24 498 856	34 000 681	-7 758 672	-7 667 356	-7 758 672	-7 667 356
<b>KAI_2.3</b>	29 678 833	30 917 410	-1 375 495	1 001 996	-1 375 495	1 001 996
<b>KAI_2.4</b>	77 980 035	96 954 194	-8 412 824	-6 318 530	-8 412 824	-6 318 530
<b>KAI_3.1</b>	71 491 867	100 437 318	-18 840 992	-17 312 863	-18 840 992	-17 312 863
<b>KAI_3.2</b>	34 861 332	46 610 919	-9 197 721	-9 197 721	-9 197 721	-9 197 721

Because time is needed before the projects, envisaged under the pipeline and pipeline+ scenarios, generate payments, there are no major differences in the conclusions for 2012 between the baseline and pipeline (+) scenarios. Hence, according to the pipeline(+) scenario, there are the following options:

- Reallocation from PA2 and PA3 to KAI1.1 and KAI1.2 to cover all insufficient funding
- Reallocation from PA2 and PA3 to KAI1.1 only. According to the pipeline scenario and taking into account the pick-up in contracting and certification in Jan-May 2012, a total of 118 mln. RON might be reasonably reallocated, assuming that the current pace of certification is preserved. This estimation is based on the calculated difference between certification and commitments under KAI 1.1 as of end-2015. In the pipeline+ scenario this amount goes up to 132 mln. RON.

- Reallocation from other OPs to OPTA in order to meet the contracting pace of PA1 – cannot be considered a viable option having in mind the overall danger of de-commitment for the program
- Reallocation from OPTA to other OPs – a viable option, but the amount depends on a number of factors, e.g. contracting in 2012 and certification rate.

### Consequences for indicators

If reallocations would be made within the programme, this might affect the global objective slightly. The effects for the indicators differ per option chosen. PA 1 and PA 2 contribute to Specific Objective1 (support and appropriate tools for Structural Instruments implementation), reallocation from PA 2 will affect some indicators (e.g. guidelines, events on exchanging experience, training days). When the option is chosen to reallocate to other OPs, ambitious targets could be amended from PA 1 (e.g. the number of studies and training days). Specific Objective 2 (Communication) will be affected by a reallocation (public awareness, studies). However, not all funds reductions will involve a reduction of the targets as these are realised against lower costs.

### Conclusions

- Based on the contracted projects, the allocations (commitments) for PA2 and PA3 will not be fully used if no additional measures are introduced by the end of the programming period. For both Priority Axes contracting, payments and certification are even far below the relevant commitment levels.
- The rate of contracting for PA1 is good and if the additional acceleration, observed in Jan-May 2012, is maintained, by 31.12.2013 estimated 186% of the funds are expected to be contracted under the pipeline+ scenario. The different KAIs under PA1 follow different paths, with KAI1.1 outpacing the other 3 KAIs in contracting, payments and certification. According to the baseline scenario only KAI1.1 is not at danger of de-commitment, whereas the other 3 KAIs are in danger as of this year. Nonetheless, it is expected that after 2012 KAI 1.2 will not contribute to the increase of the danger of de-commitment anymore. The two main beneficiaries for the PA2 and PA3 have currently insufficient capacity in terms of staffing to absorb more projects than already contracted. The regular tasks, combined with the tasks related to the implementation, require the full capacity of the people already employed. Hence, without additional measures, the beneficiaries will not be able to (fully) absorb the projects in the pipeline.
- Hence, for both units, capacity could be generated by in- or outsourcing activities. For both units additional staff is needed that could be sourced. Next to this, suspended and vacant positions need to be filled in.
- In terms of options for absorbing more projects by adding projects to the pipeline, it can be concluded that:
  - For PA 2 the list of activities in the pipeline is rather complete. The only issues that might be added are the activities that can be outsourced by the SMIS Unit (see section above). This would not require additional eligible cost, activities applicants or target groups.



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- Priority 3 gives already enough possibilities and there are no general changes needed in eligible costs, activities, applicants and target groups.
- Even if the project pipeline and projects agreed during the Focus Groups were taken into account (pipeline+ scenario), both PA2 and PA3 would not reach their commitments for 2007 at the current rate of certification. For PA2 the pipeline scenario shows contracting levels just below the 2010 commitments, i.e. less than half of the commitments are expected to be contracted. The contracting forecasts for PA3 also show that the commitments are not expected to be contracted with and without the pipeline projects. Even after pipeline projects are included in the forecast, contracting would be approx. a half of the commitments.
- It is clear that PA1 is the “engine” for the OPTA. The inventory of new project ideas based on international experience and on the needs of the beneficiaries involved shows that there is no need to amend a lot of the eligibility of costs or activities. In terms of applicants there are some changes needed.
- When looking at the increase in absorption it is noted that the pipeline+ scenario is more optimistic for PA1 as compared to PA2 and PA3. At the current accelerated absorption pace of 2012 there will be a projected certification of 46 mln. RON more than the actual commitments for PA1 in end 2015, if all projects in the pipeline+ are implemented. The results from LOTHAR+ scenarios suggest that the contracting envisaged in the pipeline+ would change certification values by 93 mln. RON, if the latest information up to May 2012 is considered as well.

## Recommendations

- Enhance the absorption capacity by building at beneficiary level (project preparation and implementation) and simplification of procedures related to the authorisation of payments. A shorter throughput time for certification is urgently needed.
- Consider expansion list of activities and beneficiaries under PA 1 based on identified projects
- Consider the reallocation options presented
- Ensure the follow up on the identified project ideas
- Improve internal mechanisms and procedures for procurement
- Follow-up on the recommendations from the workload analysis



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## List of Abbreviations

Abbreviation	Explanation
<b>AA</b>	Audit Authority
<b>ACIS</b>	Authority for Coordination of Structural Instruments
<b>AIR</b>	Annual Implementation Report
<b>ANCS</b>	Authority for Scientific Research
<b>ECU</b>	Evaluation Central Unit at Ministry of European Affairs
<b>ICIS</b>	Information Compartment for Structural Instruments, ACIS
<b>CF</b>	Cohesion Fund
<b>CPA / ACP</b>	Certifying and Paying Authority
<b>DLAF</b>	Department for Fight against Fraud
<b>EBRD</b>	European Bank for Regional Development
<b>EC</b>	European Commission
<b>EIB</b>	European Investment Bank
<b>ER</b>	Evaluation Report
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>EU</b>	European Union
<b>FR</b>	Final (progress) Report
<b>FTE</b>	Full time employee
<b>FWC</b>	Framework Contract
<b>IB</b>	Intermediate Body
<b>ICIS</b>	Information Compartment for Structural Instruments
<b>IS</b>	Implementation Service
<b>IR</b>	Inception Report
<b>KAI</b>	Key Area of Intervention
<b>Lothar</b>	Financial model used for forecasting & monitoring
<b>M</b>	Month
<b>MA</b>	Managing Authority
<b>MEUR</b>	Million Euro
<b>MR</b>	Monthly Report
<b>NSRF</b>	National Strategic Reference Framework
<b>OP</b>	Operational Programme
<b>OPTA</b>	Operational Programme for Technical Assistance
<b>PA</b>	Priority Axis
<b>PM</b>	Project Manager
<b>PR</b>	Progress Report
<b>Q</b>	Evaluation question
<b>RDA</b>	Regional Development Agency

<b>ROF</b>	Organising and Functioning Regulation
<b>RTD</b>	Research and Technology Development
<b>SCD</b>	System Coordination Directorate, ACIS
<b>SI</b>	Structural Instruments
<b>SMIS</b>	Single Management Information System
<b>SMIS CS</b>	SMIS Coordination Service
<b>SNSPA</b>	National School of Political and Administrative Studies
<b>TAD</b>	Technical Assistance Directorate, Ministry of European Affairs
<b>ToR</b>	Terms of Reference

## Lothar+ Terminology

Technical Term	Description
<b>Commitment / Financial Allocation</b>	Type of differentiated (by countries and by operational programmes) appropriation, which covers the total cost, in the current financial year, of the legal obligations entered into for operations to be carried out over more than one financial year. This type of appropriation constitutes the upper limit of expenditure, which can be committed during the financial year. Differentiated appropriations are introduced to manage multi-annual operations, the related payments can be made during the year of the commitment and during the following years. Differentiated appropriations are used mainly for the Structural Funds and the Cohesion Fund.
<b>Contracted budgets</b>	Within an OP, the contracted budget is stated in the financial agreement between the contracting authority and the beneficiary. The contracted budget might be lower than the budget, submitted in the project proposal, as it is subject to assessment.
<b>Certified payments</b>	Payments checked against regulations and correctness
<b>N+2/3 rule</b>	<p>According to the N+2/3 rule, the Commission shall automatically de-commit any part of a budget commitment in an Operational Programme that has not been used for payment of the pre-financing or interim payments or for which an application for payment has not been sent in conformity with Article 86 by 31 December of the second/third year following the year of budget commitment under the programme, with some exceptions (these include major interruptions of some projects, or cases where reimbursement has been suspended by the EC, payments that has been capped due to lack of budget resources, force majeure).</p> <p>With the introduction of the N+2/3 rule the EC seeks to:</p> <ul style="list-style-type: none"> <li>✓ Activate spending funds and prevent keeping funds frozen and inactive for many years</li> <li>✓ Avoid financing of unviable projects</li> </ul>





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✓ Encourage long-term planning and value for money

<p><b>Automatic commitment</b></p>	<p><b>de-</b> The Commission shall automatically de-commit any part of a budget commitment in an OP that has not been used for payment of the pre-financing or interim payments or for which an application for payment has not been sent in conformity with Article 86 by 31 December of the third year following the year of budget commitment (n+3) or the second year following the year of budget commitment under the programme (n+2) with the exceptions mentioned in Council Regulation No. 1083/2006 and CR No. 539/2010.</p>
<p><b>Danger for de-commitment</b></p>	<p>The term is defined as the difference between certified expenditure plus pre-financing, minus commitments, allocated for two or three years ago. In other words it is the difference between certification and the N+2/3 rule, where the latter is calculated as the sum of commitment appropriations, depending on the applicability of the N+2/3 rule, reduced by the pre-financing, amounting to 9% for OPTA. Committed funds for 2007 are divided into 6 and allocated across the remaining six periods in the EU financial period.</p> <p>Within present Report, the danger of de-commitment is calculated as commitments – (certification + pre-financing). Thus, negative values mean danger of de-commitment.</p>



# 1 Purpose of the Evaluation and Methodological Approach

In this chapter, we present the objective of the evaluation and its evaluation questions, the methodology used by the consultant to answer the evaluation questions. Furthermore, we identify the main issues within the methodology used, which need to be taken into account while interpreting the results.

## 1.1 The Evaluation

The objective of the evaluation of the absorption capacity of the Operational Programme Technical Assistance (OPTA) is:

*To improve the quality, effectiveness and consistency of the assistance by providing a risk assessment of not fully drawing down the allocated funds of the OPTA, by assessing the danger of automatic de-commitment of OP funds over the next years and by proposing adequate options of reallocation of the possible unused funds within the programme or to other programmes.*

More specifically, the purpose is as following:

- “Quantifying the risk of not absorbing PA2 and PA3 allocations under the current state of play
- Detecting and alleviating the bottlenecks in implementing the PA2 and PA3
- Exploring the potentials for increasing the demand for PA2 and PA3
- Investigating if there is room for transferring funds from PA2 and PA3
- Establishing the financial benchmark of annual potential allocations for PA1 until 2013 considering the potential of additional absorption of this priority axis in order to avoid the automatic de-commitment of the OPTA funds
- Determining if there is the possibility of introducing new eligible costs, new eligible activities or -new eligible applicants, etc., to PA1. If this is the case, proposing additional interventions to be inserted into the programme
- Determining whether a reallocation within the OP is unavoidable, and to establish the amounts in an eventual transfer of funds between OPs”

In the Terms of Reference, this has been specified towards the following evaluation questions:

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### Evaluation Questions

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Q1. By the end of the programming period, will the allocations for PA2 and PA3 be entirely used, in case no additional measures are adopted (e.g. new eligible costs/new activities/new eligible applicants/new target groups etc)?

Q2. To what extent and what way the reduced capacity of the beneficiary affects the planning and management of the projects founded by PA2 and PA3? Which are the tasks/responsibilities of the

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beneficiary that can be outsourced?

Q3. Are there changes on eligible costs / activities / applicants / target groups, etc. that can be introduced in order to ensure the increase in demand / absorption of funds from PA2 and PA3?<sup>3</sup> If so, will they significantly change the probability of making full use of AP2 and AP3 financial allocations by the end of programming period?

Q4. What is the potential for spending the funds of PA1 in the coming years, for avoiding the automatic de-commitment of OPTA?

Q5. Are there are new eligible costs / activities / applicants / target groups, etc. that could be added to those already eligible in order to ensure the increase in absorption for PA1?

Q6. What are the options for reallocation of unused funds (within the OP or to other OPs), and which would be the effects on indicators targets and on general and specific objectives of the programme?

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## 1.2 The Evaluation Methodology

For this evaluation, we have used the following methodologies:

### 1. Desk research

Document analysis (for a full overview of documents studied: see literature list, including an overview what literature has been used per evaluation question).

### 2. Interviews and focus groups

The purpose of the interview and focus groups was to gain further information, which was impossible to achieve based on the documentary analysis of official sources. The interviews especially served to get a better view on possible additional needs and the feasibility of generating new project ideas.

In the inception phase 19 people have been interviewed which has helped the project team to get a good overview of the current status and possibilities for increasing the absorption capacity of the OPTA.

For the workload analysis, additional interviews have been organised (see workload analysis). In order to collect information on possible additional needs that might lead to new projects in the project pipeline and in order to test whether project ideas from abroad might be relevant for Romania, interviews with beneficiaries and potential beneficiaries have been organised.

Two focus groups have been organized:

- 1 with the TA officers of other Operational Programmes on the 10<sup>th</sup> of May
- 1 with stakeholders of OPTA of the 11<sup>th</sup> of May

The objective of the focus groups was to discuss the feasibility, risks, potential budget, timing, actions needed for the suggested (project) ideas in order to confirm or fine tune our findings and to

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<sup>3</sup> The evaluation must be performed within the limits established through the OPTA objectives, in order to avoid the artificial extension of eligibility

ensure that the solutions will be as realistic and feasible as possible. The outcomes of the focus groups provided important outcomes for the forecasting of scenarios.

### 3. Workload and process re-engineering analysis

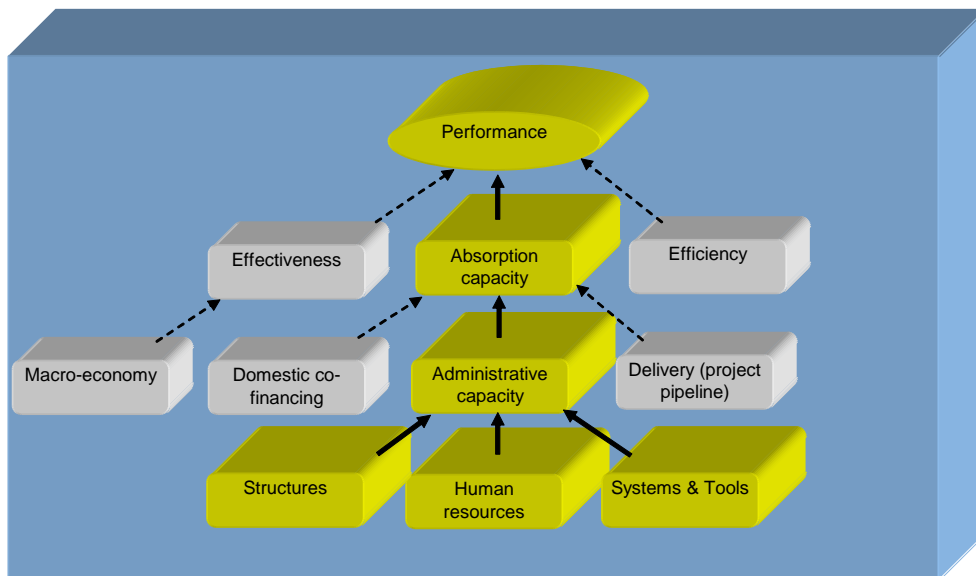
An integrated analysis has been performed for the main beneficiaries of the SMIS Coordination Service and the Information Compartment, the main beneficiary for PA2 and PA3 respectively. The analysis was based on the following sources:

- a *comprehensive desk research*, which allowed the identification of the work flows and functions as established through the regulatory documents,
- *questionnaires* among the staff, on workload, tasks and time,
- *joint interviews* ( see Annex 7C).

For the data collection and processing, *tools were developed* whose design allowed for the relevant data to be collected in a structured way to enable processing and extracting of conclusions.

The analysis was made on the basis of the structures, human resources and systems and tools, the main three factors for absorption capacity (see figure below).

**Figure 1 Overview of the elements influencing the absorption capacity**



Source: Ecorys, based on the criteria used in the study "Key indicators for candidate countries to effectively manage the Structural Funds (NEI, 2002), p. 3 and 4

### 4. Forecasting

For the forecasting of the absorption rate we have used the modified LOTHAR forecasting tool (LOTHAR+). As a first step, the model was modified according to the needs of the client. Secondly, we have collected all relevant data from the SMIS and project pipeline documents.

LOTHAR+ is based on the LOTHAR system developed in partnership between the Bulgarian Authorities and the EC. The original LOTHAR is:

- Excel-based – basically an intricate Excel file with a number of links between cells and sheets, allowing visualization of different variables;
- Used for the preparation of financial forecasts for the absorption of SCF through the Bulgarian OPs;
- Used also for monitoring of main processes – contracting, payments, verification, and certification.

Just as LOTHAR, LOTHAR+ is Excel-based. However, the original LOTHAR does not include Visual Basic for Applications (VBA) elements. VBA is an implementation of Microsoft's programming language Visual Basic 6 within Excel, which enables building user defined functions and automating processes. In this way LOTHAR+ aims at overcoming LOTHAR's problem of non-automated forecasts.

Moreover, LOTHAR+ is much more interactive. It allows users to see the current state of play and to develop different scenarios, through changing parameters in the model. The tool also allows for visualization of different parameters chosen by the user.

The forecasting is done based on the following:

- ✓ Scenario without any changes, based on the currently contracted projects (business as usual)
- ✓ Scenarios based on the inclusion of additional projects – pipelines (as of 09.05 and after discussions with the stakeholders during focus groups) included
- ✓ Scenarios based on the change of different parameters (durations and ratios)

Detailed information on LOTHAR+ is included in Annex 1A.

For the different scenario analyses, the outcomes of the experiences in other countries (good practice projects), their relevance for Romania and other project ideas tested during the interviews and the focus groups have been taken into account.

In the table below a summary of the methodology and how it relates to the evaluation questions is presented.

**Table 3 - Summary of used methodology per evaluation question and Priority Axis for which it is relevant**

Evaluation question (with stages referred)	Methodology used	PA1	PA2	PA3
Q1. By the end of the programming period, will the allocations for PA2 and PA3 be entirely used, in case no additional measures are adopted (e.g. new eligible costs/new activities/new eligible applicants/new target groups etc)?	- desk research - interviews - financial forecasting (Lothar+)		✓	✓
Q2. To what extent and what way the reduced capacity of the beneficiary affects the planning and management of the projects founded by PA2 and PA3? Which are the tasks/responsibilities of the beneficiary that can be outsourced??	- desk research - interviews - workload analysis - process re-engineering - focus group		✓	✓

Q3. Are there changes on eligible costs / activities / applicants / target groups, etc. that can be introduced in order to ensure the increase in demand / absorption of funds from PA2 and PA3? <sup>4</sup> If so, will they significantly change the probability of making full use of AP2 and AP3 financial allocations by the end of programming period?	- desk research in BG, PL, ES - interviews - financial forecast instruments (Lothar+) - develop scenarios - focus groups		✓	✓
Q4. What is the potential for spending the funds of PA1 in the coming years, for avoiding the automatic de-commitment of OPTA?	- desk research - interviews - financial forecasting (Lothar+)	✓	(✓)	(✓)
Q5. Are there are new eligible costs / activities / applicants / target groups, etc. that could be added to those already eligible in order to ensure the increase in absorption for PA1?	- research in BG, PL and ES - interviews - financial forecast instruments (Lothar+) - develop scenarios - focus groups	✓		
Q6. What are the options for reallocation of unused funds (within the OP or to other OPs), and which would be the effects on indicators targets and on general and specific objectives of the programme?	- reallocations proposals	✓	✓	✓

### 1.3 Limitations of the Methodology

The following advantages of LOTHAR were the main reasons why this system was chosen as a starting point for the development of the forecasts under the project:

- Provides information on the level of operations;
- Combines comprehensive information on commitments, payments, contracting, verification, certification, and project appraisal;
- Facilitates analysis of time series;
- Enables forecasting with available projects;
- Provides automatic charts;
- Relatively easy to use.

<sup>4</sup> The evaluation must be performed within the limits established through the OPTA objectives, in order to avoid the artificial extension of eligibility

However, LOTHAR also has some disadvantages, which had to be taken into account:

- ✓ LOTHAR is mostly used as a monitoring rather than a forecasting tool;
- ✓ LOTHAR does not automatically signal for potential de-commitment dangers. One should be able to 'read' the model;
- ✓ LOTHAR does not automatically provide forecasts – experts provide forecasts and fill them in.

Having in mind the advantages and disadvantages of LOTHAR, the project team developed a new forecasting model named LOTHAR+ which is based on the LOTHAR principles and practices, but has a far greater forecasting power.

LOTHAR's objective is to monitor the implementation of N+3/2 rules under OPTA so that corrective actions could be taken, if there is a danger of de-commitment. Thus, LOTHAR's objective and elements are very similar to the objectives of this project, which is why the model was selected as a starting point for the development of a forecasting tool.

LOTHAR+ aims at supporting the assessment of automatic de-commitment and the process of proposing options for reallocation through financial forecasting. This model allows users to make alternative scenarios, based on different values for:

- ✓ EU contribution share;
- ✓ Exchange rate of RON against the EUR;
- ✓ Different authorisation schemes for each KAI, both in terms of period and amount of authorisation;
- ✓ Duration between first approval of the project and its completion;
- ✓ Different payment schemes for each KAI, both in terms of period and amount of payments;
- ✓ Different certification schemes for each KAI, both in terms of period and amount of certification;
- ✓ Transfer of commitments for a particular year from one KAI to another;
- ✓ Inclusion of additional projects in the pipeline.

The last variable must be treated carefully when proposing "trustful" scenarios for increasing OPTA absorption rate as:

- ✓ The budgets dimension is possible to be adjusted from the phase of project proposal included into the pipeline to the phase of contracted project.
- ✓ The lack of capacity of some OPTA beneficiaries might affect the proper development or/and implementation of projects.
- ✓ The risk of late procurement would lead to lower absorption or to later absorption.

If we are taking into consideration new project ideas, as discussed during both focus-groups, other risks can affect the alternative scenarios:





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- ✓ Projects ideas are not taken up due to lack of capacity within the beneficiaries. This risk can be reduced a bit by taking follow up actions by OPTA Strategy Unit and by outsourcing project management and project development tasks.
- ✓ The budget estimations from the incipient phase up to contracted project might be significant higher or lower than foreseen at this stage.
- ✓ A large preparation period for new projects might conduct at submitting the projects too late to be able to implement them fully within the current programming period.

For the analysis Report of the capacity of the beneficiaries of PA2 and PA3 it should be noted that the estimation made by the staff, in the filled in questionnaires, of time needed for the tasks performance allowed identification of potential work overload for the staff undertaking both OPTA beneficiary responsibilities and other ACIS related tasks. The time estimation by responders represent monthly average estimates for both total working time and tasks structures, and were made taking into account the following limitations:

- ✓ retroactive estimation based on staff memories in the absence of detailed working time records. A correct estimation could have been done on the basis of time records made by the staff for all the activities undertaken during a certain period of time, which has been out of this project lifetime;
- ✓ OPTA related tasks and other ACIS tasks allocated to staff, in various percentages both between staff and between beneficiaries. While for SMIS CS the OPTA related tasks represent most part of their working time (more than an average of 85%), for ICIS staff, according to ROF, job descriptions and questionnaires, the PA3 beneficiary responsibilities cover less than 35% of their tasks and average working time;
- ✓ variation of workloads along time according to project cycle and length and/or periodicity of certain tasks, overlaps between OPTA tasks and other regular ACIS tasks (not related to OPTA), pick periods generated by deadlines for both tasks categories, all leading to uneven workloads and percentages of time dedicated to OPTA beneficiary role;
- ✓ some information provided by SMIS CS staff not confirmed by management whose opinions could not be collected for the analysis.





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## 2 Forecast of use of funds without additional measures

In this chapter, we describe first the situation as it was at the time of the start of this evaluation. This status will be followed by an analysis of the forecast for the absorption of the funds based on the current status of the programme till the end of 2015 (the closure date of the programme). For all simulations in the current report an explicit assumption that payments are equal to certification with a lag of one quarter has been made. It is based on an expert consensus that was reached during a steering committee for the project, held on 11.06.2012

### 2.1 Current allocation

The status of all seven Romanian Operational Programmes at 31 December 2011, published by the Ministry of European Affairs on its website at 7th February 2012, shows delays in programmes' implementation and there is a probability of de-commitment of funds due to the N+2/N+3 rule for each of them.

The state of play for OPTA as per 31 December 2011 shows low absorption figures: Whereas 32 % of the programme commitments have been contracted, only 12.13% have been paid out to the beneficiaries (pre-financing payments included) - this figure being below the average of all Romanian Operational Programmes, which was 15.08% at end of 2011. The amounts reimbursed by the EC represent 9.83% of the total available allocation for OPTA 2007-2013 at end of 2011 – this figure being above the 5.55% average of all Romanian Operational Programmes. 5

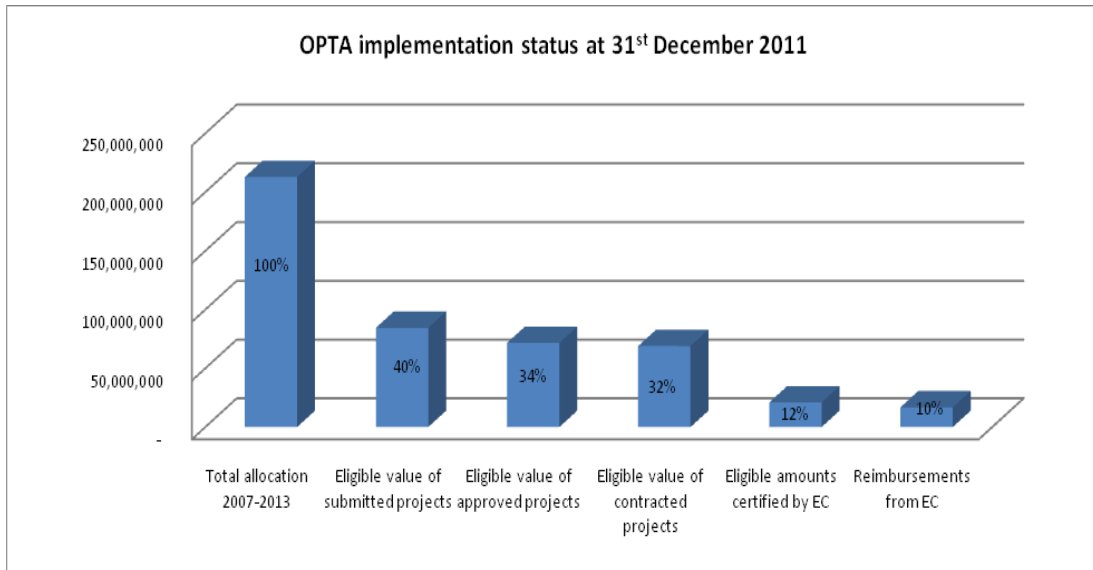
On 31 December 2011, 85% of the submitted projects for OPTA financing were approved and of the approved projects 95% were contracted. The ERDF value of the submitted projects represented over 40% of the OPTA EU allocation 2007-2013, but the ERDF value of contracted projects represented 34% of the OPTA EU allocation and ERDF value of contracted projects is 32% of OPTA EU allocation. Comparing data for approved and contracted projects is obviously the Managing Authority has sufficient capacity to contract the approved projects.

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<sup>5</sup> Website of Ministry of European Affairs, <http://www.fonduri-ue.ro>, (7 Feb 2012)

OPTA implementation status at 31 December 2011 was as following:

**Figure 2 OPTA implementation status at 31<sup>st</sup> December 2011**

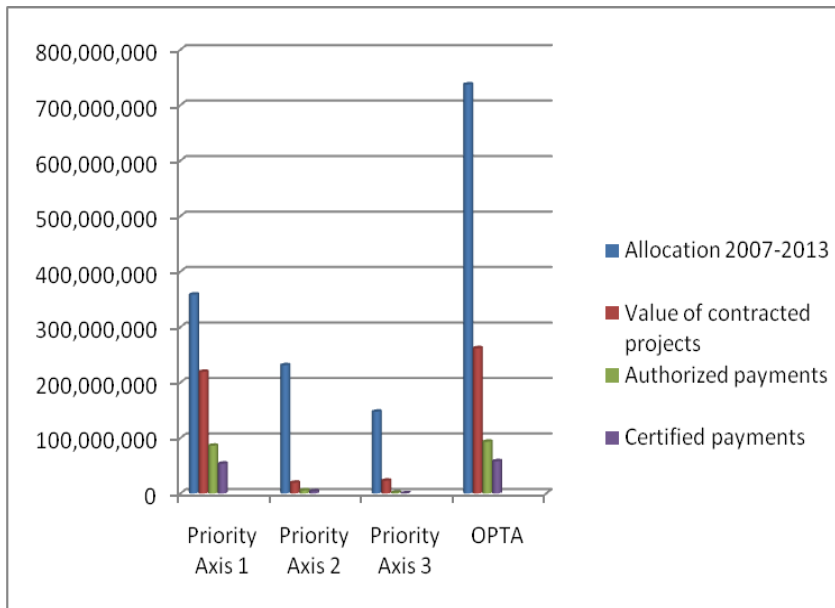


Source: Website of Ministry of European Affairs, 7<sup>th</sup> Feb 2012, OPs implementation status at 31<sup>st</sup> Dec 2011

At priority axes level the status varied both between axes and between KAIs within each axis. For a more accurate presentation along present report, the following charts are based on the information collected into the working-sheet Flash-Sheet of Lothar+.

While PA1 shows progress both in terms of submitted, approved and contracted projects, as well as in terms of eligible amounts certified by MA, PA2 and PA3 are left behind, registering only limited progress.

**Figure 3 OPTA implementation status by Priority Axis at 31 December 2011 (amounts in RON)**

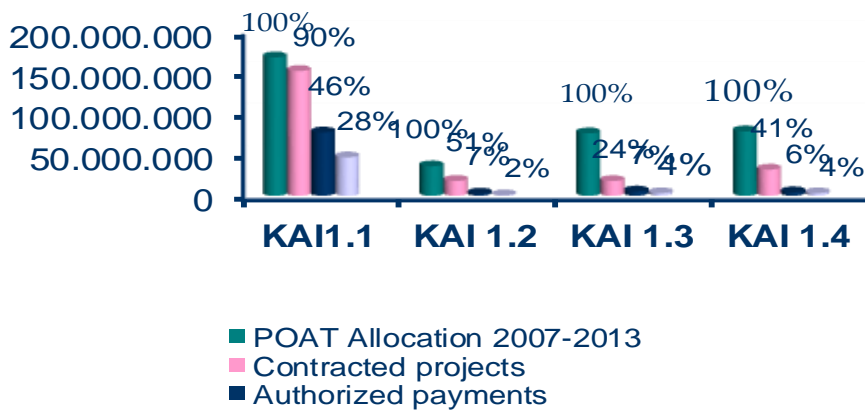


Source: Lothar+, filled in with data from SMIS – cut of 31 December 2011

Going deeply, at Key Area of Intervention level of each Priority Axis, the situation is shown per each PA in the charts below.

For PA1 the most important contribution in terms of contracting and spending is generated by KAI 1.1 and the lowest is generated by KAI 1.4. In terms of spending is no significant progress on each KAI of PA1 except KAI 1.1.

**Figure 4 Priority Axis 1 – Support for the implementation of the structural instruments and coordination of programmes – Implementation Status at 31 December 2011 (RON)**



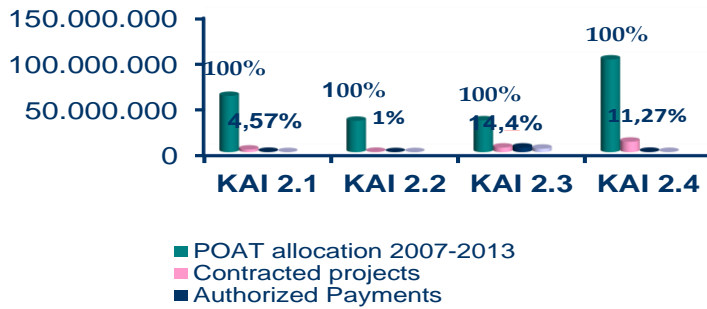
Source: Lothar+, filled in with data from SMIS – cut of 31 December 2011

For PA 2 and PA 3 the situation is even more complicated as the lack of progress, with certain variation, is general for both axes and the KAIs.

While for PA1 the number of beneficiaries is higher and more diversified, for these 2 priority axes, with the exception of KAI 2.4, there are only two beneficiaries, both part of ACIS structure.

Under PA2, the status of KAI 2.1 and KAI 2.2 is critical in both terms of contracting and spending and acceptable under KAI 2.3 and KAI 2.4.

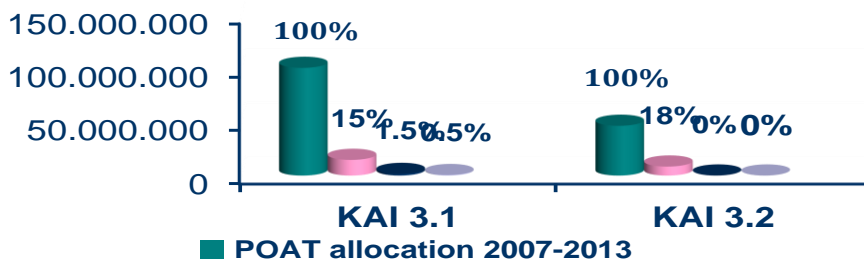
**Figure 5 Priority Axis 2- Continued development and support for SMIS functioning – Implementation status at 31 December 2011 (RON)**



Source: Lothar+, filled in with data from SMIS – cut of 31 December 2011

Within PA3, the implementations status of KAI 3.1 is better in comparison with KAI 3.2 where the first project was contracted in 2011.

**Figure 6 Priority Axis 3- Dissemination of information and promotion of SI – Implementation Status at 31 December 2011 (RON)**



Source: Lothar+, filled in with data from SMIS – cut of 31 December 2011

Comparing the figures presented into the Monitoring Committee of 29 November 2011 as for OPTA implementation status, used to assess the initial situation for the Inception Report, with data collected from SMIS into the Flash-sheet of Lothar+, we can appreciate the trend is similar.



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The values referred to are in RON, as taken from SMIS and the exchange rate used to convert the EU allocations was 4.331 RON/Euro as taken from the Framework Document for Implementing OPTA 2007 – 2013, version 2011.

## 2.2 Forecast of the absorption of the funds based on the current situation (as of 31.12.2011)

The forecast of the absorption of the OPTA funds was performed through the LOTHAR+ tool, which was specifically developed for this project. By 'current situation' is meant the data up to 31.12.2011, as this is the latest date, for which detailed project-level data is available. However, the team also presents additional calculations, based on some adjustments, made to the model to reflect the most recent data up to the end of May 2012. Wherever appropriate for analytical purposes, references to these more updated calculations have been made in the text of the report as well.

A detailed description of all the different scenarios made through LOTHAR+ is given in Annex 1. Taking into account the changes in the top-up rules, applied to OPTA, an 80% EU funding for the projects contracted before 31.12.2011 has been assumed. For the baseline and the projects in the pipeline, expected to be contracted between 01.01.2012 and 31.03.2013, co-financing rate is set at 95%. Afterwards it is set at 85% (both for the baseline and projects after Q1 2013). LOTHAR+ incorporates also possibilities for scenario analysis with different top-ups.

The main result generated by LOTHAR+, based on data up to 31.12.2011, is that with the exception of KAI 1.1, all other key areas of intervention contribute to larger danger of de-commitment in 2012 and after 2012. KAI 1.1 is not at danger of de-commitment, while KAI 1.2 contributes increases the risk of de-commitment under OPTA in 2011 and 2012, but afterwards, certifications under this KAI are expected to exceed the committed funds..

At OPTA level currently there are no risks of de-commitment in 2012, but risks amplify enormously afterwards. Data up to end-2011 also gave strong indications of danger of de-commitment already in 2012. In the first five months of 2012, however, there has been a significant pick-up in certification and contracting and, taking into account these recent trends, there is no more danger of de-commitment in 2012. Higher certification in the beginning of 2012 is partially also due to certification pace delay, as payment claims to the Commission were suspended in the second half of 2011. The OPTA MA expects that at the end of the programming period the certification will be equal to the payments, as there are generally no irregularities.

<sup>6</sup> The contribution of each level of intervention to the danger of decommitment is calculated as the difference of certification and commitments with a lag, according to the N+3/2 rule, plus pre-financing. Commitments for 2007 are re-allocated across the remaining six years. Throughout the report, the N+3/2 rule (advance excluded) is calculated from commitments with a delay of 3/2 years, taking into account pre-financing as well.

**Table 4 Contribution to the danger of de-commitment (In RON) based on data up to end-2011**

	OPTA	PA_1	PA_2	PA_3	KAI_1.1
Dec-11	32 535 510	39 679 928	-2 527 387	-4 617 030	40 199 626
Dec-12	-20 699 735	33 609 642	-26 270 664	-28 038 713	48 146 791
Dec-13	-218 182 481	-43 537 293	-103 002 380	-71 642 808	25 590 832
Dec-14	-319 906 809	-78 757 281	-145 812 647	-95 336 881	13 769 036
Dec-15	-507 498 980	-159 466 462	-213 264 266	-134 768 253	-24 710 778
<b>Based on adjustments as of May 2012</b>					
	OPTA	PA_1	PA_2	PA_3	KAI_1.1
Dec-11	32 535 510	39 679 928	-2 527 387	-4 617 030	40 199 626
Dec-12	9 367 726	59 228 288	-23 349 978	-26 510 584	69 816 689
Dec-13	-163 373 566	7 689 921	-100 201 442	-70 862 045	72 755 209
Dec-14	-244 589 246	-6 306 914	-143 019 655	-95 262 677	80 566 955
Dec-15	-425 482 863	-80 120 215	-210 434 653	-134 927 995	49 104 716

In terms of amount of funds, the most funds at danger of de-commitment are in KAI 2.4 and 3.1 (above 90-100 mln. RON). KAI 1.1 is by far the best performing KAI and, according to the latest adjustments it is even going to have a negative contribution to the danger of de-commitment of the programme, meaning that certification under this KAI will exceed commitments in all years up to 2015. The baseline scenario, assuming preservation of the current contracting rate, shows that if the same pace of absorption is kept and taking into account the first five months of 2012, around 425 mln. RON are in danger of de-commitment in end-2015.

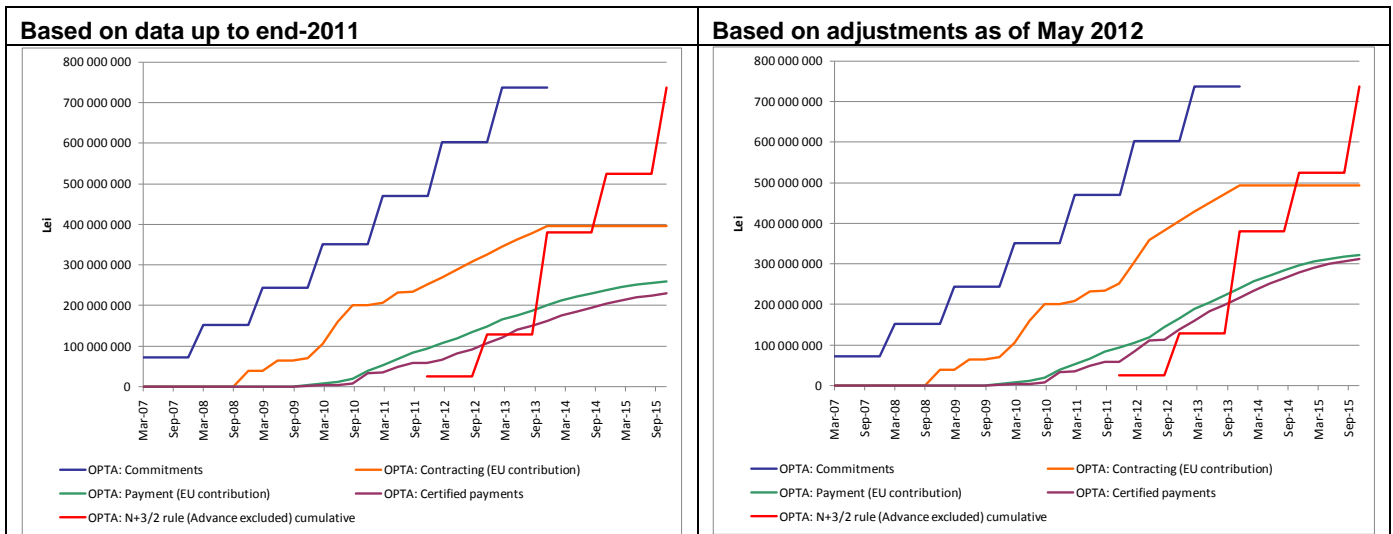
**Table 5 Contribution to the danger of de-commitment by KAIs in RON**

Based on data up to end-2011										
	KAI_1.1	KAI_1.2	KAI_1.3	KAI_1.4	KAI_2.1	KAI_2.2	KAI_2.3	KAI_2.4	KAI_3.1	KAI_3.2
Dec-11	40 199 626	-266 572	447 790	-700 916	-2 663 650	-2 378 850	2 785 344	-270 231	-3 357 985	-1 259 046
Dec-12	48 146 791	-4 506 992	-4 886 055	-5 144 101	-8 723 673	-7 758 672	-1 375 495	-8 412 824	-18 840 992	-9 197 721
Dec-13	25 590 832	-7 807 104	-31 505 394	-29 815 628	-29 863 719	-19 101 148	-14 347 360	-39 690 153	-53 183 618	-18 459 190
Dec-14	13 769 036	-9 183 072	-42 225 955	-41 117 290	-40 391 526	-24 889 544	-21 011 219	-59 520 359	-72 093 240	-23 243 641
Dec-15	-24 710 778	-14 772 862	-59 566 019	-60 416 802	-57 409 832	-33 888 002	-30 917 410	-91 049 021	-100 437 318	-34 330 935
Based on adjustments as of May 2012										
	KAI_1.1	KAI_1.2	KAI_1.3	KAI_1.4	KAI_2.1	KAI_2.2	KAI_2.3	KAI_2.4	KAI_3.1	KAI_3.2
Dec-11	40 199 626	-266 572	447 790	-700 916	-2 663 650	-2 378 850	2 785 344	-270 231	-3 357 985	-1 259 046
Dec-12	39 816 689	-2 048 059	-4 308 904	-4 231 439	-10 366 089	-7 667 356	1 001 996	-6 318 530	-17 312 863	-9 197 721
Dec-13	72 755 209	-5 497 984	-30 432 521	-29 134 784	-31 976 872	-17 770 622	-11 969 869	-38 484 080	-51 655 488	-19 206 557
Dec-14	30 566 955	-8 506 412	-37 025 239	-41 342 218	-42 614 697	-23 198 638	-18 633 727	-58 572 593	-70 565 110	-24 697 567
Dec-15	49 104 716	-14 882 904	-53 067 443	-61 274 585	-59 633 003	-32 067 801	-28 539 919	-90 193 929	-98 909 188	-36 018 807



As seen in Fig. 7, the level of contracting is expected to surpass the most critical N+3/2 year – 2013, but it is close to the de-commitment line. The actual data show that contracting (up to 31.12.2011) is below the 2013 N+3/2 line. Moreover, contracting is below the commitment levels, which consequently leads to delays in payments and certification. Payments are expected to surpass the N+3/2 line in 2012, but not in 2013. The lag between payments and certification is increasing due to slowing down of certification in some periods of 2010 and 2011.

**Figure 7 OPTA – EU commitments, contracting, payments, certification, and N+3/2 rule (based on data up to end-2011)**



Clearly, despite recent acceleration in certification, it is still lagging behind and the process needs to pick up speed in order to avoid automatic de-commitment. Given the pick-up in certification in Jan-May 2012, there will be no de-commitments in 2012. However there are significant risks for the years beyond 2012.



## 3 Factors hindering the absorption capacity

### 3.1 Reasons for Low Absorption

In the various studies several reasons have been indicated for the low absorption capacity<sup>7</sup>:

- **Limited capacity** of the main beneficiaries to prepare TA procurement projects, due to lack of knowledge and low number of staff (work overloads).
- **Complicated public procurement procedures** at national level (including a complicated and time consuming complaint mechanism).
- An **immature consultancy market**, which sometimes provides low quality services leading to the OPTA beneficiaries reluctance to using technical assistance in solving their problems.
- **Time consuming approval and signing procedures** at the beneficiary level.
- **The economic austerity measures taken by the Government** discouraged the incurring of **specific TA and/or** staff expenditures.
- The **economic crisis**, which contributed to a lower number of projects and/or projects cancelled due to lack of financing.

According to the more updated information collected during the interviews the most important causes still generating blockages and low absorption are the public procurement procedures and the limited capacity of the beneficiaries. As for the time consuming approval and signing procedures it was indicated that this was mostly the case when the ACIS was under the responsibility of the Ministry of Finance. However, during interviews it was also indicated that delayed approvals by superiors still seems to have existed at beneficiary level (for example acceptance for endorsement by the secretary of state for SCD-initiated tendering documentation).

Another factor for the low level of absorption, identified during desk research and interviews, is the overestimation of funds allocation to OPTA in certain areas due to:

- Insufficient analysis of the legal framework needed for the implementation (e.g.: public procurement legislation).
- Overestimation of equipment needs.
- Underestimation of staff number and qualifications.
- Overestimation of costs of certain activities needed for reaching objectives (e.g. PA2).

While the desk research identified the first three elements as main factors for the overestimation, the interviews also pointed out at the fourth one; although the objectives of PA2 will be achieved there will still be an important part of funds unused.

Lastly an important element has been the institutional changes. The ACIS has been moving twice within one year. Firstly from the Ministry of Finance towards the General Secretariat of the Government and secondly towards the Ministry of European Affairs. This has been a time intensive process and has caused further delays in developing, submitting and implementing projects.

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<sup>7</sup>OPTA Interim Evaluation Report (2010), Annual Implementation Report 2010 and Monitoring Committees documents



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Measures have already been taken both at ACIS and at the Government level to increase absorption capacity for the OPTA and also for the other OPs. However it is important to say that certain legislative and structural measures will need more time to be implemented and therefore the impact during the current programming period will be less significant considering the duration of the project cycle.

### Summary

The above data shows delay in programme implementation and is sign for a probability of de-commitment of funds. It is therefore expected, on basis of the current information, that if no additional measures are introduced - such as changes in the procurement system, sufficient and capable staff and potential additional activities or beneficiaries to the OPTA - the OPTA allocations will not be fully used in PA2 and PA3 and contribution to the increase of the pressure for automatic de-commitment is to be expected for PA2 and PA3 due to the N+2, N+3 rule. This risk will increase in 2013 when the commitments for 2010 and 2011 have to be certified.

## 3.2 Capacity of beneficiaries in PA2 and PA3: workload analysis

Q2. Is the beneficiaries' lack of capacity hindering planning and managing projects in PA2 and PA3? What are the beneficiary's tasks that may be externalized?

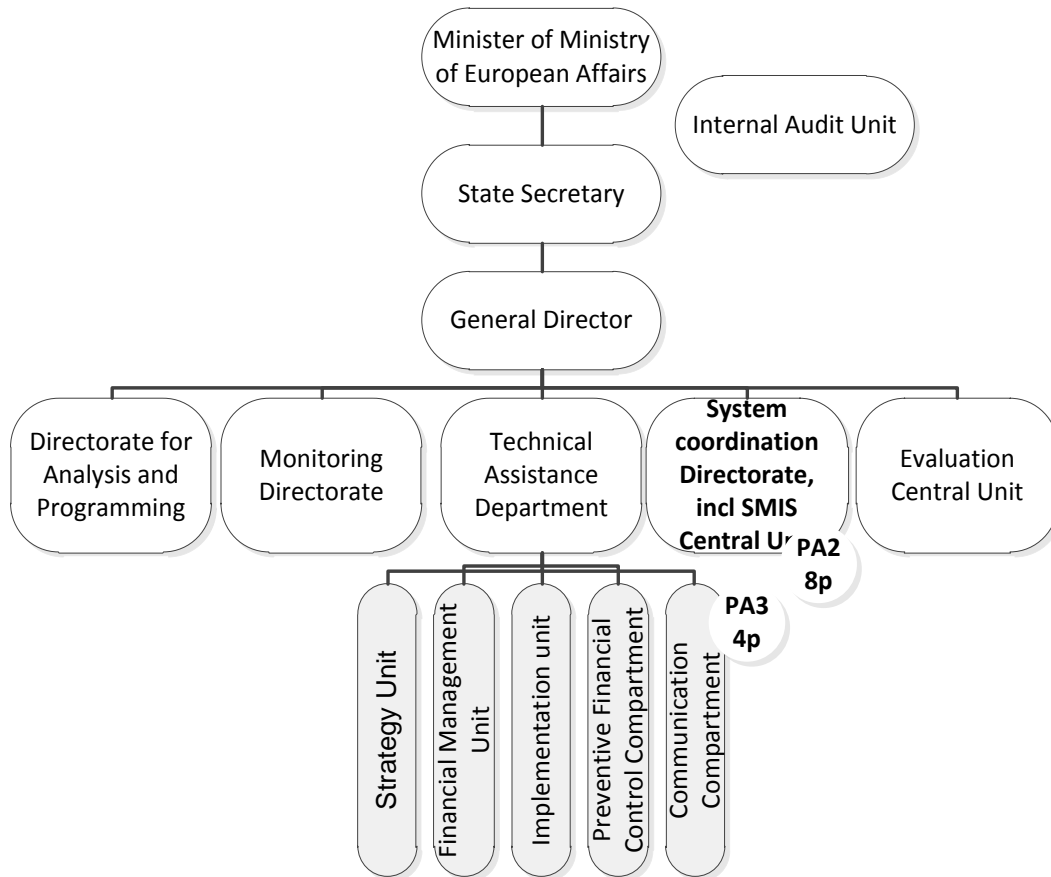
### 3.2.1 Findings of the analysis

#### Structures

According to OPTA, the main beneficiaries for PA2 and PA3 are part of the Authority for the Coordination of Structural Instruments (ACIS) structures:

- ✓ SMIS Coordination Service (SMIS CS) for PA2
- ✓ Information Compartment for Structural Instruments (ICIS) for PA3.

**Figure 8 Organisational chart showing the position of the beneficiaries of PA2 and PA3 and the TAD/DTA (Managing Authority of OPTA) within the Ministry of European Affairs in Romania**



Source: Ecorys on basis of Organisational charts provided by ACIS

As seen in figure 8 above, the two ACIS structures beneficiaries have a different status in ACIS General Directorate organizational chart:

- ✓ the SMIS Coordination Service is managed by a Chief of Unit and is part of the System Coordination Directorate, managed by a director, which is under the coordination of the general director of ACIS,
- ✓ the ICIS is part of the TAD which also includes the Implementation Service (IS) and the OPTA MA

The interviewees of ICIS and SMIS CS indicate that in terms of financing contracts execution the relations with the OPTA MA are clear, including the flows of documents that are officially exchanged between the two structures (the financing decisions, progress reports and reimbursement requests).

In terms of implementation through procurement contracts the situation is more complicated. The demarcation between the ACIS structures as beneficiaries and the IS for the responsibilities in managing the public procurement procedures and contracts for the implementation of the OPTA funded projects is not completely clear and no implementation agreement is in place for a formal delegation of responsibilities. Although a draft implementation agreement was proposed by TAD to beneficiaries in the past, negotiations were not finalised and therefore no agreement was reached on the content.

Hence, although the structures needed for the implementation are in place, the following elements are points for attention (see also section tools):

- ✓ the existence of a beneficiary structure (ICIS) under the same coordination with the OPTA MA,
- ✓ implementation responsibilities undertaken by a different structure than the beneficiary (IS) without a formal implementation agreement
- ✓ unclear delineation of implementation tasks between beneficiary and the IS

### Human resources

The human resources, the most sensitive of the three capacity builders was analysed on three directions:

- ✓ number, resulting in volume of available working time for the amount of tasks to be performed (more projects),
- ✓ work efficiency resulting in better results for the same/less amount of work,
- ✓ areas for increasing capability and motivation for effectiveness and sustainability.

It is important to point out that the existing staff of the ICIS and SMIS units are not only responsible for the implementation of OPTA projects; this is a task which is additional to other ACIS tasks they have in the unit. In the case of SMIS unit, most of the tasks have to do with the main activity of this unit, which refers to ensuring the continuous and correct functioning of SMIS, as key requirement in the compliance of management and control systems for all OPs financed through structural instruments. As such, this is the only activity within ACIS coordinating role that is subject to audits from the Audit Authority and the EC.

ICIS has a total number of 4 positions allocated, of which one was occupied during the analysis and was not included in data collection process and one position has been suspended due to maternity leave of the occupier.

When looking at the total workload within the unit, it is found that the existing ICIS staff is considered to be insufficient for undertaking all current tasks assigned to the unit. This opinion is shared both by staff and the evaluator, seen the workload and tasks within the unit identified during the desk research, analysis of the filled questionnaire and the joint interview.

In SMIS CS, of the total number of 9 positions allocated to this unit, 8 are occupied while 1 is still vacant. Only 6 of the 8 occupied positions undertake OPTA beneficiary tasks according to both job descriptions responsibilities and to those received from superiors (head of unit and director).

For each of the two beneficiary units the administrative capacity for planning and implementing projects is limited by different factors due to specific staffing, organization and management. While in ICIS the highest limitation is staff insufficiency, the SMIS CS capacity is limited by several efficiency factors as well.

- ✓ ad hoc tasks which are essential to ACIS above mentioned SMIS-related obligations and which usually cannot be bypassed: helpdesk to SMIS users all over the country
- ✓ external tasks and requests regarding equipment setting up for new users, equipment users' responsibilities, equipment and/or software functioning claims, which lead to frequent external interruptions
- ✓ focus on current SMIS-related tasks at the expense of OPTA projects preparation and implementation,
- ✓ job descriptions insufficiently covering project management tasks and unclear tasks allocation.

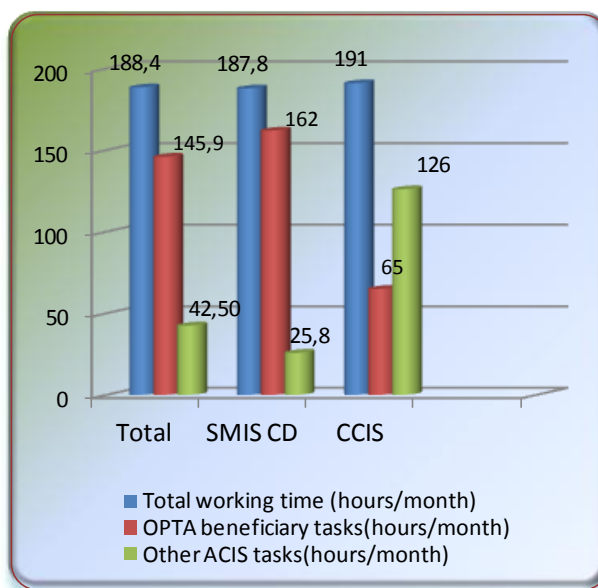
ICIS and SMIS CS staff have to prepare and implement a number of 34 projects and contracts included in the 2011-2014 updated pipeline:

- ✓ 21 for the SMIS Coordination Service with an average of 3.5 projects/contracts per person, and
- ✓ 13 for ICIS with an average of 4,3 projects/contracts per person for ICIS.

The average estimated monthly working time<sup>8</sup> of the staff in the two ACIS structures is about 188.4 hours/month, (representing 11,30% overtime)<sup>9</sup> with different proportions of OPTA tasks and other ACIS tasks in the two units:

- ✓ SMIS CS fulfils OPTA tasks for about 86% <sup>10</sup>of the total working time, covering all OPTA eligible activities which have not been outsourced yet.
- ✓ ICIS staff only works in average 34% of the time for OPTA projects.

**Figure 9 PA2/PA3 beneficiaries staff working time**



Source: Ecorys questionnaire staff

According to time estimates for projects preparation and implementation tasks, running a project with one subsequent contract would cost around 0,25 – 0,5 FTE<sup>11</sup>. However the time spent is dependent on the size of a project and the number of subsequent contracts and their size.

The 2011-2014 pipeline indicates more longer term and more complex projects and contracts for SMIS CS, which imply more time needed for project management and contracts monitoring (with important technical input) while in the ICIS there are several short time projects/contracts which need more time for preparation of tender dossiers but much less time for project management.

Therefore the number of staff working exclusively for the preparation and management of projects and contracts provided in the pipeline for the period 2011-2014 for the two units would indicate a minimum of 10,5 FTE for SMIS CS and of 3.25 FTE for ICIS.

<sup>8</sup> Averages and percentages are calculated on the basis of the information provided by staff in questionnaires on time estimates for categories of projects tasks and other ACIS tasks

<sup>9</sup> An average of 19.1 hours/month/person

<sup>10</sup> It also covers the eligible activities established in OPTA which have not been outsourced yet, such as helpdesk.

<sup>11</sup> FTE: full time equivalent. Estimated based on the time duration of various project tasks provided by the respondents and presented in the detailed report in Annex 2.

Looking at the existing staff, percentages of OPTA tasks in their total working time and the overtime spent at work, the following calculations would indicate a need for additional 5,9 FTE for SMIS CS and of 2.35 FTE for ICIS.

However it is important to keep in mind that projects preparation and implementation is an uneven activity. Implementation of OPTA through projects generates a variation of workload in time according to the number, duration and complexity of the projects and the project cycle stages.

At the same time, it is important to take into consideration potential savings of working time through work efficiency increase by actions taken on those factors which have a direct impact on the staff workload. Among these factors, two of them are almost general for all the staff; e.g.: other priorities (urgent tasks on tight deadlines on all tasks to be performed) are present for most of the staff, while interruptions by superiors and colleagues are general. Most of the factors influence up to 25% of the working time of the staff, however in some cases this influence exceeds 25% and even 50% (other priorities).

Another relevant element to consider is the staff capacity to make decisions on their tasks which directly relates to the delegation of responsibilities by their superiors and hence to the number and amount of time needed for approvals.

In the SMIS CS, overall, staff perception is that up to 10 % of the decisions made by staff on their project management tasks are made by themselves while the difference is shared between their superiors (50% and more and other decision makers from outside their structure (up to 10%). In the ICIS, although the information provided by questionnaire indicate that staff make 50% of their decisions, this information was not confirmed during the joint interviews when the staff expressed dissatisfaction for not having sufficient freedom in making decisions, especially in their specific areas of expertise. It is also important to notice that the percentage of the external decision for this unit is higher which can be related to the high percentage of general ACIS communication responsibilities in the total tasks of staff in this unit.

As indicated in the methodological approach, an increased absorption capacity would need an improved administrative capacity for planning and implementing projects and therefore all three capacity builders (structure, human resources and tools) and their elements were analysed also by taking into consideration the perception of the staff who is directly involved in the process.

These perceptions, collected through questionnaires and validated through the joint interviews, brought important information regarding the most important causes of the reduced capacity:

- **for both units:**
  - ✓ staff perceive more issues in projects management than in projects planning: all staff faces problems in implementation and to lesser extent in planning.
  - ✓ human resources and systems and tools are the capacity builders for which both units identified issues, namely: insufficient and insufficiently used staff on the one hand and lack of beneficiary's procedures and manuals on the other hand.
- **in SMIS CS** the critical issues are generally perceived by staff as due to the following management factors:
  - ✓ for projects management unclear responsibilities and tasks allocations
  - ✓ for projects planning the lack of prioritization and insufficient vision selected (it should be mentioned that only one member of the staff outside the head of unit actively participated and contributed to project planning so far),
  - ✓ insufficient delegation due to lack of relevant knowledge (e.g. technical) and trust, staff needing to wait for approvals both at unit and at the directorate level,



- ✓ a vicious circle in terms of outsourcing: although there is a need for outsourcing to reduce workload (e.g. for, helpdesk, equipment maintenance or monitoring of procurement contracts) there is insufficient outsourcing due to lack of time to prepare the procurement dossiers and then due to delays in procurement launching once the dossiers are prepared,
  - ✓ main focus on performing the core activities regarding the functioning of SMIS: helpdesk, training, maintenance, small developments (reports, art4smis etc.), data correction etc.
  - ✓ performing most of the external requests as urgent tasks, including administrative tasks such as ACIS equipment inventory and requests for equipment supplies,
  - ✓ lack of procedures for managing outside ACIS, non-SMIS related complaints and requests (e.g. regarding equipment setting up for new users, equipment users' responsibilities, equipment and/or software functioning complaints) which leads to frequent external interruptions
- **in ICIS** the most important issues are related to the number and qualification of the staff which are seen as insufficient, the absence of important working tools such as procedures and manuals.

Looking at the human factors generating the staff capability and motivation to undertake the allocated tasks for projects planning and management, attention has been given to staff capability increase through addressing development needs in the related areas.

Although in terms of development needs in the areas required by the job, the level of skills and knowledge is considered satisfactory, there is a general awareness that there are important development needs mainly in project management and public procurement areas which are directly related to projects preparation and implementation tasks. It is however important that the development programmes are customised according to specific needs of each beneficiary and that the staff is supported in the use of the acquired knowledge and skills.

Staff motivation is also an important factor influencing the absorption capacity as it contributes to a low staff turnover and thus to a loss of skills, experience and capacities. The information collected during the analysis allowed for the identification of the most important motivation factors for the two beneficiaries' staff:

- ✓ salary increase according to performance, although this might be a difficult issue seen the limitation in the salary system for civil servants staff ,
- ✓ better working process management, including delegation,
- ✓ management by objectives.

### Consequences in relation to the absorption capacity

Despite the possible time savings that can be made by improvement of the above mentioned issues, the capacity to absorb the remaining pipeline is not enough. Hence, for the remaining of the programming period, additional workload would need to be considered as a result of implementation of the new projects which are in the pipeline planned for the 2011-2015 and which would need about 8 times more working time on projects at the current work efficiency. The evaluator concludes, based on the outcomes of the capacity of the beneficiaries as it is now, that it will be impossible to absorb the projects present in the pipeline, without extra resources. The evaluators consider that in sourcing temporary contractual staff (e.g. freelancers/consultants)<sup>12</sup> would be an option to ensure that projects in the pipeline can be absorbed on relatively short notice.

<sup>12</sup> In the Netherlands freelancers/consultants are hired on a temporarily basis for specific needs.

The figures presented in section 4.1. show an estimation<sup>13</sup> of FTE working time needed for the implementation of the projects and contracts in the pipeline which would require additional staff:

- ✓ **SMIS CS:** 5.90 FTE
- ✓ **ICIS:** 2.35 FTE.

However, before hiring new staff, this estimation should be considered together with specific time needs of the projects to be implemented, as presented in section 4.1 and with potential time savings achieved through better work process management; e.g.

- ✓ actions to reduce the negative influencing factors on workload,
- ✓ better tasks reallocations between existing staff along with job descriptions reviews, (see also section job descriptions).
- ✓ filling in suspended/vacant position

### Possibilities for outsourcing

For the **ICIS** there is a need for outsourcing the activities of the Communication Plan, but not for the implementation of the plan as a whole. Furthermore, it would be useful to outsource the procurement activities, such as the preparation of the tender dossiers through a technical assistance project.

For the SMIS unit, outsourcing the current core SMIS-related activities would be critical for an increase in the unit's focus on project management. Interviewees mentioned that it would be very useful to outsource time-consuming activities, also with the view on reducing the workload. Activities that could be outsourced are:

- ✓ SMIS related activities such as helpdesk to SMIS users all over the country<sup>14</sup>, application maintenance, training, error correction. Helpdesk could be organized through a call centre or a hotline.
- ✓ the maintenance of equipment<sup>15</sup>
- ✓ preparation of terms of reference and procurement dossiers
- ✓ support in evaluation of tenders
- ✓ monitoring of procurement contracts.

For some activities, outsourcing is a bit more complicated, as for instance the monitoring of the SMIS functioning is very specialist work and the contractor should be familiar with the system and its applications.

### Systems and tools

The documentary analysis identified a certain lack of consistency and/or correlations both between documents and/or between provisions of different sections of the same document.

The Organising and Functioning Regulation (ROF) provisions about the OPTA beneficiaries roles and responsibilities are very general and sometimes without clear correlations between them. The responsibilities are not complete and the functions flows between structures are missing.

There is a comprehensive OPTA MA procedures manual covering 2007-2013 OPTA implementation, which could be considered a detailed and useful tool at hand for the OPTA MA

<sup>13</sup> The numbers refer to full time equivalent additional staff working exclusively for PA2/PA3 projects.

<sup>14</sup> Procurement dossier prepared already for outsourcing

<sup>15</sup> Partly already done, as a new contract was signed for new equipment which includes 5 years of maintenance,



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staff as well as for the other ACIS structures involved in the implementation of OPTA as it also contains tasks and obligations for beneficiaries.

However, this document contains two main categories of inconsistencies and lack of clarity regarding PA2/PA3 OPTA Beneficiary's roles and responsibilities for the projects preparation and implementation:

- ✓ regarding the Beneficiary's accountability for the project implementation –there is some lack of coherence between the provisions of OPTA and the Financing Decision on the one hand and the provisions of the OPTA implementation procedures on the other hand regarding the accountability for projects preparation and financing contracts management;
- ✓ regarding projects implementation responsibilities - some of the provisions presented in several sections in the procedures, are not very clear or contradictory, leaving room for interpretation and/or overlaps; e.g.: responsibilities regarding preparation of financing applications, progress reports and payment claims<sup>16</sup>.

In practice, the relations between the project managers (from the beneficiary) and the contract managers, regarding the administrative management and technical management of the procurement contract are based on informal agreement. This means that the responsibilities are shared according to the IS contract manager requests. This is also done, as there is no clear instruction or manual for the beneficiary on these issues. The result is that the beneficiary has to learn by doing under the directions given by the IS and their superiors.

Another issue is that there are no provisions in the procedures regarding all documents flows. Thus, the beneficiary has to prepare project progress reports and reimbursement requests based on the contractors supporting documents which are received by the IS.

Also, the beneficiaries do not keep records of accounts for the projects which are done by the Financial Management Service within TAD, although they have this responsibility according to the financing decisions.

The evaluators conclude that these issues influence the efficiency of working, but more important, can contain risks for accountability and liability.

Hence, from this point of view it is important to improve the procedures and division of tasks regarding the procurement and also to formally regulate the relations between the beneficiary and the IS regarding the implementation responsibilities delegated to the IS (procurement procedures and contracts)

The tasks for the projects preparation and implementation are allocated to staff through job descriptions and instructions received from superior. Therefore, the content of the job descriptions of the positions in the two PA2/PA3 beneficiary units was looked at as a part of the integrated analysis with the view to identify the correlations between:

- ✓ responsibilities at different functions levels and how they are broken down at positions level,
- ✓ the positions goals and the allocated tasks set for achieving these goals,

The analysis performed shows a number of areas of improvement as identified by the evaluator:

- ✓ while ICIS positions could be identified in a TAD detailed organizational chart, no SCD chart could be found for the identification of SMIS CS jobs;

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<sup>16</sup> E.g. section E of the procedures (Projects preparation, public procurement and contract implementation): „For projects whose beneficiary is ACIS, or ACIS structures, the financing application, payment claim and progress report will be prepared by responsible staff nominated by the head of the Implementation Department according to the approved job description”



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- ✓ the names of the positions in the job descriptions do not reflect the jobs' roles in the organization but the civil service functions, although in the TAD organizational chart for instance the positions in the ICIS are referred to as "Information responsible";
- ✓ even if there is a standard format for the job descriptions the content is differently understood among the units and positions. While the job descriptions of the ICIS positions are more detailed and with a similar content, in the SMIS CS they are more synthetic and the tasks allocations less clear in relation to the job goals;
- ✓ the roles and goals of the positions in the organization seem to be insufficiently understood and most of the job descriptions describe activities for the position goals;
- ✓ in several cases the specific requirements for the job seem to reflect the qualifications of the occupiers rather than the position needs for undertaking the allocated tasks;
- ✓ all the jobs include OPTA beneficiary responsibilities and other ACIS tasks in various proportions. In most cases the project manager roles are not specifically included and many of the projects preparation and implementation responsibilities are missing and/or different from one position to another. None of the job descriptions in SMIS CS includes tasks related to preparation of project proposals/financing applications and to projects administrative implementation (progress reports and payment claims) although staff is required to perform them. Most tasks refer to the technical activities and one common provision present in all job descriptions refers to the preparation of procurement dossiers.
- ✓ A better description of the roles, tasks and responsibilities in project preparation and – management would be benefited for the efficiency of working. The description needs alignment with the (improved) procedures and can be either introduced in the job description or in a separate instruction to the project managers

### The use of the tools in practice

The above shows that there is *not a full correlation* between the projects preparation and implementation related tasks provided by ROF, OPTA implementation procedures and the job descriptions. The job descriptions do not cover all project related tasks.

The questionnaire shows that OPTA MA implementation procedures are not familiar to beneficiaries' staff or are considered to be exclusively TAD procedures and not relevant for them while a need for a beneficiary's procedures manual is generally acknowledged. The evaluators consider that the use of procedures should be promoted.

Despite of this and the fact that not all project management issues are covered in the job descriptions, the staff does undertake the necessary project management activities. They undertake the implementation tasks at the request and/or instructions of superiors and other relevant units (e.g. Implementation service, Financial Management Service). Thus, in practice, project proposals and financing application preparation as well as administrative implementation tasks (progress reports and payment claims) are undertaken by staff as part of their project manager role.

A number of improvement actions related to issues that need to be improved relating to structures, human resources and systems and tools were presented to staff for opinions and the answers below reflect their perceptions on potential solutions.

- ✓ Most of the answers refer to structures and human resources and most part of respondents would agree on project multifunctional teams (including financial and procurement experts. with clear tasks allocations and improved management.



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- ✓ Currently, there is a PM in the beneficiary structure working with experts in other units without being part of a structured formal project team with clear responsibilities.
- ✓ Only half of them would see outsourcing as a potential solution but at the same time almost everybody sees human resources development in terms of number and skills as a general improvement need. In terms of systems & tools reviewing OPTA MA implementation procedures and developing a beneficiary' procedures manual should be accompanied by staff training in their use.

### 3.2.2 Conclusions and recommendations

## Conclusions

### Structures

The structures for the implementation of the OPTA PA2 and PA3 are in place. The division of tasks between the structures is, however, not always clearly set. This is especially the case in relation to the public procurement tasks, leading to unclear responsibilities and inefficiencies, but more important to dissipation of the legal accountability for the financing contract execution.

The involvement of the IS in the implementation of the beneficiaries' projects is done in the absence of formal document establishing responsibilities among the structures involved in the project implementation, while this would be needed in terms of sound management and accountability.

The existing of the IS within TAD organizational structure could lead to a number of dysfunctions, delays and/or difficulties in managing:

- ✓ additional flows introduced in the projects implementation processes
- ✓ potential conflicts of interests in managing MA and beneficiary roles within the same structure
- ✓ beneficiaries' accountability for projects implementation

Although the separation of functions within TAD is clear and is established by ROF, at the level of beneficiaries there is a need for a written agreement with all the structures involved.

### Human resources

When looking at the capacity of the beneficiaries to absorb the projects in the project pipeline, it is clear that with the current available staff and the current workload, there is not enough capacity to prepare and implement those projects.

There are permanent staff shortages in ICIS and SMIS CS through temporary suspension of a position in ICIS and 1 vacant position and less efficient working process as related to the complexity of tasks in SMIS CS, along with temporary shortages generated by projects implementation needs.

Work efficiency will be directly influenced by actions taken to:

- ✓ reduce the amount of working time through process management,
- ✓ increase the staff capability and motivation



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In order to ensure the increased capacity, in sourcing of temporary contractual staff such as consultants for specific projects and outsourcing of time consuming activities such as project preparation, preparation of procurement documents and monitoring of procurement contracts could be taken. The estimated time per project needed differs based on the size and duration of the project, the nature and complexity of the project and the number and size of subsequent contracts needed for the implementation of the project (see recommendations).

In terms of capability, the current level of skills and knowledge is perceived by staff as satisfactory. However important development needs are acknowledged mainly in project management, time management and public procurement, areas directly related to their project manager's role.

Motivation of staff is very important in order to prevent a high staff turnover, and thus, a loss of knowledge, skills and experience. A performance based salary system would contribute to the motivation, but might be difficult to consider due to the civil servants status of staff for which the payment system is regulated by law according to categories, functions and grades. However a financial incentive scheme would be a good motivating factor and it could be considered for funding from OPTA PA1.

### Systems and tools

There is a comprehensive *OPTA MA procedures manual* covering 2007-2013 OPTA implementation, as a detailed and useful tool at hand for the OPTA MA staff as well as for the ACIS structures involved in the implementation of OPTA as part of it contains beneficiaries' tasks and responsibilities. Although the document was posted in the intranet is not familiar to beneficiaries' staff or is considered to be exclusively TAD's and not relevant for them.

On the other hand, the beneficiaries generally acknowledge the need for a detailed dedicated procedures manual for OPTA beneficiaries with clear roles, responsibilities and deadlines for project managers/teams along the whole project cycle.

There are some inconsistencies between different sections and/or between its provisions and what is actually done in relation to the PA2/PA3 OPTA Beneficiary's roles and responsibilities. There are also no clear delineations between IS and beneficiary's tasks in contracts implementation and the flow of tasks and documents is not complete for all stages of procurement contracts implementation.

Currently, in the absence of a beneficiary's manual (who is doing what and when?) and of working guides (how to do?) the project managers' responsibilities for implementation are undertaken according to instructions received from IS and from the superior in a "learning by doing process". This sometimes leads to delays and/or tensions among staff from IS and beneficiaries on "who is doing what" or "who is accountable". This is requiring improvements urgently, in order to work more efficiently, and, more importantly, to ensure the legal accountability for the financing contracts execution.

For SMIS CS there is also a need of procedures to manage outside non-SMIS related complaints and requests which currently are creating an important amount of interruptions and stress; e.g.: equipment setting up for new users, equipment and/or software functioning complaints, equipment users' responsibilities, requests for equipment supplies, ACIS equipment inventory.

## Recommendations

This section presents actions recommended to be taken to address the issues identified through this analysis as the main causes for the reduced capacity of the PA2 and PA3 beneficiaries to plan and implement projects funded by OPTA. The recommendations are structured in 3 main subsections corresponding to the three capacity builders analysed during the process.

### Capacity improvement through better structures

- The inconveniences created by the actual structures and their impact on the absorption capacity could be addressed either through structures redesign and/or through improving the work processes.
  - ✓ Our recommendations for the structure redesign would consider:
    - ✓ the Implementation Service organized as a separate unit/directorate, under direct coordination of the General Director of ACIS, and including the financial management tasks related to procurement contracts implementation
    - ✓ reorganizing the Financial Management Service remaining under TAD coordination to accommodate the MA needs,
    - ✓ organize the ICIS as a separate unit outside TAD, under direct coordination of the General Director of ACIS in order to avoid the conflict of interest situation by having the beneficiary in the same structure of the Managing Authority.
- In order to clarify the legal accountability of the beneficiaries for the financing contracts execution and the IS responsibilities for the procurement contracts, it is recommended to:
  - ✓ designate the Contracting Authority role for public procurement contracts to the beneficiary
  - ✓ delegate implementation responsibilities to the Implementation Service and the Financial Management Service through implementation agreements to clearly define the division of tasks and responsibilities relating to public procurement and contract management between the beneficiary and the Implementation Service.
- To better accommodate all OPTA beneficiaries' responsibilities, including the relations between involved structures in the process, it is important that the Organising and Functioning Regulation ROF provisions regarding ACIS structures' roles and attributions are further defined and elaborated
- In order to support the work division between the different structures, the following recommendations are made:
  - ✓ review the job descriptions in both **SMIS CS and ICIS** in order to match the structures' roles and to redefine the job goals for a more efficient and cleared allocation of tasks in terms of project management.

### Capacity improvement through better human resources management

Seen the limited capacity of the current PA2/PA3 beneficiaries' staff to manage more OPTA projects, it is recommended to increase the capacity on short notice for both SMIS CS and ICIS.



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This can be realised through hiring additional staff in these ACIS structures positions and through increasing outsourcing for the time consuming activities.

A first rough estimate is that for a project with one subsequent project around 0.25-0.5 FTE is needed and therefore, for the implementation of the projects in the 2011-2014 pipeline, the calculation shows a need of additional staff of 5,9 FTE for SMIS CS and 2.35 FTE for ICIS.

These numbers cover the vacant/suspended positions and therefore before hiring new staff, priority should be given to filling in suspended and vacant positions in both units and to reallocation of tasks between existing staff.

- ✓ Considering the large variation of projects in terms of size, duration, complexity and the timing of their phases, it is recommended that in sourcing of temporary contractual staff is considered, according to the remaining needs after outsourcing of the major tasks.

### Increased outsourcing for time consuming activities:

- **for both units** – project management activities through TA projects such as:
  - ✓ preparation of terms of reference and procurement dossier,,
  - ✓ support in the evaluation of tenders
  - ✓ monitoring of procurement contracts implementation:
  - ✓ verification of contractors progress reports,
  - ✓ monitoring of technical activities and verification of deliverables
- **for ICIS** - implementation activities for the Communication Plan
- **for SMIS CS**: SMIS related activities such as helpdesk to SMIS users all over the country, application maintenance, training, error correction<sup>17</sup> maintenance of ACIS equipment<sup>18</sup>. In our opinion for the helpdesk a call centre or a hotline could be a suitable solution.

### Better work process management

The capacity to absorb OPTA projects on the longer term can be improved through work efficiency increase as a result of:

- for **both units**: prioritization of project management tasks and time allocation through task classification by importance and urgency
- for **SMIS CS**:
  - a more efficient division of tasks and responsibilities among positions and staff
  - internal specific procedures for non-SMIS related tasks (see systems& tools below).

### Capability and motivation

Increased staff and management capability through:

- staff development programmes (training and coaching) tailored to the specific needs of the actual tasks performed.
- management development programmes could be organised, to support managers in developing the necessary skills to better organize work processes and staff.

<sup>17</sup> Procurement dossier prepared already for outsourcing

<sup>18</sup> Partly already done, as a new contract was signed for new equipment which includes 5 years of maintenance,



Increased staff motivation through:

- financial motivation: design of a financial incentive system to reward people who get good results in implementing projects as a way to boost absorption
- delegation of some management responsibilities to staff; this is also a way to increase the work efficiency. The delegation may consider specific tasks for which corresponding authority for decision making is given to staff. The selection of such tasks should be made by the manager together with the staff based on common understanding and trust regarding staff capability to undertake the responsibilities.

## Capacity improvement through better working systems & tools

### OPTA MA implementation procedures

As certain inconsistencies are found in the OPTA MA implementation procedures, it is recommended to:

- ✓ correct inconsistencies between different sections and/or between its provisions and what is actually done in relation to the PA2/PA3 OPTA Beneficiary's roles and responsibilities in the projects preparation and implementation;
- ✓ develop and complete insufficient or missing responsibilities and document flows for all stages of procurement contracts implementation;
- ✓ adjust the content of the financing contract/decision to comply with the actual rights and liabilities of both parties.

### Beneficiary's procedures manual

In order to facilitate the division of tasks and proper project management, it is recommended to

- ✓ prepare a detailed Beneficiary's manual answering the questions "who is doing what, when and how" covering all project cycle stages and correlated with the OPTA MA implementation procedures and its dissemination to all beneficiary structures.
- ✓ train the beneficiary staff in the use of the manual including through concrete examples and exercises in the use of documents and formats.

### SMIS CS internal procedures

- ✓ Outside non-SMIS related complaints and requests<sup>19</sup> addressed to the SMIS unit leads to ad hoc work, having a very negative effect on the work efficiency due to work interruptions and stress. In order to reduce the outside complaints and the ad hoc way of working and increase work efficiency, it is recommended that procedures are prepared at ACIS level to set clear rules for managing them. These procedures should set rules, responsibilities and deadlines for collecting and registering the requests, prioritization according to importance, urgencies and frequencies, allocation of clear tasks and deadlines for their solving (who is doing what and when) according to types of issues, from the moment they reach the unit

The detailed report on workload Analysis report is presented in Annex 2.

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<sup>19</sup> E.g.: equipment setting up for new users, equipment and/or software functioning claims, equipment users' responsibilities, requests for equipment supplies, ACIS equipment inventory.



## 4 Possible projects for the project pipeline and adaptations needed

Q5. Are there new eligible costs, activities or applicants to add to those already eligible to increase absorption in PA1?

Q3. Are there programmable changes in eligible costs/activities/applicants/ target groups increasing demand/ absorption for PA2 and PA3? If yes, will they significantly change the likelihood to fully use PA2 and PA3 allocations by the end of the programming period?

### 4.1 New project ideas relevant for Romania and adaption needed for PA 1, 2 and 3

In the context of the Evaluation of the Technical Assistance Operational Programme for Romania 2007-2013, an initial set of potential project ideas that could eventually be implemented in Romania under OPTA has been identified and constructed with the support of international evaluators.

These project ideas have proved to work well in other parts of the European Union, were initially considered relevant for Romania and, therefore, there could be possibilities that, once they were adapted and tailored to the national context, could be implemented in the framework of the Romanian OPTA.

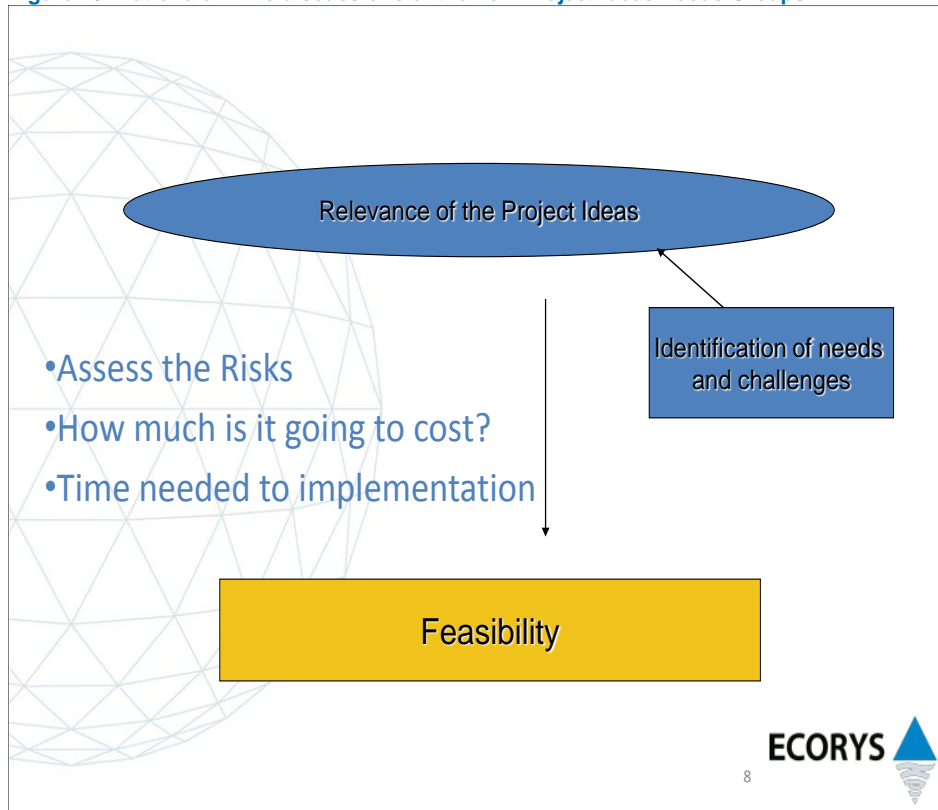
In this sense, the methodology for the evaluation included the celebration of two Focus Groups to discuss the relevance of the suggested project ideas, open the floor for new initiatives coming from participants, assess the feasibility and viability that such ideas could have in Romania, and discuss about the first budget allocations required for undertake the operations.

All these tasks were carried out in the framework of the Focus Groups with the final objective to confirm and fine tune the international experts initial findings and to ensure that the proposed solutions were as realistic and feasible as possible (in this or in future programming periods of the EU's Structural Funds).

Last but not least, it has to be stated that in the consultation with the European Commission it was clearly indicated that the OPTA should focus on the needs and problems and answering those needs. The OPTA should not search for solutions to spend the allocation just for the sake of increasing its absorption capacity. There should be a need for proposing the additional activities and beneficiaries. They should be added only if this helps to answer the needs, problems and objectives of the OPTA in Romania. Furthermore the European Commission indicated that the current working plan with potential projects for 2011-2015, the International Financial Institutions Scheme that just started and the Priority Action Plan are important issues to look at for increasing the absorption capacity.

In this way, the rationale used in the discussions was the following:

Figure 10: Rationale in the discussions of the new Project Ideas Focus Groups



#### 4.1.1 The current situation and some new ideas – General suggestions

##### A) Projects ideas that represent a new development in Romania, are relevant, are feasible and are eligible under OPTA

After the consultation process was ended, and from the 33 project ideas that were presented to the representatives of different Operational Programmes and to the actors and stakeholders in the framework of the Focus Groups, a list of 17 potential new project ideas suitable for OPTA is presented further in the report.

Out of those 33 project ideas, some of them, even though they were considered relevant and they could confront some pressing needs in the country, they could not find a place within the scope of activity of OPTA as they did not match the objectives of the Programme and could not be considered either relevant or feasible to be accommodated in other more suitable Programmes. On the other hand, some other presented project ideas were considered either not relevant or were, in one or another way, already covered by the current project pipeline.

##### B) Project ideas that can be structured around five different typologies

From the new ideas for potential implementation in the Romanian context, the list of new ideas for potential implementation in the Romanian context can be structured around five different typologies.



1. *Project ideas that will establish four different thematic networks*

Mechanisms of coordination that serve as an exchange of experiences and for the dissemination of best practice funded by the Community funds in their fields of activity, as a useful engine for project generation, as an efficient platform for management, a powerful stakeholder in the relevant field and as the national representative in different European foray.

2. *Project ideas that will support a general enhancement of evaluation activities regarding cohesion policies*

An evaluation network to be placed at the cornerstone of the Structural Funds' instruments evaluation in the country. It will generate activity and will coordinate actions in all aspects of strategic and operational evaluation in Romania.

3. *Project ideas to support public procurement procedures and practice*

As procurement is considered one of the major challenges to be confronted for implementation and ultimately for absorption capacity, OPTA will place itself as a supporting instrument for launching new project ideas that will contribute to a better practice in the public procurement sphere.

4. *Project ideas that contribute to widening the scope of OPTA's support to communication activities*

Project ideas, which are intended to reinforce communication and dissemination of the Structural Funds in Romania by supporting tailor-made communication campaigns at local level, but also national wide communication and publicity actions involving mass media.

5. *Project ideas that deal with Innovation, RTD and competitiveness as key horizontal issues to support*

Growth and Jobs and their interaction with innovation, competitiveness and RTD are at the cornerstone of European's regional development policy. In this respect, the new project ideas list contains a number of actions related to this horizontal and important aspect of sustainable economic development.

**C) Project ideas that need clear Ownership and Leadership to take them forward and achieve success**

Champion institutions and bodies to take these project ideas forward and lead in their implementation and coordination need to commit and provide adequate resources. Even though OPTA can co-finance a substantial part of the activities included in each of the new projects, this commitment at all levels, from top management (or top political level) to technical level, has to be ensured.

In this sense, and as a way of example, for the sustainable development thematic network, the Ministry of Environment and Forests should lead the way, or the Ministry of Labour, Family and Social Protection should certainly play a crucial role in the establishment and development of the Thematic Network on Equal Opportunities.

## D) Project ideas that demand a revision and enlargement in the scope of Key Area of intervention 1.1

The last point to underline on general remarks regarding the new proposals for the OPTA's pipeline comes with the fact that Key Area of Intervention 1.1 'Support to the management and implementation of Structural Instruments' is the real engine of the Programme and, with the new proposed ideas, it becomes even more important for absorption capacity and activity generation purposes.

In this sense, the scope of that Key Area of Intervention 1.1 should be expanded to bring it closer to its real dimension and importance as the real catalyser of activity in the Operational Programme. This will ensure a greater deal of coherence, transparency and clarity towards the potential beneficiaries.

The list of new project ideas as approved after the consultation process follows. The information has been structured around the three different Priority Axis of the Programme.

A complete list of project ideas with more comprehensive information can be found on Annex 3.

### 4.1.2 The current situation and some new ideas – Priority Axis 1

#### Current situation

The first priority axis of the Romanian OPTA has already an extensive list of activities, costs and beneficiaries and has already been enlarged with more beneficiaries. Basically all institutions dealing with Structural Instruments are eligible as potential beneficiaries.

#### Some new ideas

Table 6 New project ideas and target groups<sup>20</sup>

Project title	Budget estimates [in euro]	Main features and characteristics	Target Groups
<b>KA1.1</b>			
<b>Establishment of a co-ordination network between those responsible at national, regional and local level of integrating sustainable development aspects in the Structural Funds.</b>	200 000 euro (estimation per year; ongoing network; the amount varies depending on the scope and intensity of the activities).	Useful tool to integrate environmental and sustainable horizontal aspects in the OP implementation. Also, powerful instrument to generate project ideas and to inform all sectoral policies with the horizontal principle of sustainable development. Possibility to set up different working groups regarding climate change or the Environmental Strategic Evaluation. Finally, the network acts	Regional and local authorities; Environmental organisation; Sustainable development main stakeholders.

<sup>20</sup> Information on beneficiaries and possible changes needed in eligibility costs can be found in annex 3

		as a platform that brings together the most relevant actors and stakeholders in this field and can eventually be used to represent the country in the European sphere on cohesion policy and sustainable development	
<b>Urban Development thematic network.</b>	200 000 euro (estimation per year; ongoing network; the amount varies depending on the scope and intensity of the activities).	This thematic network focuses on the urban dimension of the European Regional Development Fund co-financed Ops. It has proved very useful to design and promote urban development projects in different territories and to keep this fundamental feature of cohesion policy in the project portfolio. This becomes even more important with the fact that URBAN does not exist anymore. The network also brings together the relevant national government Ministries and agencies with the local government to discuss about urban development policies and also acts as the country representative for URBACT II.	Romanian Federation of Municipalities; Romanian Association of Communes; relevant Ministries at national level. Towns and cities should also be involved.
<b>Network on equal opportunities between women and men and disadvantaged groups.</b>	200 000 euro (estimation per year; ongoing network; the amount varies depending on the scope and intensity of the activities).	The network coordinates efforts for the accomplishment of a horizontal principle of paramount importance in Structural Funds implementation. It also goes in line with policy trends in the country and guarantees equal treatment in the EU funded activities. The ultimate objective is to promote an effective equal treatment and access to opportunities between men and women and disadvantaged groups. It acts as a platform that brings together all relevant actors and stakeholders on equal treatment and gender mainstreaming in the country. Finally, powerful instrument to generate project ideas and to inform all sectoral policies with the horizontal principle of equal treatment.	Organisations representing women's interests; institutes or associations; National School of Political and Administrative Studies (SNSPA).
<b>Thematic Network for promoting innovation and RTD.</b>	750 000 euro (estimation per year; ongoing	Useful tool to promote the concept of innovation as a key feature for achieving growth and jobs. This as a	Universities; Technological Centres;



	network; the amount varies depending on the scope and intensity of the activities).	network that would bring together all relevant actors on RTD and innovation. The network may implement various types of activities, e.g. regional network of agencies for Innovation - a study + pilot project of 1 year to run 1/several agencies within a RDA or an association of RDAs leading to a study proposing to propose the best type of organization for OPTA 2014-2020; or study to apply the smart specialization - to allow integration of this new concept integrated into a practical approach for Romania at 2014-2020 horizon.	Research Institutes; National Authority for Scientific Research (ANCS); RDAs; Local Authorities; ACIS_TAD.
<b>Co-ordination of the Business Innovation Centres Network operating in Romania.</b>	200 000 euro	This DG Regio's network BICs across Europe usually have a Co-ordination Unit or Secretariat to guarantee coherence and maximise results of this supporting Centres. It has proved to be useful and a success history. With a limited budget, tangible results and concrete coordination and dissemination activities can be carried out on this important field.	Chamber of Commerce; a Regional Development Agency, Federation of Entrepreneurs or a national body for innovation and/or support to the private sector development.
<b>Study needs for upgrade of the procurement system.</b>	100 000 euro	Study for upgrading the procurement system - on needs, institutions to be connected, institutional structures, changes and costs. The functional study should result in providing details on the details to be corrected and improved in the whole procurement system.	National School of Political and Administrative Studies (SNSPA); Universities
<b>Upgrade of system for procurement [SEAP].</b>	3 000 000 euro	The system should be upgraded significantly. The budget proposed for that improvement would cover all preparatory and implementation costs: from the functional analysis, through implementation to the tests of the new system, and further training of the Train-Of-Trainers.	n/a
<b>A database on public procurement.</b>	1 000 000 euro	Connected to SEAP - a database needs to be established that will interlink, use and be accessible to all involved in public procurement to exchange information and to tackle	n/a



		overlaps and conflicts of interest. The project would cover both, very important analysis and consultation process of many involved institutions as well as the costs of updating the structure and contents of the database.	
<b>Training for staff of the procurement agency.</b>	100 000 euro	Especially on the specialist topics such as ex-post verification. The training could be organised as an ongoing cycle of trainings which, in time, should cover checking of practical implementation of the first series through 2nd round of trainings [higher level] for trainees=participants in the 1st edition.	ANRMAP
<b>Developing a better selection process and system / Setting up a pool of staff that can support in a flexible way different Managing Authorities and Intermediary Bodies.</b>	200 000 euro	The public institutions [e.g. DLAF] could make benefit of an external assistance in development of improved system and methodologies for attracting and selecting optimum candidates for work in the MAs. The system should be based on the best adapted Romanian and international experiences. As a result, the system should lead to creation of the pool of staff who would/could be implemented in flexible manner by MAs and IBs.	Managing Authorities and Intermediary Bodies
<b>Support for the timely delivery of indicators and covering the expenses of data collection for OP monitoring plus exchange of information and learning process from Italy.</b>	500 000 euro	Improve the current systems for data collection and information flows to monitor OP's implementation. The first part of the analysis should cover analysis of the Italian experiences and practices in that respect. The analysis to be followed by the changes stemming from the results - to be implemented by the future Beneficiary.	ACIS
<b>KA1.2</b>			
<b>Evaluation Network</b>	1 500 000 euro (estimation per year; ongoing network; the amount varies depending on the	Useful tool for responding to the European Commission's high expectations on Programmes' evaluation. Also good tool to promote the culture of evaluation in the country and, finally, effective	Universities; Research Centres; National School of Political and Administrative Studies (SNSPA);

	scope and intensity of the activities).	instrument to be used for programming for the next period. The Evaluation Network will count with an Annual Work Plan and a wide array of activities will be carried out such as: needs assessment and a pilot project to develop training programmes addressed to the Evaluators of High Education, together with universities/ associations/ organizations of evaluators from EU with good practices in this field; grant scheme for evaluation activities improving/widening evaluation methodologies and practices.	various institutions in public administration; well known organizations of evaluators
<b>KA1.4</b>			
<b>Inventory of tasks to be outsourced regarding Outsourcing of maintenance of IT systems inside the MA.</b>	50 000 euro	Outsourcing the informal 'technical help-desk' and other administrative services would allow the team concentrating on developing concrete tasks. That outsourcing would cover the technical services to be provided throughout the ACIS; thus freeing resources of the SMIS Unit to develop that System further, according to the original pipeline.	ACIS

#### 4.1.3 The current situation and some new ideas – Priority Axis 2

##### Current situation

For the second Priority Axis there is currently one main beneficiary, the Single Management and Information System (SMIS) Directorate. Under KAI 2.4 there are also some other beneficiaries (ACIS, MA for ACD OP; Regional Development Agencies: Bucharest-Ilfov, Centre, South-East and South; Regional Intermediate Bodies for HRD SOP: South-East, North-East, South-West, North-West and Centre) but so far only the SMIS CS has submitted projects.

Also here the difficulties with the procurement procedures are a major obstacle in the implementation of the programme. As the procurement of already planned actions is taking so much time, the situation has changed on the period when these projects can actually start. The low absorption capacity is furthermore caused by lack of prioritisation in those circumstances – the support on how to prioritise is needed. Outsourcing would be interesting option but currently there is no capacity in small SMIS unit to start the outsourcing process. The SMIS Central Unit has difficulties in prioritising their activities as filling the SMIS requires a lot of support and currently most of the work is done by the SMIS Central Unit itself. This has caused an overload of tasks.

## Some new ideas

Table 7 new project ideas, target groups and beneficiaries

Project title	Budget estimates [in euro]	Main features and characteristics	Target Groups
<b>KA2.1</b>			
Creation of a tool for the managing of cash flows between Managing Authorities and the connection in between them.	250 000 euro	Analysis and eventual implementation of unified system for managing cash flows. That analysis should be concentrated on adding/correcting/ upgrading functionality of the SMIS. The analytical work to be led by/under leadership of the SMIS Unit, as the System should incorporate that functionality, at the end.	ACIS (SMIS Unit)
Introduction of the electronic signature.	2 500 000 euro	Analysis and implementation of the electronic signature technology (obligatory linked with the SMIS) among the MAs, including continuous training on using that technology.	ACIS (SMIS Unit)

### 4.1.4 The current situation and some new ideas – Priority Axis 3

#### The current situation

The lack of staff (2 of the 4 positions are suspended) and lack of skills are causing a serious delay in the absorption of the EU Funds. Furthermore the only beneficiary is the TAD (Information Communication). Only 2 projects have been approved. For both projects the target group is the Communication Unit.

## Some new ideas

**Table 8 New project ideas, target groups and beneficiaries**

Project title	Budget estimates [in euro]	Main features and characteristics	Target Groups
<b>KA3.1</b>			
Tailored communication campaign in a selected territory.	100 000 euro	Communication campaigns to be designed according to the specific aspects of a given territory in the country (for instance, in a heavy industries region, focus on how Structural Funds are supporting economic development). The more tailored and targeted the communication campaign is, the more successful and effective will be. This "micro" communication activity is complementary to the one indicated below on mass media	Ministry of Regional Development and Tourism; RDAs; City Councils; Association of Communes of Romania (ACoR).
A competition to support the best ideas of promoting the EU Structural Instruments' results.	4 000 000 euro	This as a project on dissemination that is considered a success history in Poland. OPTA gets to involve the media (and thus attracting future interest), NGOs, self-governments, universities, etc. in promoting real-life results of Structural Funds implementation among the public. The individual projects would be defined by the public - thus responding to the information needs of the society = bottom-up approach.	Awarded media/NGOs/companies/self-governments/universities, etc. (it should be run like a grant scheme)
Outsourcing of activities from the Communication Plan	May be calculated once the decision is made which parts of the Communication Plan implementation would be outsourced.	A number of activities and actions stemming from the Communication Action Plan of OPTA can be considered to be outsourced and thus generate activity and absorption of funds. From the workload analysis, it becomes clear that in the current situation the capacity in terms of personnel to undertake further activity is insufficient. This project would have to be defined by ACIS and the division responsible for Communication.	ACIS

#### 4.1.5 Summary

As it can be noticed from the section above, experiences from other Member States and discussions among stakeholders in Romania have resulted in the production of a concrete set of project ideas that: can be implemented in the near future in the framework of OPTA; can generate activity; can bring more target groups and beneficiaries to the Programme and, ultimately, should enable a boost up in the Programme's absorption capacity.

It is important to note that these ideas are:

- Considered relevant and useful towards the achievement of OPTA's overall and specific objectives.
- Received with interest by relevant stakeholders, potential beneficiaries and future owners.
- Feasible and eligible under the current Programme's structure.
- Applicable in this or in the future programming period.

These project ideas refer mainly to Priority Axis 1 - Support to the implementation of Structural Instruments and coordination of Programmes, to a lesser extent to Priority Axis 3 - Dissemination of information and promotion of Structural Instruments and, with to a quite limited extent, to Priority Axis 2 - Further development and support for the functioning of the Single Management Information System.

Finally, they are project ideas that will foster the project pipeline with respect to the establishment of new thematic networks, the reinforcement of the evaluation culture in Romania, the enhancement of the public procurement practice in the country, the widening of publicity activities and the acknowledgment of innovation and RTD as the truly engines for Growth and Jobs.

#### 4.2 Overview of other possible activities, eligible costs and applicants for PA 1, 2 and 3

As described earlier in the report, based on the received documents on the Romanian OPTA and the interviews, the first inventory has been made of possible eligible activities, beneficiaries, target groups, costs that could potentially increase the absorption capacity of PA1, PA2 and PA3.

Some of the possible eligible activities, beneficiaries, target groups and costs have not been taken into account into the final list of projects, which could be implemented 'immediately' (for various reasons). However, they were interesting enough to be considered for implementation at a later stage, if possible, or within the next programming period.

##### **Priority Axis 1 Possible new activities:**

There is a potential for the following activities, which has actually also been indicated by the European Commission (and in functional reviews of the World Bank). It concerns measures addressing structural weaknesses in policy planning and policy design (an essential precondition for smoothing any investment project in Romania and also for the set up of the future programming period):

- ✓ Functional Review / upgrading of National Agency for Cadastre and Land Registration (KAI 1.2). The functional review has also been mentioned during interviews.
- ✓ Rationalisation of investments (KAI 1.1 and 1.2).
- ✓ Upgrading policy-planning capacity (KAI 1.2).
- ✓ Building capacity for economic analysis to support policy design (KAI 1.1).
- ✓ Support preparation of guidelines for EIA per type of project<sup>21</sup>. (KAI 1.1, 1.2 and 1.3).
- ✓ Reinforcing responsibility of utilities networks management (KAI 1.1).

However, for the above activities there should remain a clear link with the objectives of the OPTA (such as dealing with issues which are being covered by more than one OP).

In the interviews it was also suggested to include the preparation for the next programming period, such as ex ante evaluations for the programmes of 2014-2020 (KAI 1.2 or 1.3) and partnership approach.

Another suggestion/idea from the interviews is the cooperation with International Financial Institutions in order to outsource various services (e.g. studies needed for programming phase) overcoming in this way the procurement bottlenecks affecting PA1 implementation.

#### Priority Axis 2 Possible new activities:

The interviewees for possible new activities have made no major new suggestions. The below activities are maybe not new activities but are ideas for outsourcing activities based on thoughts from the evaluators:

- ✓ Outsourcing of the help-desk functions. An external IT-services company could be hired to fulfil the function of the internal help-desk within the Ministry on the hardware and software problems. The SMIS Central Unit currently provides those services. The activities could be outsourced, allowing the SMIS Central Unit the time for further development of the system. (KAI 2.2).
- ✓ Introduce e-learning solutions for training, including multimedia training courses, blended learning (mixed with classical) with open or restricted access to specific groups having specific learning needs. Inclusion of a hot-line concerning the SMIS use and functioning. (KAI 2.2).
- ✓ Assessment of the IT and communication needs among all institutions using the SMIS – also/especially on the regional level (broadband connection till December 2015, update of the computer/server equipment, update of the mobile communication equipment) (KAI 2.4).

#### Priority Axis 3 Possible new activities:

It seems that the priority is offering already quite some possibilities so no further activities would be needed.

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<sup>21</sup> The title of the measure was recently changed in order to address the need: Horizontal support on SEA/EIA

## 5 Forecast scenarios based on existing pipeline and additional project identified

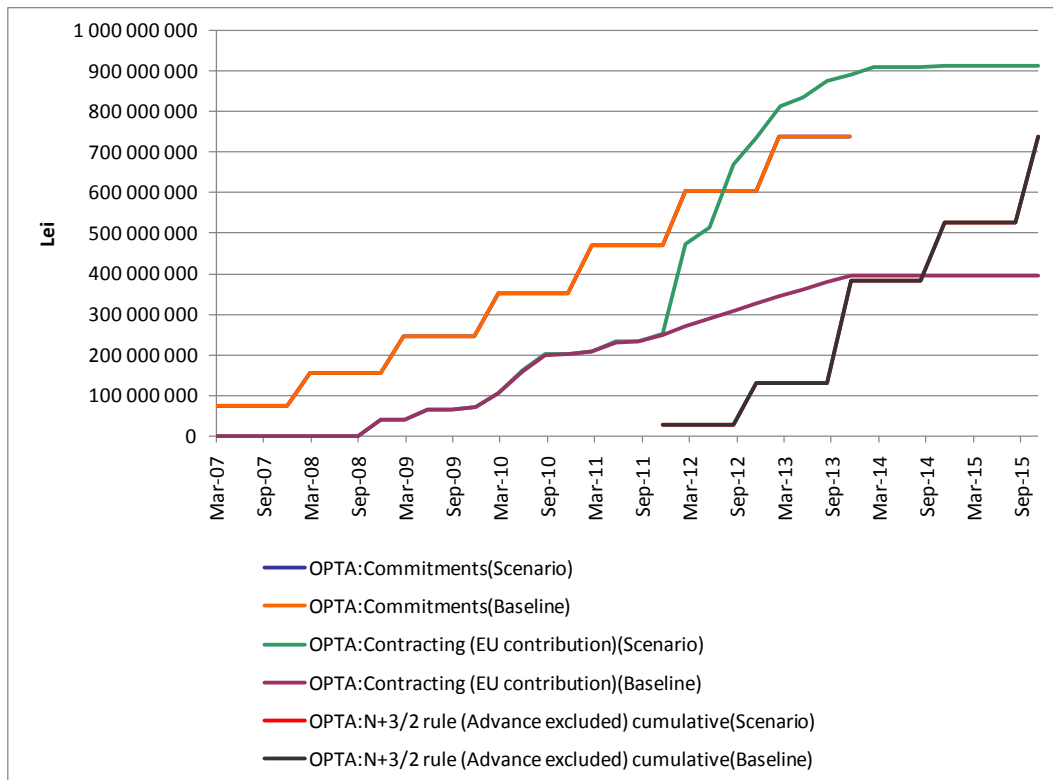
### 5.1 Forecast scenarios based on the existing pipeline

In chapter 2 we presented the “business as usual scenario”, based on the projects that have been contracted already and assuming preservation of the trend of contracting. Alternative scenarios may show the change in some main parameters (e.g. contracting and certification) with the adding of projects from the OPTA pipeline and the projects identified in the scope of this evaluation (project pipeline+). The text below describes some of the main results from the scenarios with and without the pipeline(+) projects.

#### Contracting:

The adding of all projects in the pipeline (as of 09.05) changes significantly the contracting forecasts and they could even go beyond OPTA’s commitments of 737 299 868.<sup>22 23</sup>

**Figure 11 OPTA – OPTA contracting (baseline and pipeline scenario) in RON (based on data up to end-2011)\***



\* Inclusion of information up to May 2012 does not change the picture considerably.

<sup>22</sup> This figure is taken from: Government of Romania, Ministry of Public Finance, 2011, Framework-Documents for Implementing Operational Programme Technical Assistance 2007-2013.

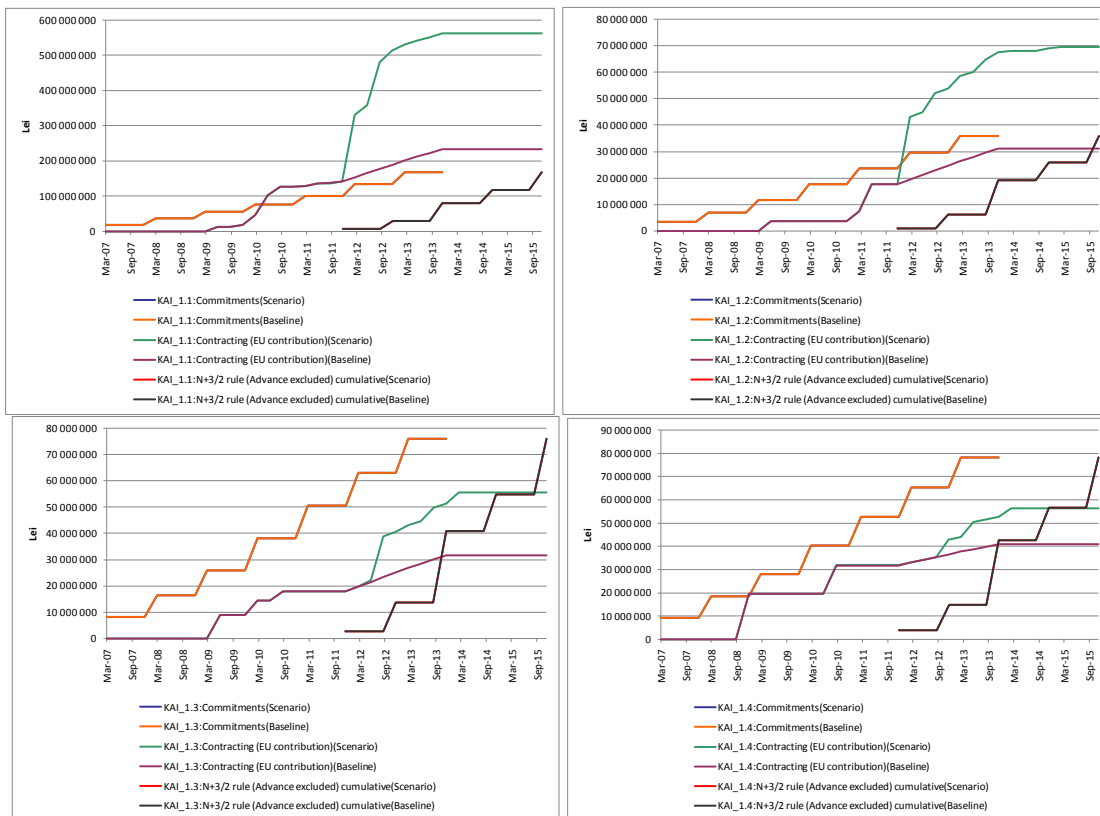
<sup>23</sup> Lothar allows for scenarios with commitments as well, in order to allow for reallocations

The graph above shows that, if all projects in the pipeline are contracted, by the end of 2013 it is possible to contract all commitments, which would not be possible under the baseline scenario. Of course, this is a very optimistic scenario, having in mind that this year (2012) need to be contracted more than twice as many EU funds (480 mln. RON) than in the period 2007-2011 (251 mln. RON).

The baseline scenario at the level of PA1 shows very good pace of contracting. The alternative scenario shows that, if all the projects in the pipeline are contracted, it would be more than double the actual commitments for PA1, which further suggests that reallocation would be needed. It should be noted, however, that this is mostly due to the increase in the contracting forecasts for KAI1.1 and to a slighter extent for KAI1.2.

Below are the graphs with contracting for all 4 KAIs in PA1. These figures are based on the data up to the end of 2011. There are no considerable changes in the conclusions, if most recent developments in the implementation of OPTA.

**Figure 12 PA1 – KAI1-4 contracting (baseline and pipeline scenario) in RON (based on data up to end-2011)**



According to the baseline scenario, for KAI 1.1 the contracting might need to be slowed down (by 12.2011 85% are already contracted), or funds need to be reallocated to this KAI, because the contracted amount is expected to be higher than the commitments. If over contracting is allowed by law, this might also be a possibility. If the pipeline is followed the contracted amounts will amount to 563 mln. RON with only 168 mln. commitments.

The situation with KAI1.2 is close to the KAI1.1 case – if all the projects in the pipeline are contracted that would be almost twice (69 mln. RON) the actual commitments of 36 mln. RON. At the same time contracting pace under KAI1.2 needs to be increased a little in order to reach the



commitments level, because by 12.2011 just below 50% of overall commitments for 2007-2013 are contracted.

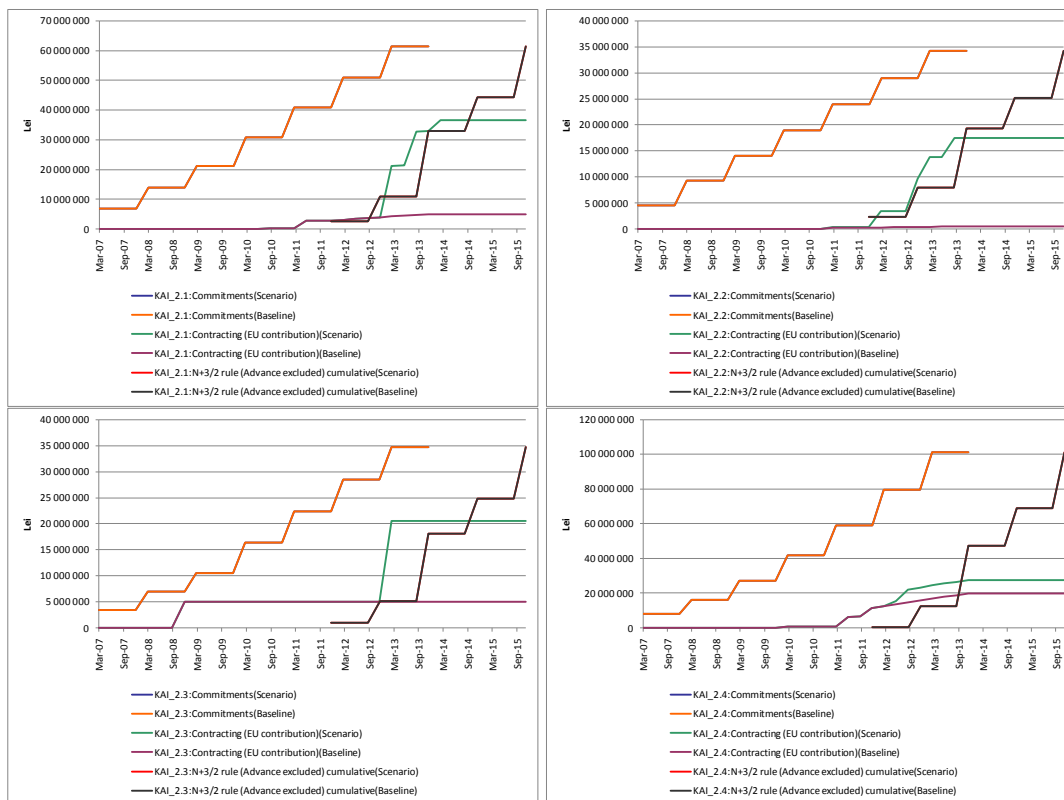
Contracting for KAI1.3 is expected to be lower than the commitments both for the baseline and for the alternative scenario with the pipeline included. The inclusion of the projects in the pipeline would allow contracting to get above the 2014 commitment, but would still be more than 20 mln. RON below all commitments for this KAI. As of 12.2011, 24% of the KAI1.3 cumulative commitments for 2007-2013 are contracted, which is lower than the other KAIs under PA1.

As shown on the graph above the case with KAI1.4 is practically the same as for KAI1.3 – contracting is not expected to reach the commitments with, or without the projects in the pipeline. The only difference is the slightly higher percentage of contracting as of 12.2011 – 41%.

The contracting forecasts for PA2 with and without the pipeline projects show that commitment levels are not expected to be reached. The baseline scenario shows contracting levels a little higher than the 2007 commitments and the alternative scenario with the pipeline shows contracting levels just below the 2010 commitments, i.e. less than half of the commitments are expected to be contracted.

Below are the graphs with contracting for all 4 KAIs in PA2.

**Figure 13 PA2 – KAI1-4 contracting (baseline and pipeline scenario) in RON (based on data up to end-2011)**



Contracting under KAI2.1 both with and without the pipeline projects is below the commitments of 61 mln. RON. The pipeline projects would lead to a significant improvement, having in mind that up to December 2011 only 4.6% of the cumulative commitments for 2007-2013 were contracted. However, even with the new projects expected to be contracted, contracting is expected to be at least 20 mln. RON short of the commitments.

The case with KAI2.2 resembles the KAI2.1 contracting. In spite of the significant expected improvement with the new pipeline projects contracting is not expected to reach even the 2010 commitments. This is not surprising having in mind that as of 31.12.2011 only 1% of the commitments for this KAI are contracted – the smallest percentage as compared to all other KAIs under the programme. Another problem here is that the contracting line is too close to the N+3/2 line, which means that the time for certification would be insufficient.

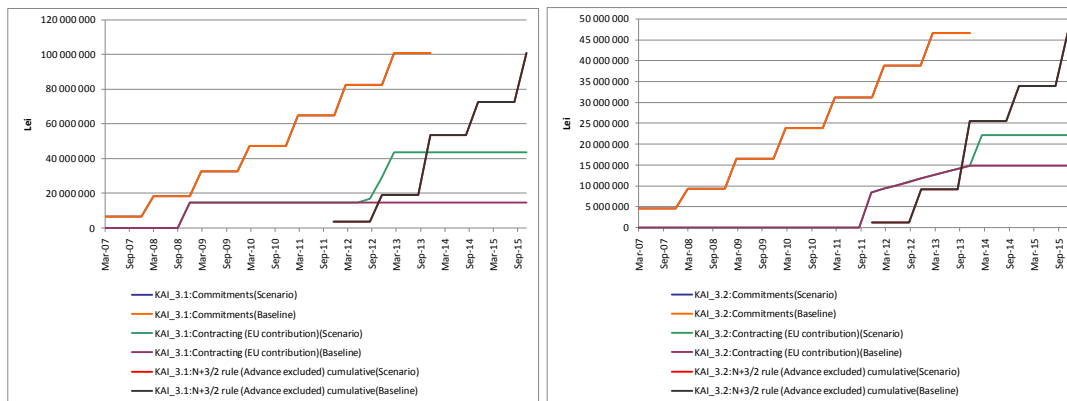
Similarly, contracting under KAI2.3 is not expected to reach the commitments. Even if all the projects in the pipeline are contracted, around 10 mln. RON of the commitments would not be contracted, despite the fact that KAI2.3 has the highest percentage for contracting as compared to the other KAIs under PA2 (14%).

The adding of the pipeline projects to the forecasts would lead to a relatively small improvement for KAI2.4, mostly due to the huge amount of the commitments for this KAI (more than 100 mln. RON). Contracting is expected to get close to the 2009 commitments, which means that more than 70 mln. RON might not get contracted.

The contracting forecasts for PA3 also show that the commitments are not expected to be contracted with and without the pipeline projects. Even after pipeline projects are included in the forecast, contracting would be approximately half of the commitments. This would mean a de-commitment of at least 70 mln. RON.

Below are the graphs with contracting for the 2 KAIs in PA3.

**Figure 14 PA3 – KAI1-2 contracting (baseline and pipeline scenario) in RON (based on data up to end-2011)**



For KAI3.1 there would be a significant (twice) improvement in the contacting, if the projects in the pipeline are contracted. This would still not be sufficient to contract all the commitments. As of 12.2011 only 14% of the commitments for KAI3.1 are contracted. Even if all the projects in the pipeline are contracted, more than 57 mln. RON would not be contracted.

The forecast for KAI3.2 is an interesting case, because it is the only KAI for which there is envisaged contracting, which would take place beyond the N+3/2 line. It is highly recommended that contracting be performed earlier, in order not to de-commit funds even before contracting. Even if all the envisaged contracting takes place, that would still mean that 24 mln. RON would be de-committed.

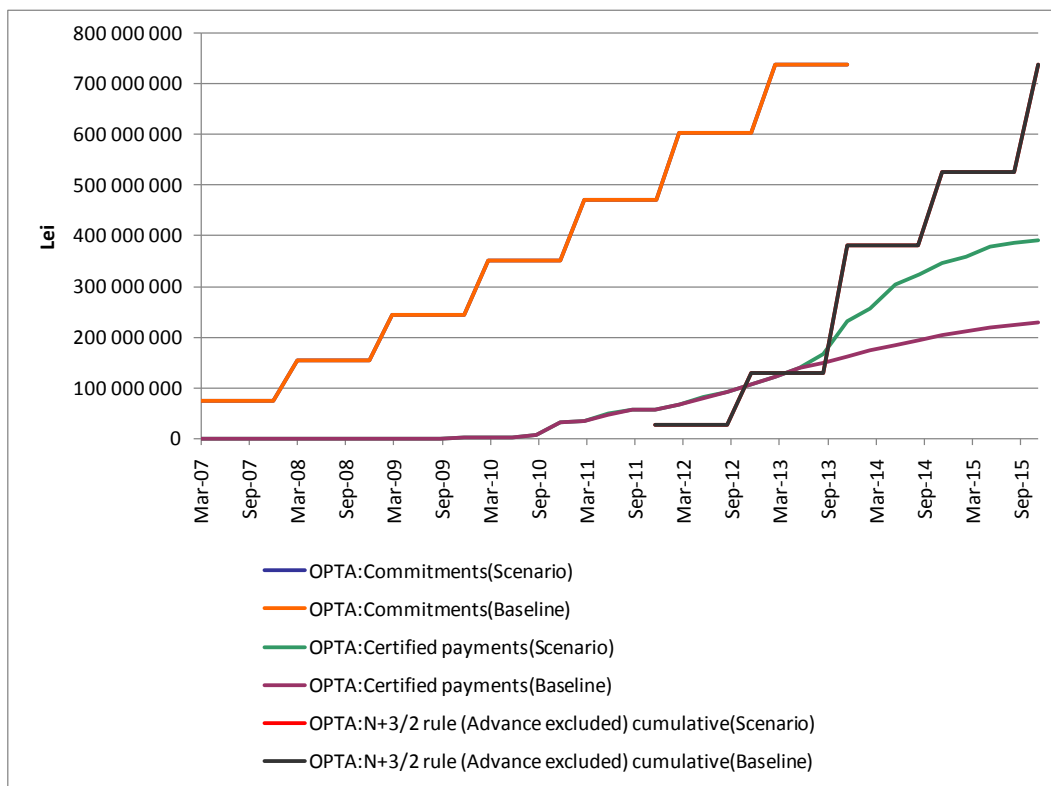
Making adjustments to take into account the latest developments in the implementation of OPTA does not alter the trends in contracting in the pipeline scenario greatly. The only more notable

changes are in KAIs 3.1 and 3.2, where higher contracting is projected and in KAI 1.1, where somewhat lower contracting is forecast.

### Certification:

The adding of all projects in the pipeline (as of 09.05.2012) does not change as significantly the certification forecasts as the contracting forecasts described above. One of the reasons is that some time would be needed for the contracting of the projects in the pipeline to have influence on certification (due to the natural time-lag between contracting and certification). An important reason, however, is also the slow certification rate.

**Figure 15 OPTA – OPTA certification (baseline and pipeline scenario) in RON (based on data up to end-2011)**

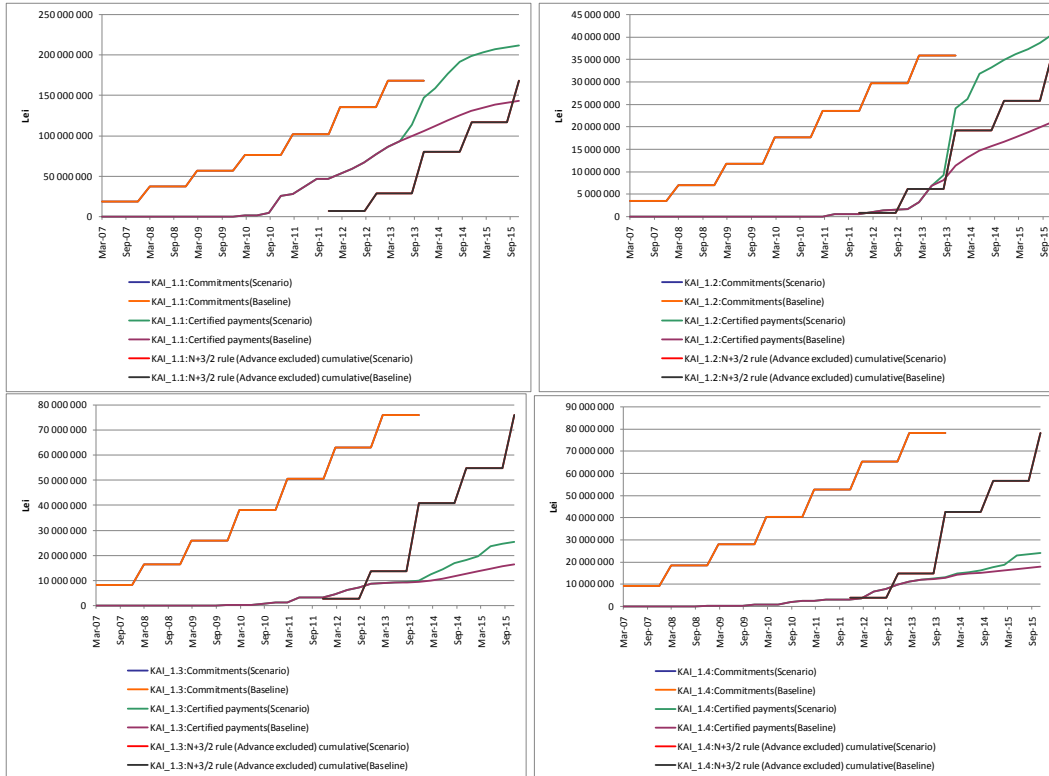


Thus, on the basis of the current analysis can be forecast that even after the pipeline projects are included, certification would be around 390 mln. RON (out of the 737 mln. RON commitments). The adding of the projects is expected to ensure 160 mln. RON more certification than the baseline scenario, but there is still some danger of de-commitment, most probably beyond in 2012 (if latest data is taken into account)

PA1 will contribute to lowering de-commitment danger in 2012 both under the baseline and the pipeline scenario. In the pipeline scenario this priority axis will have a considerable positive contribution to the higher absorption of EU funds under OPTA, if commitments are reallocated towards it. Given the latest developments in the first five months of 2012, certification under PA1 will exceed its current commitments by nearly 23 mln. RON by the end of 2015.

Below are the graphs with certification for all 4 KAIs in PA1.

**Figure 16 PA1 – KAI1-4 certification (baseline and pipeline scenario) in RON (based on data up to end-2011)**



KAI1.1 is by far the best performing KAI, with estimated excess of certification over current commitments, amounting to some 44 mln. RON in end-2015. Since certification is a function of contracting, which is very high for KAI1.1, the certification levels extend beyond the commitments and consequently the N+3/2 rule.

Under KAI1.2 in the pipeline projections certification will go beyond commitments since 2013 onwards by around 5-10 mln. RON.

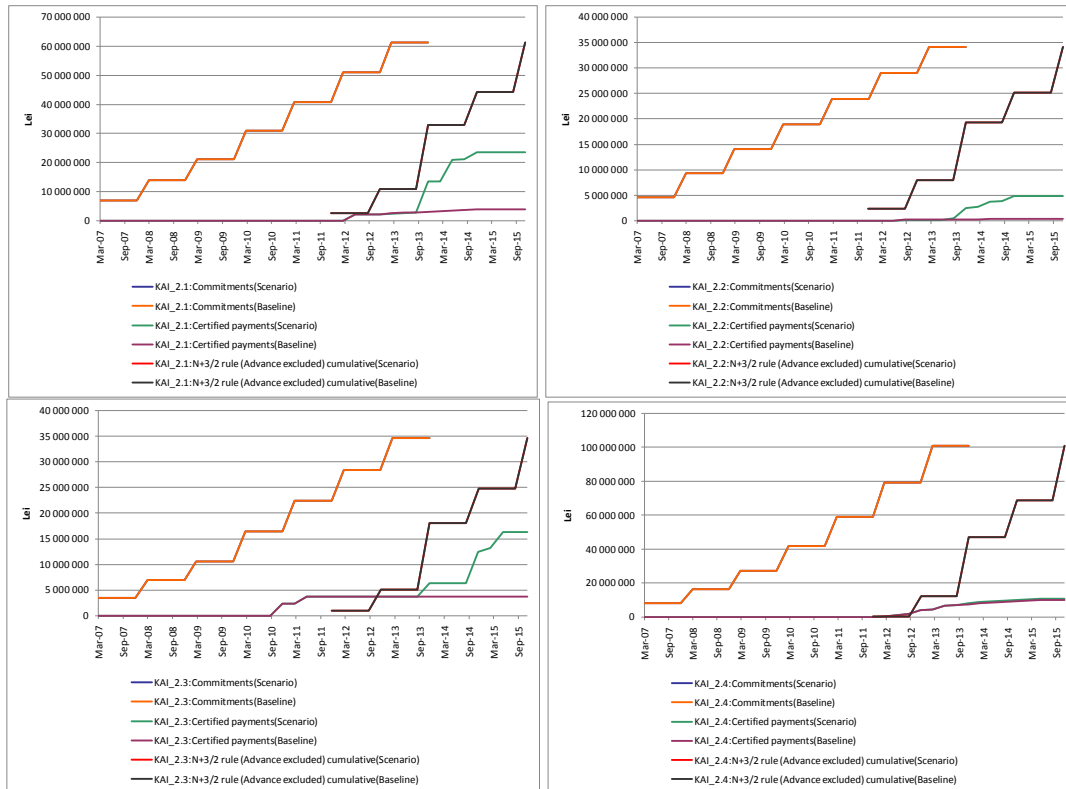
The case with KAI1.3 is worse than both 1.1 and 1.2. The funds contributing to de-commitment, based on the pipeline scenario, are more than 50 mln. RON.

The situation with KAI1.4 is also similar, with another 54 mln. RON increasing the sum of OPTA funds in danger of de-commitment, if the current pace of certification for this KAI holds.

Based on the current pace of certification, for PA2 will contribute to de-commitment in 2012 both under the baseline and the pipeline scenario. The pipeline scenario forecasts that 176 mln. RON will increase the pressure for de-commitment under OPTA (as of 12.2015). If the latest pace of certification is taken into account, this forecast would be 173 mln. RON. The danger of de-commitment in 2012 remains in this scenario for PA2.

Below are the graphs with certification for all 4 KAIs in PA2.

**Figure 17 PA2 – KAI1-4 certification (baseline and pipeline scenario) in RON (based on data up to end-2011)**



In spite of the small increase in the certification in the pipeline scenario, KAI2.1 still contributes to de-commitment in 2012 (approximately 9 mln. RON) and overall more than 37 mln. RON are at risk. The case with KAI2.2 is largely the same with more than 7 mln. RON at risk in 2012 and 29 mln. RON overall.

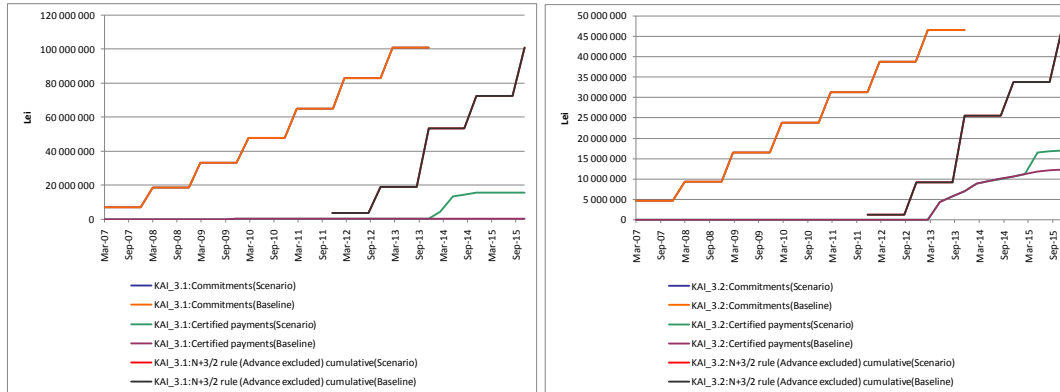
For KAI2.3 there is much greater difference between the baseline and the pipeline scenario. In spite of this fact, overall nearly 18 mln. RON from KAI2.3 are should contribute to the danger of de-commitment overall. In 2012 alone, however, given the acceleration in the implementation of the projects under this KAI, observed in the first five months of 2012, de-commitment requirements are expected to be met.

Due to the very slow certification pace so far, for KAI2.4 there is almost no difference between the baseline and the pipeline scenario as concerns certification. This KAI has the highest danger of de-commitments in terms of funds - more than 90 mln. RON.

Based on the current pace of certification, for PA3 de-commitment can be expected in 2012 both under the baseline and the pipeline scenario. The pipeline scenario forecasts that up to 2015 PA3 will contribute to increasing the danger of de-commitment by 115 mln. RON. The acceleration of OPTA funds certification in Jan-May 2012 does not significantly change the danger of de-commitment in 2012 for PA3.

Below are the graphs with certification for the two KAIs in PA3.

**Figure 18 PA3 – KAI-2 certification (baseline and pipeline scenario) in RON (based on data up to end-2011)**



Despite the improvement in terms of avoiding dangers of de-commitment under the pipeline scenario, the implementation of the two KAIs under PA3 is very slow. For KAI3.1 the funds at risk are around 85 mln. RON, whereas for KAI3.2 more than 29 mln. RON can be considered at risk. The contribution to de-commitment of KAI 3.1 and 3.2 are approximately the same, taking into account the information from Jan-May 2012.

Overall, adjusting LOTHAR+ with the latest information for the first five months of 2012, shows that under the pipeline scenario, KAI 1.1 will have a much more positive contribution to lowering the danger of de-commitment by 74 mln. RON. Other significant improvements, if the latest trends are sustained, will also be observed for KAI 1.3 (by 6 mln. RON), KAI 2.2 and 2.3 (by 2 mln. RON each) and KAI 3.1 (by 1.5 mln. RON). For KAI 2.1 and 3.2 more notable worse results are expected due to better forecasts, based on data up to end-2011, as compared to the inferences, made taking into account the latest available information as well.

Contribution to the danger of de-commitment - as of end 2015 (in thousands. RON) – OPTA and PAs				
	OPTA	PA_1	PA_2	PA_3
Data up to end-2011	-335.594	-50.731	-172.087	-112.775
Adjustments for Jan-May 2012 incorporated	-216.409	48.744	-161.970	-103.183

Contribution to the danger of de-commitment - as of end 2015 (in thousands RON) – by KAIs										
	KAI_1.1	KAI_1.2	KAI_1.3	KAI_1.4	KAI_2.1	KAI_2.2	KAI_2.3	KAI_2.4	KAI_3.1	KAI_3.2
Data up to end-2011	42.838	9.129	-51.041	-51.658	-36.083	-25.931	-19.608	-90.465	-85.215	-27.560
Adjustments for Jan-May 2012 incorporated	126.807	18.702	-44.980	-51.786	-31.008	-24.577	-17.230	-89.154	-74.096	-29.087

\* Negative sign implies that the respective level of intervention contributes to the increase of the danger of de-commitment for OPTA.

## 5.2 Forecast scenarios based on the existing pipeline and additional projects identified

The effects of further adding the projects agreed during the focus groups to the pipeline are marginal as concerns contracting and certification. They are summarized in the table below, which shows the following 5 parameters for the main OPTA levels:

- ✓ Expected contracting (EU contribution) with included pipeline – Contracting – P (2015)
- ✓ Expected contracting (EU contribution) with included pipeline and new project ideas, discussed at focus groups – Contracting – P+ (2015)
- ✓ Expected certification with included pipeline – Certification – P (2015)
- ✓ Expected certification with included pipeline and new project ideas, discussed at focus groups – Certification – P+ (2015)
- ✓ Expected certification with included pipeline and new project ideas, discussed at focus groups and taking into account the developments in the implementation of OPTA in Jan-May 2012 – Certification – P+ (2015) – accel.

**Table 9 Effect of adding the project pipeline+ in RON (based on data up to end-2011)**

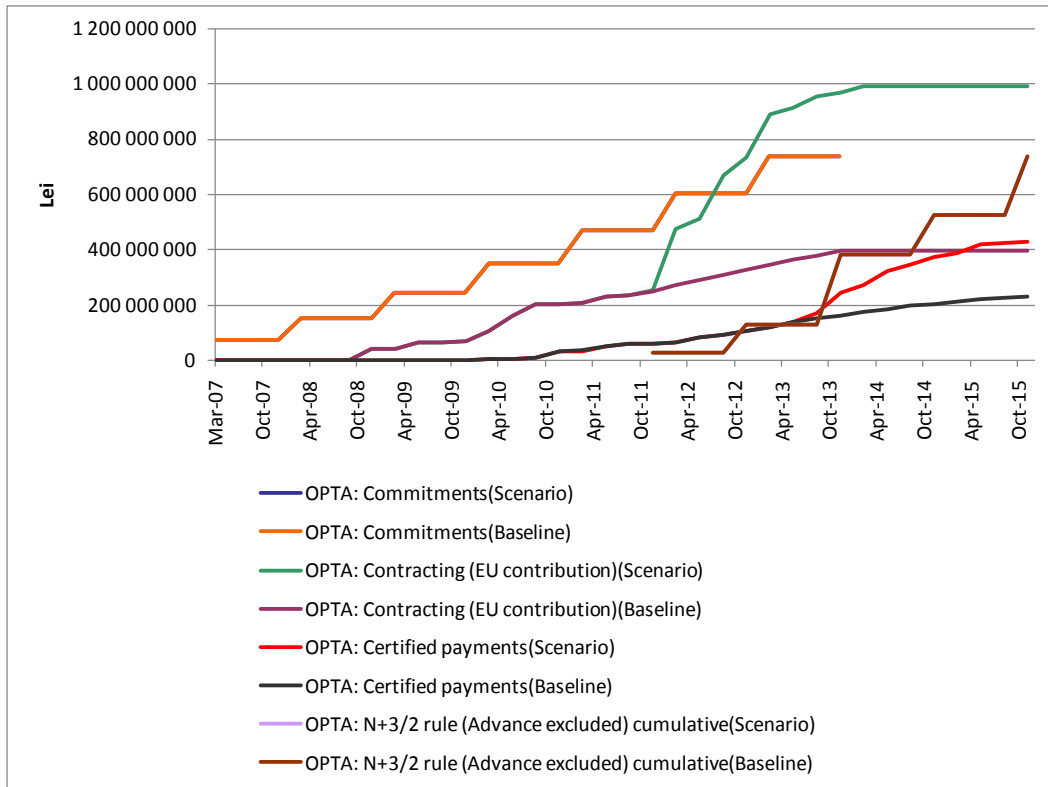
	Commitments (2015)	Contracting - P (2015)	Contracting - P+ (2015)	Certification - P (2015)	Certification - P+ (2015)	Certification - P+ (2015) – accel.
OPTA	737 299 868	913 190 767	991 316 392	390 516 757	429 784 355	511 800 472
PA_1	358 575 162	744 804 862	794 948 237	302 170 950	325 601 578	404 947 824
PA_2	231 233 298	102 406 798	113 640 548	55 575 709	61 821 958	64 651 571
PA_3	147 491 408	65 979 107	82 727 607	32 770 099	42 360 819	42 201 077
KAI_1.1	168 250 649	563 437 328	598 057 703	212 236 604	226 861 333	300 676 827
KAI_1.2	35 868 177	69 549 783	84 868 533	40 556 112	49 286 440	49 176 398
KAI_1.3	76 067 657	55 488 880	55 488 880	25 419 220	25 419 220	31 917 796
KAI_1.4	78 388 679	56 328 872	56 533 122	23 959 014	24 034 586	23 176 804
KAI_2.1	61 304 357	36 586 268	47 820 018	23 570 268	29 816 517	27 593 346
KAI_2.2	34 168 649	17 553 507	17 553 507	4 854 118	4 854 118	6 674 320
KAI_2.3	34 672 730	20 598 787	20 598 787	16 321 363	16 321 363	18 698 854
KAI_2.4	101 087 563	27 668 237	27 668 237	10 829 960	10 829 960	11 685 051
KAI_3.1	100 880 489	43 850 597	60 599 097	15 753 235	25 343 955	26 872 085
KAI_3.2	46 610 919	22 128 510	22 128 510	17 016 864	17 016 864	15 328 992

For KAI1.3, KAI2.2-2.4, and KAI 3.2 there is no difference between the pipeline (P scenario) and the pipeline with included new project ideas (P+ scenario).

As shown on the graph below, according to the P+ scenario contracting of OPTA will be close to 1 bln. RON which is far above the commitments. Yet, certification is not expected to increase so significantly and the dangers of de-commitment remain. Overall in the P+ scenario there is an expected increase in contracting of 78 mln. RON mostly due to PA1 (KAI1.1) as compared to the pipeline scenario. The respective increase in certification is approximately 40 mln. RON.

If the acceleration of OPTA funds absorption in the first five months of 2012 is taken into account, then certification would be expected to go beyond 500 mln. RON, i.e. 225 mln. would not be certified under this scenario.

**Figure 19 OPTA – Contracting and certification (baseline and P+ scenario) in RON (based on data up to end-2011)**



When compared with the pipeline scenario, for PA1 the increase in contracting is 50 mln. RON and in certification – 23 mln. With the P+ scenario, the overall commitments for PA1 are expected to be absorbed even at the current rate of certification. At the current accelerated absorption pace of 2012 it would mean certification of 46 mln. RON more than the actual commitments for PA1.

For PA2 the increase in contracting is 11 mln. RON and in certification is above 6 mln. RON. With the accelerated pace certification the increase as compared to the pipeline scenario is again 6 mln. RON. At PA3 level the increase in contracting for the P+ scenario is 17 mln. RON, and in certification 10 mln. RON. Thus, at the current rate of certification both PA2 and PA3 would not reach cumulative commitments for 2009

### 5.3 Alternative scenario based on more efficient absorption of contracted funds, inclusion of existing pipeline and additional projects identified

The current section describes the output of an optimistic scenario, assuming streamlining of implementation, relatively high absorption capacity of beneficiaries and inclusion of existing pipeline and additional projects<sup>24</sup> identified. This scenario can be regarded as an upper bound of what might be expected, given the enhanced pipeline for contracting. The scenario presents the following cumulative change:

- Reduction of the delay between payment and certification below one quarter for all KAIs (against an estimated baseline average value for OPTA of around 1 quarter);

<sup>24</sup> The ratio for KAI 2.3 is estimated to be roughly 100%, based on existing data and expert opinion, and this ratio is preserved for the current alternative scenario as well



- Increase of authorisation-to-contracting ratio to 95% for all KAIs (against an estimated baseline average value for OPTA of around 73%)<sup>25</sup>;
- Inclusion of the existing pipeline and additional projects identified (augmented pipeline).

Each of the above modifications results in an improvement of the certification ratio of the programme. The impact of the inclusion of the augmented pipeline is highest. The improvement due to higher authorisation-to-contracting ratio to 95% up from the estimated 73% and the increase due to lower period between payment and certification are less substantial than that of direct inclusion of new projects, but they can have a significant positive impact as well

Figure 20: Reduction of the delay between payment and certification below one quarter for all KAIs

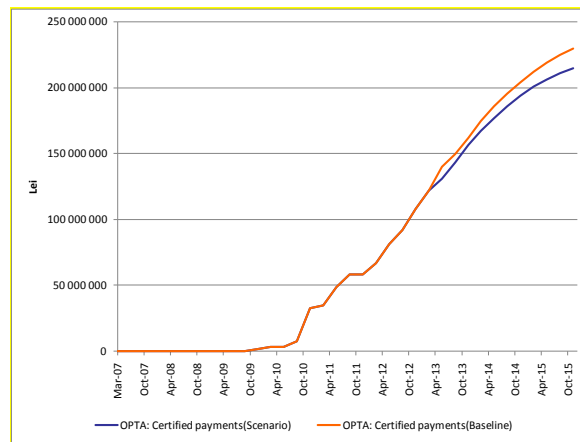


Figure 21: Increase of authorisation-to-contracting ratio to 95% for all KAIs

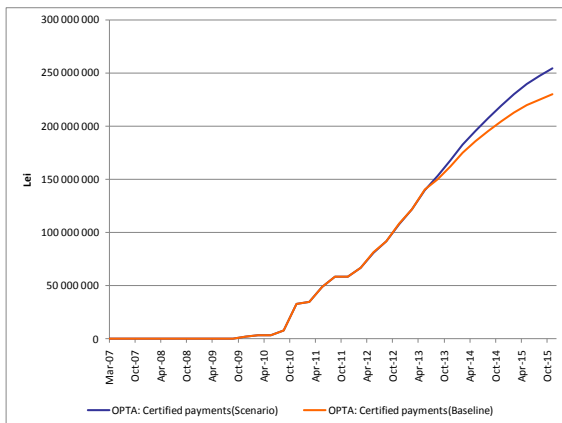
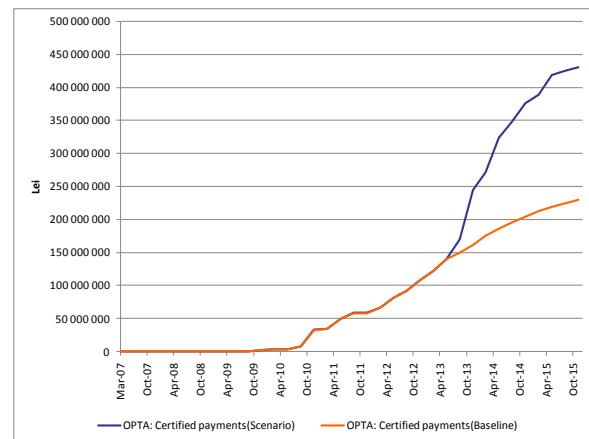


Figure 22: Inclusion of the existing pipeline and additional projects identified

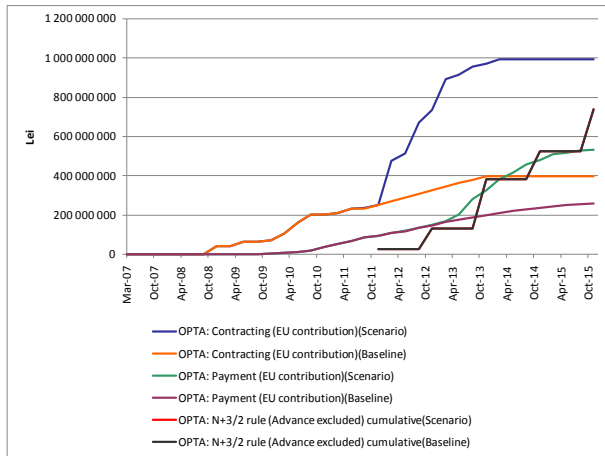


\* Based on data up to end-2011.

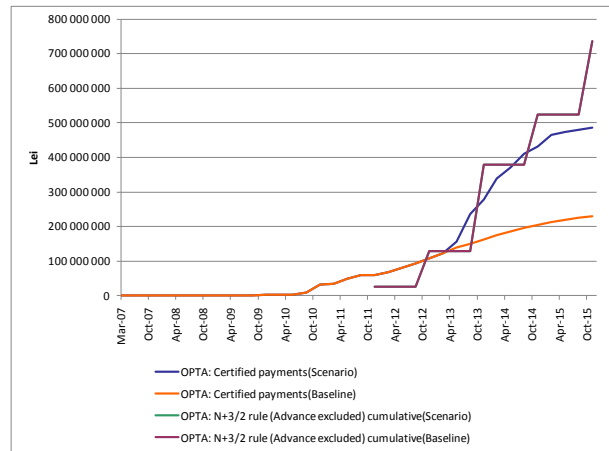
The overall cumulative changes for OPTA are depicted in the figures below. In this scenario contracting increases by 150% as compared to the baseline to almost RON 1 bn. Certification also increases more than twice, by 112%, but under this scenario there is still high danger of de-commitment: as of end-2015 RON 250 mln will be de-committed, or only around 66% of the allocations for commitments for OPTA will be absorbed.

<sup>25</sup> The ratio for KAI 2.3 is estimated to be roughly 100%, based on existing data and expert opinion, and this ratio is preserved for the current alternative scenario as well

**Figure 23: Alternative scenario: contracting, payment and N+3/2 rule (advance excl.) for OPTA**



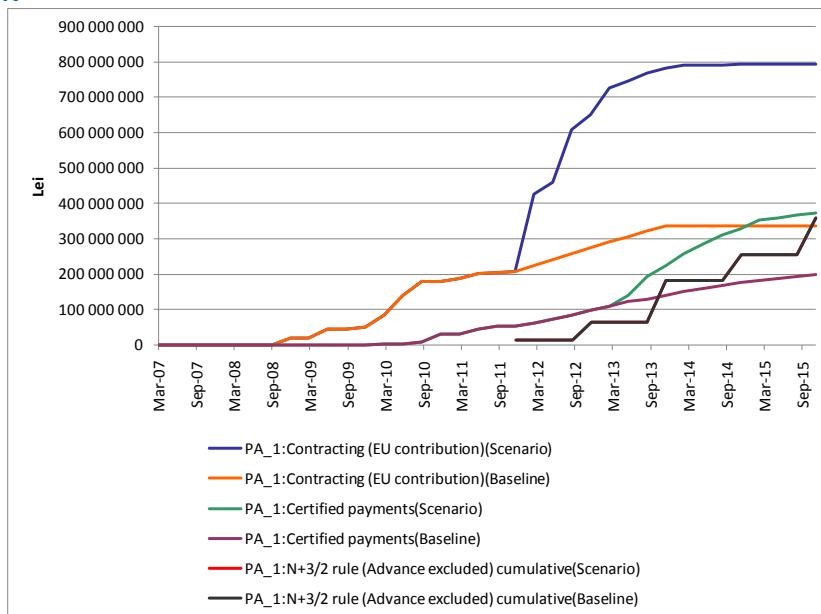
**Figure 24: Alternative scenario: certification and N+3/2 rule (advance excl.) for OPTA**



\* Based on data up to end-2011.

The distribution of progress in implementation across priority axes remains very uneven. PA1 takes the lion share in contracting. Under this axis some 794 mln. RON out of the 1 mln. RON for OPTA are expected to be contracted. As a result, certified payments are expected to increase by 87% as compared to the baseline scenario and thus under this optimistic scenario certification will exceed commitments by 4% for PA1.

**Figure 25: Alternative scenario: contracting, payment and N+3/2 rule (advance excl.) for PA1 in RON**

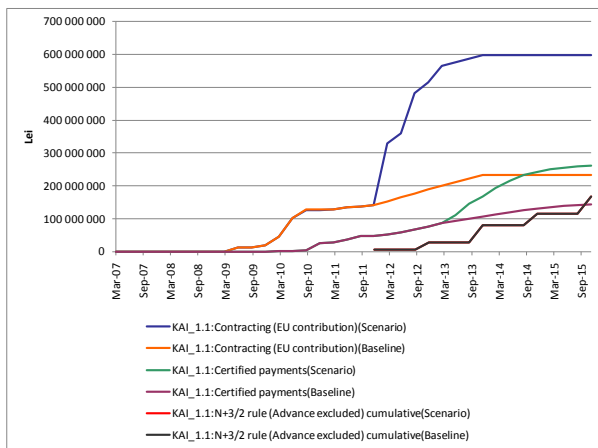


\* Based on data up to end-2011.

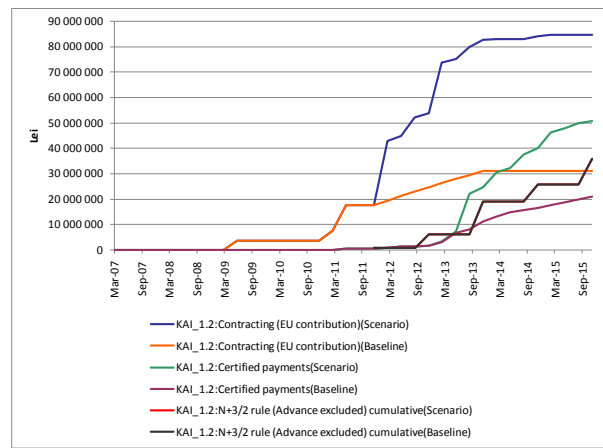
A breakdown by KAIs shows that only for KAI 1.1 will have the most significant contribution for lower de-commitment danger for OPTA. The implementation of this KAI is already progressing well, with around 28% of the committed funds being certified as of end-2011 and almost 90% already

contracted. KAI 1.2 is expected to increase the danger of de-commitment in 2012, but under this KAI certification will exceed de-commitment benchmarks from 2013 onwards. The remaining two KAIs under priority axis 1 are facing a danger of de-commitment even under this rather optimistic terms of assumptions scenario. Under each of these KAIs under 5% of all commitments were absorbed as of December 31, 2011, and, although the increases of contracting, payments and certification are high, funds under KAI 1.3-KAI 1.4 will be absorbed only at around 42% for KAI 1.3 and 36% for KAI 1.4.

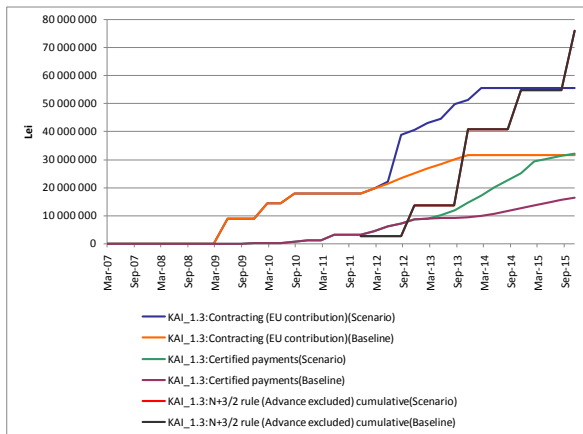
**Figure 26:** Alternative scenario: contracting, certification and N+3/2 rule (advance excl.) for KAI 1.1



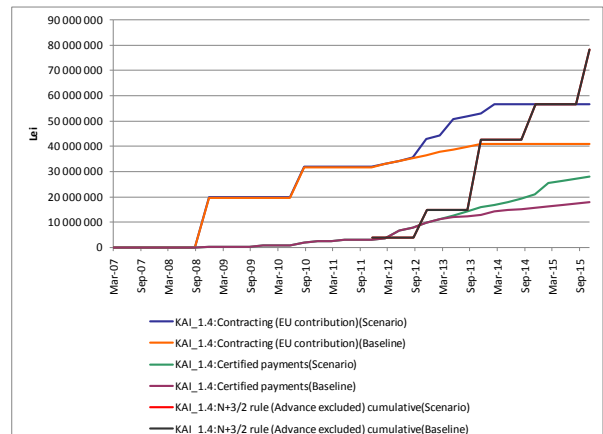
**Figure 27:** Alternative scenario: contracting, certification and N+3/2 rule (advance excl.) for KAI 1.2



**Figure 28:** Alternative scenario: contracting, certification and N+3/2 rule (advance excl.) for KAI 1.3

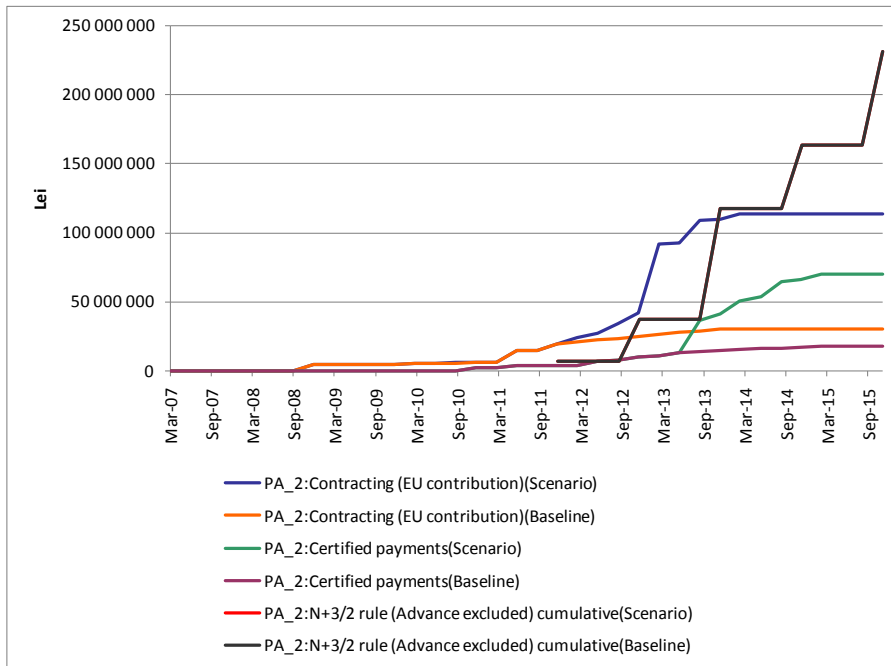


**Figure 29:** Alternative scenario: contracting, certification and N+3/2 rule (advance excl.) for KAI 1.4



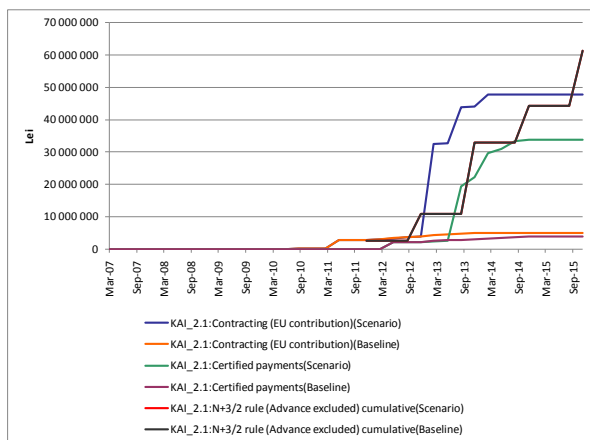
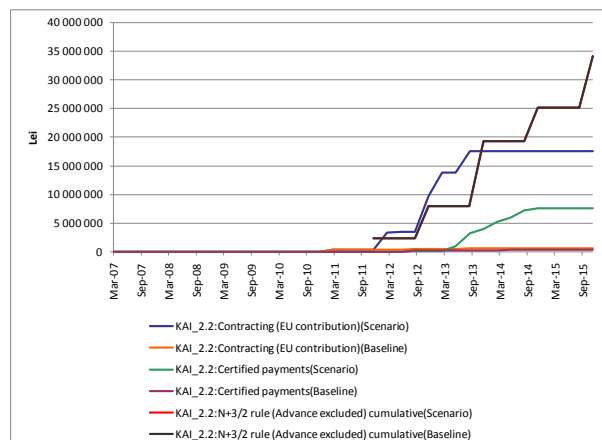
\* Based on data up to end-2011.

The alternative scenario for Priority axis 2 looks less optimistic than PA1. Under this axis even contracting remains lower than commitments. The dedicated EU funds under this priority axis account for around 30% of total OPTA funds and already as of end-2012 the shortfall between certified and respective de-commitment benchmark for PA2 will amount to some RON 26 mln.

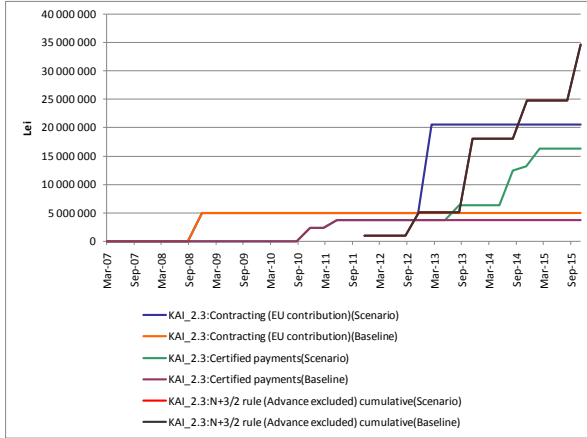
**Figure 30: Alternative scenario: contracting, payment and N+3/2 rule (advance excl.) for PA2**


\* Based on data up to end-2011.

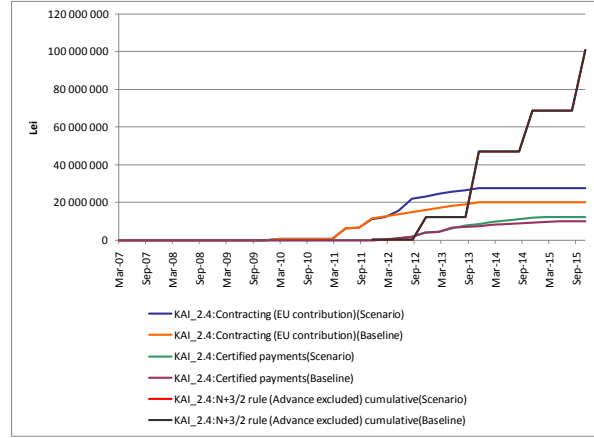
Out of the four key areas of intervention, under KAI 2.1 and 2.3 an absorption rate of close to 50% is expected as of end-2015. For the remaining two KAIs under PA2 the absorption rate will remain at 22% and 12% for KAI 2.2 and 2.4 respectively. All KAIs under PA2 will contribute to increasing the danger of de-commitment from 2012 onwards, with the exception of KAI 2.3, which taking into account the most recent data up to May 2012, is not expected to contribute to the danger of de-commitment in 2012.

**Figure 31: Alternative scenario: contracting, certification and N+3/2 rule (advance excl.) for KAI 2.1**

**Figure 32: Alternative scenario: contracting, certification and N+3/2 rule (advance excl.) for KAI 2.2**


**Figure 33: Alternative scenario: contracting, certification and N+3/2 rule (advance excl.) for KAI 2.3**



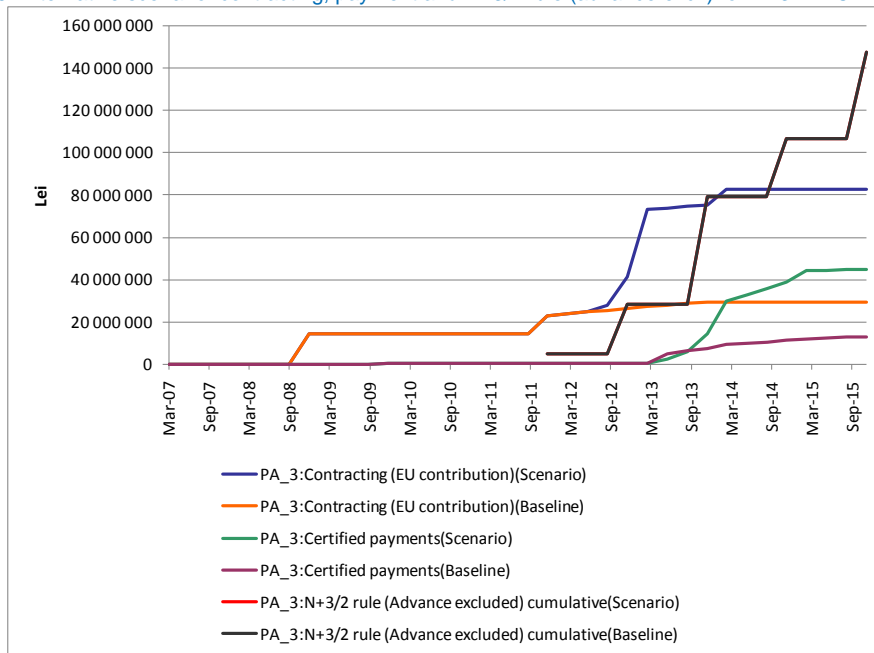
**Figure 34: Alternative scenario: contracting, certification and N+3/2 rule (advance excl.) for KAI 2.4**



\* Based on data up to end-2011.

Implementation under priority axis 3 has started relatively late, with the first contract under KAI 3.1 being signed only in end-2011. However contracting under PA3 is expected to pick up, fuelled by a number of projects in the pipeline and due to start mostly within the next year or so. Still, contracting will remain at lower than 60% of commitments by end-2015 and certification will amount to around 30%.

**Figure 35: Alternative scenario: contracting, payment and N+3/2 rule (advance excl.) for PA3 in RON**

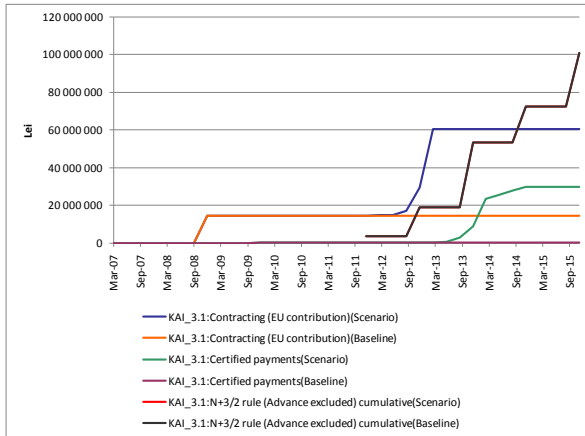


\* Based on data up to end-2011.

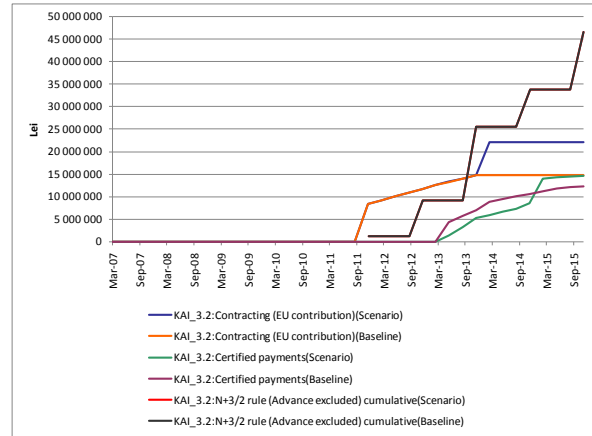
The implementation of KAI 3.1 is relatively more advanced as compared to KAI 3.2 and there is higher contracting in the pipeline for this KAI. However commitments for KAI 3.1 are over twice

higher than for KAI 3.2 and therefore by the end of 2015 the absorption rate for the two KAIs under PA3 will be more or less the same, at around 30%.

**Figure 36: Alternative scenario: contracting, certification and N+3/2 rule (advance excl.) for KAI 3.1**



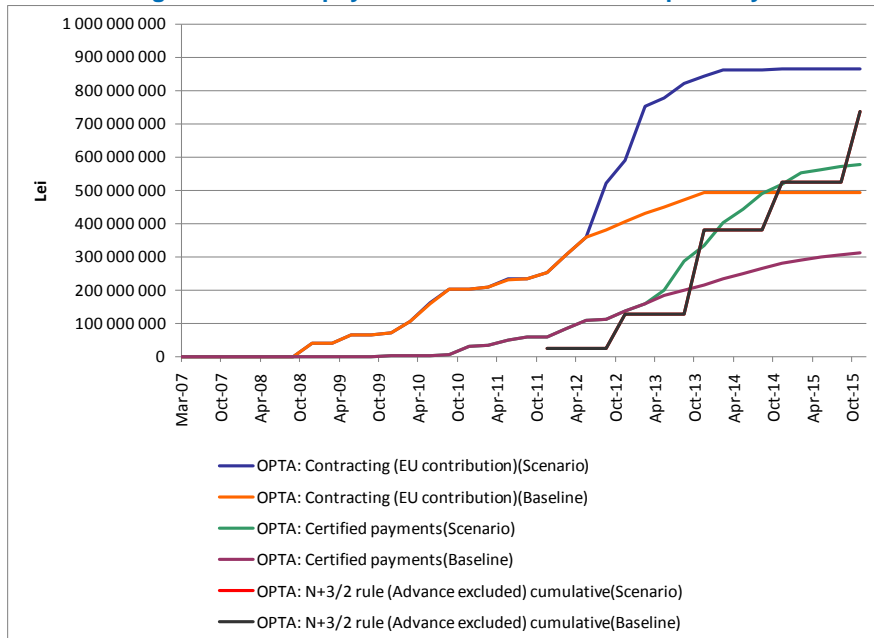
**Figure 37: Alternative scenario: contracting, certification and N+3/2 rule (advance excl.) for KAI 3.2**



\* Based on data up to end-2011.

Accounting for the most recent aggregate data up to May 2012 on absorption under OPTA, under the current scenario, the danger of de-commitments is decreased to 161 mln. RON. Under this scenario also PA 1 is no more contributing to the danger of de-commitment and funds, amounting to 100 mln. RON can be re-allocated to this priority axis from other axes.

**Figure 38 Contracting and certified payments based on the data up to May 2012 in RON**



The inclusion of the information for Jan-May 2012 about OPTA implementation implies that certification will be higher for all KAIs except for KAIs 1.2, 1.4, 2.1 and 3.2. For these four KAIs projected implementation based on data up to Dec 2011 turned out to be better than the inferences

that can be made, taking into account the latest information as well. KAI 1.1 presents the opposite extreme. Under this level of intervention there has been contracting of almost 70 mln. RON only in Jan-May and certification of almost 34 mln. RON, whereas basing on historical trends only 24 mln. RON were expected to be contracted and 12 mln. were projected to be certified. The differences are partly due to the implementation of some of the projects in the pipeline and also due to the suspended submissions for certification to the EU in the second half of 2011, which are being requested in the first half of 2012.

Differences between scenarios, based on most recent data up to May, and a scenario, based on end 2011				
	OPTA	PA_1	PA_2	PA_3
Change in the difference between certification and N+3/2 rule by end 2015 (difference in thousands. RON)	89.347	86.542	3.229	-0.424
Absorption rate (difference in percentage points)	12	24	1	0

Differences between scenarios, based on most recent data up to May, and a scenario, based on end 2011										
	KAI_1.1	KAI_1.2	KAI_1.3	KAI_1.4	KAI_2.1	KAI_2.2	KAI_2.3	KAI_2.4	KAI_3.1	KAI_3.2
Change in the difference between certification and N+3/2 rule by end 2015 (difference in thousands. RON)	79.877	-0.596	8.969	-1.708	-2.017	2.502	2.377	0.367	1.528	-1.952
Absorption rate (difference in percentage points)	47	-2	12	-2	-3	7	7	0	2	-4

## 5.4 Possibilities for reallocation

### Q6. What are the options for reallocating the unused funds (within the OP or towards other OPs)?

The options for reallocating unused funds depend on many different factors. Some of these factors are:

- ✓ the different scenarios
- ✓ the date at which reallocation is expected
- ✓ availability of funds
- ✓ danger of de-commitment
- ✓ the need of funds.

The baseline scenario (if the current situation does not change) shows that there are plenty of options for reallocations, because there will be sufficient amount of funds, which are not expected to be contracted and certified (absorbed) in 2012 under PA2 and PA3. Even taking into account the acceleration in the programme implementation in the first five months of 2012, some around 20-25 mln. RON will not be absorbed under each of PA2 and PA3 already this year. Meanwhile, under the

same scenario, for KAI 1.1 certification is expected to be in excess of the N+3/2 reference value by around 70 mln. RON this year. Therefore, urgent reallocation will be needed from the PA/KAI, which are the most threatened by de-commitment, e.g. KAI3.1 with 17 mln. RON at risk.

**Table 10 Contribution to the danger of de-commitment baseline scenario in RON**

Baseline scenario					
	Funds left to be contracted - 31.12.2012	Funds left to be certified - 31.12.2012	Insufficient funds: Commitments (overall)- Contracting (2015) <sup>26</sup>	Contribution to the danger of de-commitment: Difference b/w certification and N+3/2 31.12.2012	Contribution to the danger of de-commitment: Difference b/w certification and N+3/2 31.12.2012
	Data up to end 2011				Data up to May 2012
OPTA	409 995 366	629 294 164	340 265 741	-20 699 735	9 367 726
PA_1	82 952 009	261 330 945	21 584 559	33 609 642	59 228 288
PA_2	205 973 804	220 914 982	200 680 550	-26 270 664	-23 349 978
PA_3	121 069 553	147 048 237	118 000 631	-28 038 713	-26 510 584
KAI_1.1	-20 913 382	91 239 143	-64 852 834	48 146 791	69 816 689
KAI_1.2	11 132 485	34 156 502	4 671 669	-4 506 992	-2 048 059
KAI_1.3	50 990 834	67 351 176	44 440 917	-4 886 055	-4 308 904
KAI_1.4	41 742 072	68 584 124	37 324 807	-5 144 101	-4 231 439
KAI_2.1	57 393 620	59 042 696	56 372 159	-8 723 673	-10 366 089
KAI_2.2	33 710 816	34 000 681	33 591 233	-7 758 672	-7 667 356
KAI_2.3	29 678 833	30 917 410	29 678 833	-1 375 495	1 001 996
KAI_2.4	85 190 535	96 954 194	81 038 326	-8 412 824	-6 318 530
KAI_3.1	86 208 222	100 437 318	86 208 222	-18 840 992	-17 312 863
KAI_3.2	34 861 332	46 610 919	31 792 410	-9 197 721	-9 197 721

As for the need of funds, at the current pace of contracting, it seems that only KAI1.1 might experience inadequate funds under the baseline scenario. For all other KAIs the commitment targets would not be reached. All of the above suggests that for all KAIs, excluding KAI1.1, commitments may be reduced and some (64 mln. RON) of these funds could be transferred to KAI1.1 in order to meet its pace of contracting by end-2015.

The pipeline scenario (pipeline as of 09.05) shows a little bit different options for reallocation. The certification values are not much different than the baseline scenario due to the slow pace of certification, but if all the projects in the pipeline are contracted, it would actually mean that all commitments of OPTA would be contracted. This would be largely due to contracting of KAI1.1-1.2.

The contribution to the danger of de-commitment for all PA/KAI except PA1 and KAI1.1 remains under the pipeline scenario.

<sup>26</sup> The danger of decommitment is calculated as commitments - (certification + prefinancing)



**Table 11 Contribution to the danger of de-commitment pipeline scenario in RON**

Pipeline scenario					
	Funds left to be contracted - 31.12.2012	Funds left to be certified - 31.12.2012	Insufficient funds: Commitments (overall)- Contracting (2015)	Contribution to the danger of de-commitment: Difference b/w certification and N+3/2 31.12.2012	Contribution to the danger of de-commitment: Difference b/w certification and N+3/2 31.12.2012
	Data up to end 2011			Data up to May 2012	
<b>OPTA</b>	2 799 009	629 294 164	-175 890 899	-20 699 735	9 367 726
<b>PA_1</b>	-293 105 533	261 330 945	-386 229 700	33 609 642	59 228 288
<b>PA_2</b>	189 551 344	220 914 982	128 826 500	-26 270 664	-23 349 978
<b>PA_3</b>	106 353 198	147 048 237	81 512 301	-28 038 713	-26 510 584
<b>KAI_1.1</b>	-346 193 226	91 239 143	-395 186 679	48 146 791	69 816 689
<b>KAI_1.2</b>	-18 057 141	34 156 502	-33 681 606	-4 506 992	-2 048 059
<b>KAI_1.3</b>	35 530 262	67 351 176	20 578 777	-4 886 055	-4 308 904
<b>KAI_1.4</b>	35 614 572	68 584 124	22 059 807	-5 144 101	-4 231 439
<b>KAI_2.1</b>	57 393 620	59 042 696	24 718 089	-8 723 673	-10 366 089
<b>KAI_2.2</b>	24 498 856	34 000 681	16 615 143	-7 758 672	-7 667 356
<b>KAI_2.3</b>	29 678 833	30 917 410	14 073 943	-1 375 495	1 001 996
<b>KAI_2.4</b>	77 980 035	96 954 194	73 419 326	-8 412 824	-6 318 530
<b>KAI_3.1</b>	71 491 867	100 437 318	57 029 892	-18 840 992	-17 312 863
<b>KAI_3.2</b>	34 861 332	46 610 919	24 482 410	-9 197 721	-9 197 721

The pipeline scenario also shows expected lack of sufficient funding for OPTA, PA1, and KAI1.1-1.2. in 2015. For all other KAIs/PA it is expected that not all commitments would be contracted. Hence, according to the pipeline scenario, there are the following options:

- ✓ Reallocation from PA2 and PA3 to KAI1.1 and KAI1.2 to cover all insufficient funding.
- ✓ Reallocation of a reasonable amount of funds from PA2 and PA3 to KAI1.1 only. According to the pipeline scenario and taking into account the pick-up in contracting and certification in Jan-May 2012, such a reasonable amount at the current pace of certification is 118 mln. RON (the calculated Danger of de-commitment: Difference b/w certification and N+3/2 (advance excluded for KAI1.1 as of 31.12.2015)
- ✓ Reallocation from other OPs to OPTA in order to meet the contracting pace of PA1 – cannot be considered a viable option having in mind the overall danger of de-commitment for the program
- ✓ Reallocation from OPTA to other OPs – a viable option, but the amount depends on a number of factors, e.g. contracting in 2012 and certification rate.

The pipeline+ scenario (pipeline as of 09.05.2012 + new project ideas) brings only a marginal change in the options for reallocation, due to the fact that contracting is envisaged for 2013. That is why only the last column of the table below is different from the pipeline scenario.

**Table 12 Contribution to the danger of de-commitment pipeline+ scenario in RON (based on data up to end-2011)**

Pipeline+ scenario					
	Funds left to be contracted - 31.12.2012	Funds left to be certified - 31.12.2012	Insufficient funds: Commitments (overall)- Contracting (2015)	Contribution to the danger of de-commitment: Difference b/w certification and N+3/2 31.12.2012	Contribution to the danger of de-commitment: Difference b/w certification and N+3/2 31.12.2012
	Data up to end 2011				Data up to May 2012
OPTA	2 799 009	629 294 164	-254 016 524	-20 699 735	9 367 726
PA_1	-293 105 533	261 330 945	-436 373 075	33 609 642	59 228 288
PA_2	189 551 344	220 914 982	117 592 750	-26 270 664	-23 349 978
PA_3	106 353 198	147 048 237	64 763 801	-28 038 713	-26 510 584
KAI_1.1	-346 193 226	91 239 143	-429 807 054	48 146 791	69 816 689
KAI_1.2	-18 057 141	34 156 502	-49 000 356	-4 506 992	-2 048 059
KAI_1.3	35 530 262	67 351 176	20 578 777	-4 886 055	-4 308 904
KAI_1.4	35 614 572	68 584 124	21 855 557	-5 144 101	-4 231 439
KAI_2.1	57 393 620	59 042 696	13 484 339	-8 723 673	-10 366 089
KAI_2.2	24 498 856	34 000 681	16 615 143	-7 758 672	-7 667 356
KAI_2.3	29 678 833	30 917 410	14 073 943	-1 375 495	1 001 996
KAI_2.4	77 980 035	96 954 194	73 419 326	-8 412 824	-6 318 530
KAI_3.1	71 491 867	100 437 318	40 281 392	-18 840 992	-17 312 863
KAI_3.2	34 861 332	46 610 919	24 482 410	-9 197 721	-9 197 721

Hence the only difference in the conclusions as compared to the pipeline scenario is the higher 'reasonable amount' for KAI1.1, which increases to 132 mln. RON, given the latest developments in the first five months of 2012.

*For further information on the expected availability of funds (both for funds, which are not expected to be contracted and for funds, which are not expected to be certified), see Annex1B.*

Once the options for reallocation are defined, the Scenario form also offers the opportunity for users to develop different scenarios of reallocating funds. It allows users to reallocate funds from one KAI to another.

## 6 Conclusions and recommendations

### 6.1 Conclusions

#### 6.1.1 Q1. *By the end of the programming period, will the allocations for PA2 and PA3 be entirely used, in case no additional measures are adopted (e.g. new eligible costs/new activities/new eligible applicants/new target groups etc)?*

The baseline scenario shows that, in case no additional measures are adopted, the allocations (commitments) for PA2 and PA3 will not be fully used if no additional measures are introduced by the end of the programming period. For both Priority Axes contracting, payments and certification are even far below the relevant commitment levels.

For PA2 contracting is lagging behind and for 2012 could be below the N+3/2 amounts. At the current pace of absorption, the certification trend and the payment trend are expected to hit the N+3/2 line as early as 2012. According to the baseline scenario, taking into account the speeding-up of absorption in Jan-May 2012, only 13.4% of the commitments for PA2 would be contracted by the end of 2013. Even under the pipeline+ scenario with accelerated pace of absorption, contracting under PA2 will not go beyond 50% by end 2013.

The forecast is slightly better for PA3 in terms of contracting, but as concerns payments and certification, their levels are even lower. At the current pace the contracting will not reach more than 50% as of 2013 (in pipeline+ scenario, incorporating the latest data up to May 2012), which will have negative impact also on payments and certification. However, in the optimistic scenario with increased and streamlined absorption, contracting under PA3 might reach commitments, if all projects in the pipeline+ scenario are implemented.

#### 6.1.2 Q2. *To what extent and what way the reduced capacity of the beneficiary affects the planning and management of the projects founded by PA2 and PA3? Which are the tasks/responsibilities of the beneficiary that can be outsourced?*

From the workload analysis of the two main beneficiaries for the PA2 and PA3 it becomes clear that in the current situation the capacity in terms of staffing to absorb more projects than already contracted is insufficient. The regular tasks, combined with the tasks related to the implementation, require the full capacity of the people already employed. Hence, without additional measures, the beneficiaries will not be able to (fully) absorb the projects in the pipeline.

Especially taking into account that at this moment, there are only 4 projects financed through PA 2 (and 2 projects are under preparation) and 2 projects under PA 3. This is a considerably lower level than the 34 projects that are still in the current project pipeline.

For the SMIS Unit especially there are opportunities to reduce the workload by working more efficiently though e.g. establishing better working procedures and a better workload distribution. However, introducing these changes will take time and will have its effect too late in order to be able to absorb more projects.

Hence, for both units, capacity could be generated by in- or outsourcing activities. For both units additional staff is needed that could be in sourced. Based on the figures collected, for SMIS Unit the



number of additional staff needed would be 5,9 FTEs and for ICIS it would be approximately 2.35 FTEs. However, considering the large variation of projects in terms of size, duration and complexity and the timing of their phases, it is recommended that temporary in-sourcing is considered, based on the estimation on the workload per project (when developing the projects, the actual workload will become clear). Also, before hiring new staff, priority should be given to filling in suspended and vacant positions in both units and to the reallocation of tasks between existing staff, especially in SMIS CS.

Furthermore, time consuming activities could be outsourced. For both units the following project management activities can be outsourced through technical assistance projects:

- Tender dossier preparation,
- Support in the evaluation of tenders,
- Monitoring of procurement contracts.

Additional for ICIS the implementation of activities from the Communication Plan could be outsourced and for SMIS Unit the help desk and SMIS training and organization of events.

Additional for SCD, the implementation of SMIS related activities, such as helpdesk to SMIS users, maintenance, development, training, helpdesk etc. should be outsourced as soon as possible in order to allow the unit to focus on project development and management, increasing in this way the absorption of OPTA available funds.

The workload analysis also looked in possibilities in improvements in procedures, tools, and the division of tasks and makes some suggestions for improvement. The main issue is the demarcation of tasks relating to procurement between the Implementing Service and the beneficiary and the exchange of information. As there are there are legal and liability risks connected to this, this issue should be solved on short notice.

*6.1.3 Q3. Are there changes on eligible costs / activities / applicants / target groups, etc. that can be introduced in order to ensure the increase in demand / absorption of funds from PA2 and PA3?27 If so, will they significantly change the probability of making full use of AP2 and AP3 financial allocations by the end of programming period?*

For PA2 the list of activities in the pipeline is rather complete. The only issues that might be added are the activities that can be outsourced by the SMIS Unit (see section above). This would not require additional eligible cost, activities applicants or target groups. Priority 3 gives already enough possibilities and there are no general changes needed in eligible costs and activities, although the new projects agreed during the Focus Groups would introduce new applicant(s) and target groups within this Priority.

In this way, identified target groups for Priority 3 compared to the existing ones could be: The Ministry of Regional Development and Tourism; RDAs; City Councils; the Association of Communes of Romania (ACoR) and the awarded media/NGOs/companies/self-governments/universities, etc. – the latter would be involved in Project no 17 on the competition to support the best ideas of promoting the EU Structural Instruments' results.

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<sup>27</sup> The evaluation must be performed within the limits established through the OPTA objectives, in order to avoid the artificial extension of eligibility



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Hence, the absorption will not be increased by making changes in eligible costs, activities, applicants and target groups. That absorption is rather influenced by the capacity of the beneficiaries to absorb the available funds, due to several reasons (low capacity of the beneficiary, delays in procurement - complicated procurement procedures, overestimation of equipment needs and prices, time consuming procedures at beneficiary level, etc.)

The pipeline (as of 09.05.2012) and the new project ideas discussed during the Focus Groups change the likelihood for certification of PA2 and PA3 but this change is only marginal.

For PA2 the pipeline scenario shows contracting levels just below the 2010 commitments, i.e. less than half of the commitments are expected to be contracted. The contracting forecasts for PA3 also show that the commitments are not expected to be contracted with and without the pipeline projects. Even after pipeline projects are included in the forecast, contracting would be approx. a half of the commitments.

The effects of adding the projects agreed during the Focus Groups to the pipeline (pipeline+ scenario) are marginal as concerns contracting and certification. At the current rate of certification both PA2 and PA3 would not reach their commitments for 2007 even under the pipeline+ scenario.

#### *6.1.4 Q4. What is the potential for spending the funds of PA1 in the coming years, for avoiding the automatic de-commitment of OPTA?*

The rate of contracting for PA1 is good and if the additional acceleration, observed in Jan-May 2012, is maintained, by 31.12.2013 estimated 186% of the funds are expected to be contracted (under the pipeline+ scenario).

The different KAIs under PA1 follow different paths, with KAI1.1 outpacing the other 3 KAIs in contracting, payments and certification. According to the baseline scenario only KAI1.1 is not at risk of de-commitment, whereas the other 3 KAIs are in danger as of this year. Nonetheless, it is expected that after 2012 KAI 1.2 will not contribute to the increase of the danger of de-commitment any more.

#### *6.1.5 Q5. Are there are new eligible costs / activities / applicants / target groups, etc. that could be added to those already eligible in order to ensure the increase in absorption for PA1?*

It is clear that PA1 is the “engine” for the OPTA. The inventory of new project ideas based on international experience and on the needs of the beneficiaries involved shows that there is no need to amend a lot of the eligibility of costs or activities.

In terms of applicants there are some changes needed, such as inclusion of: the Foundation of Romanian Business and Innovation Centres, the National Institute of Statistics (INS), National School of Administration and Political Science (SNSPA) and other universities., Moreover, the changes would be necessary for implementation of the networks – those new project ideas, which incorporate various types of activities and many new types of target groups (depending on the network).

Summing up, the new applicants and target groups identified for PA1 that could be added to would be the following: Regional and local authorities; Environmental organisations; Sustainable development main stakeholders; Romanian Federation of Municipalities; Romanian Association of Communes; relevant Ministries at national level; individual Towns and cities in Romania; Organisations representing women's interests; National School of Political and Administrative

Studies (SNSPA); Universities; Technological Centres; Research Institutes; National Authority for Scientific Research (ANCS); RDAs; Local Authorities; TAD; Chambers of Commerce; Regional Development Agencies, Federation of Entrepreneurs, National bodies for innovation and/or support to the private sector development; ANRMAP and well known organizations of evaluators.

Next to the projects identified, there might be a potential for activities that address the structural weaknesses in policy planning and design, for which some changes in the scope of the programme might be needed. This includes, for example, a functional review of the National Agency for Cadastre and Land Registration, upgrading the land registration system, rationalisation of investment, upgrading policy planning capacity and capacity for economic analysis to support policy design, Environmental Impact Analysis guidelines, horizontal support on SEA/EIA and ex ante evaluations.

When looking at the increase in absorption it is noted that the pipeline+ scenario is more optimistic for PA1 as compared to PA2 and PA3. At the current accelerated absorption pace of 2012 there will be a projected certification of 46 mln. RON more than the actual commitments for PA1 in end 2015, if all projects in the pipeline+ are implemented.

*6.1.6 Q6. What are the options for reallocation of unused funds (within the OP or to other OPs), and which would be the effects on indicators targets and on general and specific objectives of the programme?*

The options for reallocation depend on a number of factors, including the choice of LOTHAR+ scenario. According to the baseline scenario results, there is a significant danger of de-commitment for all PA/KAI except PA1 and KAI1.1 as early as 2012, which suggests that urgent reallocation is needed from the PA/KAIs, which are the most threatened by de-commitment, e.g. KAI3.1 with 15 mln RON at risk.

The pipeline scenarios identify the following options:

- ✓ Reallocation from PA2 and PA3 to KAI1.1 and KAI1.2 to cover **all** insufficient funding.
- ✓ Reallocation from PA2 and PA3 to KAI1.1 only
- ✓ According to the pipeline scenario such a reasonable amount at the current pace of certification is 132 mln. RON (the calculated difference between certification and commitments as of end-2015 in the pipeline+ scenario, taking into account information up to May 2012)
- ✓ Reallocation from other OPs to OPTA in order to meet the contracting pace of PA1 – cannot be considered a viable option having in mind the overall danger of de-commitment for the program
- ✓ Reallocation from OPTA to other OPs – a viable option, but the amount depends on a number of factors, e.g. contracting in 2012 and certification rate

The above mentioned options for reallocation might affect in a small proportion the OPTA global objective of "ensuring support for the coordination and to contribute to the sound, effective, efficient and transparent implementation and absorption of the Structural Instruments in Romania" if we are taking into account that OPTA has no indicators defined at program level and no key indicators either.

A qualitative analysis of the consequences for the OPTA indicators in relation to proposed scenarios was founded on those indicators which are in common to at least two priority axes, and are as follows:

**Table 13 Consequences for the OPTA indicators (common to at least 2 PAs) based on the proposed scenarios**

Indicators cumulated at programme level from the level of priority axes	Indicative cumulative targets. Total – 2015	Achievements. Cumulated targets at 31.12.2011 % (value)	Estimated achievements for cumulated targets - Pipeline scenario	Estimated achievements for cumulated targets - Pipeline+ scenario
<b>Indicator 1:</b> Studies, analyses, reports, strategies (no.)	154	51% (79)	Between 72% (if reallocations from OPTA to other OPs are done) and 110%	Over passing 100% (109% - 130%)
<b>Indicator 2:</b> Guides and other methodological documents (no.)	38	34% (13)	56% - 60% (because PA2 contribution is over 50% to I2)	61% - 65% (because PA2 contribution is over 50% to I2)
<b>Indicator 3:</b> Events focused on exchanging experience on funds implementation and thematic aspects (no.)	39	74% (29)	Over 90%	100%
<b>Indicator 4:</b> Meetings of relevant committees and working groups (no.)	<b>158</b>	41% (64)	Over 80%	Over 90%
<b>Indicator 5:</b> Training days – administrative structures (no.)	48.000	31% (14.739)	Over 60% (because PA2 contribution is over 40% to I5)	Over 60% (because PA2 contribution is over 40% to I5)

The "Studies and analyses" development (Indicator 1), together with "Guides and methodologies" elaboration (Indicator 2), have an important contribution to the overall improvement of the SI management and implementation. Scenarios helping the achievement of Indicators 1 and 2 targets will generate significant contributions to the general objective of OPTA.

The biggest contribution to indicator 1: Studies, analyses, report, strategies, have the projects implemented under PA1, with a target of 121 out of the total of 154. The current achievement on this indicator from the projects in implementation under KAI 1.1 is 64%. Within PA1, the biggest contribution to indicator 1 has KAI1.1, with a target of 106 out of the total of 121, then KAI1.2 with 14 and KAI1.3 with 1.

The first scenario forecast if all the projects in the pipeline are contracted, it would be more than double the actual commitments for PA1 (especially KAI 1.1 and KAI 1.2) meaning an achievement of more than 130% of total targets. Even the contracting on KAI 1.1 will be slowed down, if over-

contracting will not be an option, still the total target of indicator 1 will be achieved. Looking on certification, again KAI 1.1 is leader and the forecasts are good, over passing 100% in both scenario, and the danger of de-commitment for KAI 1.3 will not affect the achievement of total target of Indicator 1. If the reallocation from PA3 to PA1-KAI1.1 and KAI1.2 will be taken into consideration, the target for Indicator 1 could be achieved but additional efforts to increase the rate of certification under KAI 1.2 are needed by the end of 2012.

If the reallocation from PA3 to PA1-KAI1.1 only will be taken into consideration, the target for Indicator 1 could be achieved due to the over-passing of both contracting and certification under KAI 1.1, even if the targets for this indicator will not be achieved by interventions under KAI 1.3 due to the de-committed and/or reallocated funds from KAI 3.1. This assumption is based on the rate of achievement of 0% for Indicator 1 from KAI 3.1 balanced by the important proposed projects in pipeline and new identified.

If reallocation from OPTA to other OPs will be considered as viable option, the target for Indicator 1 will be affected with maximum 28% if amounts will be taken from KAI1.2, KAI2.1 and KAI 3.1 as KAIs with important contributions (28%) on this Indicator beside KAI 1.1.

If reallocation from other OPs to OPTA will be taken into consideration to fulfil the contracting pace of PA1, the target of Indicator 1 will be achieved as shown above.

With similar impact on OPTA general objective is Indicator 2. KAI2.1 has the biggest contribution (over 50%) together with KAI1.1 and KAI 1.2 to the cumulative targets of Indicator 2. Therefore, all proposed reallocations from PA2 will affect Indicator 2 targets with around 50%.

For Indicators 3, 4 and 5 only PA1 and PA2 are contributing. As the scenarios proposed for reallocations are taking amounts from PA2, targets of those indicators are in danger with the proportion given by PA2. Based on the positive trend of achievements targets of Indicator 3 and Indicator 4 registered in 2011 and looking into the pipeline and the new proposed projects, we can assume the cumulative targets will be achieved at least 80%,

The biggest risk is for Indicator 5 as PA2 contribution is over 40% to the cumulative target. If we are taking into consideration reallocations to PA1, the projects included into existing pipeline and the new ones proposed must contribute to those indicators fulfilment but still targets of Indicator 5 are in danger with around 40% not be achieved in both scenarios.

On the other hand, the OPTA global objective will be achieved by two specific objectives:

SO1: Ensuring support and appropriate tools for an efficient and effective Structural Instruments coordination and implementation during the 2007-2013 period and preparation of the future Structural Instruments programming period.

SO2: Ensuring coordinated delivery at national level of the general messages related to Structural Instruments and implementation of ACIS's action plan for communication in line with the National Communication Strategy for Structural Instruments.

*As PA1 and PA2 assure the achievement of SO1, each reallocation proposal from PA2 will affect its targets' indicators. Besides the common indicators analyzed above, there are three indicators specific for PA2:*



**Table 14 Consequences for the specific indicators (at PA level) in case of reallocation from PA2**

Specific indicators at PA level	Indicative cumulative targets. Total – 2015	Achievements. Cumulated targets at 31.12.2011 % (value)	Estimated achievements for cumulated targets - Pipeline scenario	Estimated achievements for cumulated targets - Pipeline+ scenario
PA2 - Indicator 6: SMIS versions (no.)	5	60% (3)	100%	100%
PA 2 - Indicator 7: SMIS complementary applications (no.)	3	0% (0)	40% - 50%	50%
PA2 - Indicator 8: Inquiries received at SMIS helpdesk (no.)	420	0% (0)	40% - 50%	50%
PA 1 - Indicator 6: Participant training days - beneficiaries (no.)	42.000	31% (4.705)	Over 80%	Near 100%

The projects in implementation under PA2 are contributing to the progress of programme level indicator - SMIS versions. This is the sole indicator with 60% achievement up to end of 2011 and the projects included into the existing pipeline are assuring the fulfilment of this indicator.

On the same PA2, no significant contribution is registered on indicators: "SMIS complementary applications" and "Inquires received at SMIS helpdesk" as the target achievements were 0% at 31.12.2011. None of the proposed scenarios are positive in terms of contracting and certifying on this PA, will be very difficult to achieve at least 50% of their targets.

The rest of projects in implementation under PA2 are not contributing to programme level indicators such as acquisition of necessary equipment or performance indicators related to system operation.

If the reallocation proposal from OPTA to other OPs will be taken into consideration then is possible to affect PA1 indicators since some have ambitious targets and low achievement at present, such as "Participant training days – beneficiaries" (42.000). The achievement of 31% on this indicators target was obtained only in 2011 but the trend is positive due to the contracted FAT. Both scenarios are supporting reallocations to PA1 (more than double) so the achievement of this indicator will be **near 100%**.

SO2 is possible to be achieved through the best PA3 implementation therefore any reallocation proposal from PA3 to other PAs of OPTA or other OPs will affect this specific objective - and the general OPTA objective, too.

**Table 15 Consequences for the specific indicators (at PA level) in case of reallocation from PA3**

Specific indicators at PA3 level	Indicative cumulative targets. Total – 2015	Achievements. Cumulated targets at 31.12.2011 % (value)	Estimated achievements for cumulated targets - Pipeline scenario	Estimated achievements for cumulated targets - Pipeline+ scenario
<b>Indicator 5:</b> Website visits (no.)	1.000.000	103% (1.028.262)	Over 100%	Over 100%
<b>Indicator 2:</b> Communication and publicity events (no.)	120	3% (3)	Under 40%	Under 60%
<b>Indicator 3:</b> Information and publicity materials (no.)	72	8% (6)	Under 40%	Under 60%
<b>Indicator 4:</b> Mass-media campaigns (no.)	10	10% (1)	Under 40%	Under 60%
<b>Indicator 6:</b> Inquiries received at the Information Centre (no.)	40.000	0% (0)	Under 40%	Under 60%
<b>Indicator 7:</b> Degree of population awareness (%)	15	0% (0)	Under 40%	Under 60%

The progress registered for PA3 indicators is very low with one exception: "Website visits" where is possible to have an underestimated target as the achievement registered at end of 2011 was 103%.

With a small number of projects in implementation, the only possibility to increase the rate of achievement of PA3 specific indicators, between 0% and 8% by the end of 2011, is to contract as soon as possible all projects included in existing pipeline and the new ones identified together with measures for speeding up the spending under PA3. As shown in both scenarios even the contracting can support this PA, in terms of spending will be difficult to absorb the commitments as planned and the targets will be achieved fewer than 40%.

The recently contracted project "Information Centre on SI" will have a significant contribution to the indicators: "Inquires received at Information Centre" and "Degree of population awareness" (with 0% achievements at 31.12.2011)

However, majority of PA3 target indicators are in danger with an average of 40%, both in terms of contracting and spending.

Finally is good to keep in mind that not all funds reduction proposed involves the targets' reduction. There are in pipeline project proposals with quite small budgets for the proposed objectives.

Also must consider the impact of public procurement at the lowest price on project budgets without reducing the size of target indicators to be affected.

Last but not least, the project ideas have been estimated on their minimum efficient budgets. There is a possibility for expanding the budget of few of them. It would help to improve the contracting rate – that comment concerns especially the grants for promotion projects. Replication of the eventual call for proposal every year (in 2012-2013 and 2014) would lead to contracting of 12 million Euro projects in PA3.

## 6.2 Recommendations

### Enhance the absorption capacity by capacity building at beneficiary level and simplification of procedures for the authorisation of payments or certification

If additional measures are not adopted, the certification of funds under OPTA is not expected to reach the commitment levels. As LOTHAR+ shows, even the inclusion and contracting of all the pipeline+ projects would not guarantee absorption of all funds under the 3 priority axes. Despite the over-contracting for PA1, at the current rates, absorption under OPTA will not exceed 70% by the end of 2015. These results suggest that contracting the pipeline projects without dramatically changing the payments and certification rates would not increase absorption significantly.

There is room for improvement through streamlining of the implementation of the projects under OPTA and through enhancement of the absorption capacity of beneficiaries. The latter can be achieved either through trainings and guidance, authorisation of payments or certification. Gains from such improvements in the efficiency of EU funds absorption under the OPTA might not be negligible. Nevertheless, even the most efficient project approval, implementation and certification process would hardly be sufficient to ensure alone coverage of the commitments by adequate certification by the end of 2015.

In order to ensure the absorption capacity of the SMIS CS and the ICIS, it is recommended to follow up the specific recommendations made as part of the workload analysis and to ensure sufficient capacity by filling vacancies and the in/outsourcing of tasks.(see chapter 3 and annex 2)

### Consider the expansion of the list of activities, target groups and beneficiaries under PA1 based on the new project ideas identified

Some amendments to the Programme are inevitable. The suggested lists of 17 new projects/ideas amending the original project pipeline developed by the ACIS requires expansion of the list of: activities, target groups and beneficiaries.

However, all of these elements have been proposed based on either completed or currently implemented projects from other EU Member States. Therefore these ideas should face a positive consent from the European Commission. These ideas should be put into the updated version of the Operational Programme without further hesitation, assuming approval of the OPTA Monitoring Committee.

Once approved, the updated project pipeline should be subject of scrutinised, coordinated and priority follow-up measures on identified projects by the OPTA management



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### Consider the following reallocation options

The options for reallocation were listed in section 6.4 and in the answer to Question 6. Based on the results from LOTHAR+ (pipeline+ scenario) it can be recommended to consider the following two viable options as concerns reallocation within OPTA and to other OPs:

- Reallocation of a 132 mln. RON (under the pipeline+ scenario) from PA2 and PA3 to KA11.1 in order to fully meet the absorption rate under this KA1.
- Reallocation from OPTA to other OPs – the decision on this option should be taken on the basis of the speed of contracting and the certification rate in 2012. LOTHAR+ can only make a suggestion on the basis of the current rate of absorption and its financial implications.

### Ensure the follow up on the identified project ideas

In the focus groups new project ideas that are relevant for Romania were identified. However, this does not mean that these projects will come into existence without further support and follow-up. Hence, it is recommended that the OPTA Strategy Unit discusses these project ideas further with the beneficiaries, in order to ensure that these will be taken forward. This is especially important for the networking projects, for which it is in some cases undecided who should take the lead as beneficiary.

### Improve internal mechanisms and procedures for procurement.

Some of the projects in the pipeline have already been started however the internal lengthy procedures and decision making rules made contracting of those activities impossible or delayed beyond acceptable periods. These delays should be shortened in order to allow implementation of the projects in their originally designed form; without the necessity for redrafting the tender dossier as they became outdated.



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# Literature

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## GENERAL INFO USED FOR ALL Q

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- ✓ Government of Romania, Ministry of Public Finance, 2007, Operational Programme Technical Assistance 2007-2013
- ✓ Government of Romania, Ministry of Public Finance, 2011, Framework-Document for Implementing the Operational Programme Technical Assistance 2007-2013
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- ✓ OPTA Interim Evaluation Report, 2010
- ✓ ACIS, National Strategy for IS Communication 2007 – 2013 in Romania
- ✓ OPTA Multi annual Evaluation Plan
- ✓ Organisational Chart of Ministry of European Affairs (including TAD), 2011
- ✓ Audit Authority, System and Operations Audit reports of OPTA MA on 2010
- ✓ OPTA Monitoring Committee Decisions, 2011 (Meetings on 8 June and 29 November 2011)
- ✓ EC Comments on: AIR 2010 for OPTA; Decisions of OPTA MC – Meeting of 8 June 2011

## INFO USED FOR Q2

- ✓ NEI, Key indicators for candidate countries to effectively manage the Structural Funds (client DG Regio), 2002
- ✓ MAEur, ACIS, TAD, Manual of procedures to implement OPTA 2007 – 2013, version 2011
- ✓ ROF and TAD Procedures
- ✓ Job descriptions for the ICIS positions with OPTA PA3 responsibilities
- ✓ Job descriptions for the SMIS CS positions with OPTA PA2 responsibilities
- ✓ MAEur, Memorandum on extra needed staff for implementing Operational Programmes, 2012 – 2015
- ✓ MAEur, Code of conduct to avoid situations of conflicts of interests by staff involved in management of European funded Programmes
- ✓ Internal organization and functioning regulations (ROF)
- ✓ Communication Plan for Operational Programme for Technical Assistance 2007-2013
- ✓ OPTA MA Implementation procedures

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## INFO USED FOR Q1 and Q4 (+Q3+Q5)

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- 
- ✓ ACIS – Directorate for System Coordination, Database of OPTA projects, SMIS cut-off 31 December 2011 (contracts, payments and certification dates from SMIS)
  - ✓ OPTA MC Meeting of 29 November 2011, Presentation of OPTA Status at 31 October 2011
  - ✓ Follow ups on the OPTA pipeline: 31 October 2011; 10 February 2012; 24 April 2012; 09 May 2012
  - ✓ OPTA projects implementation status at 31 October 2011 (excel file)
  - ✓ Monthly Monitoring Tables of Operational Programmes, October 2011 – April 2012 (pdf files)
  - ✓ OPTA Contribution to implement the Priority Measures Plan, November 2011
  - ✓ ACIS – SMIS Coordination Service , Description of SMIS
  - ✓ ACIS - Implementation Service, Description of the monitoring tool in use
  - ✓ Ministry of Finance, Bulgaria, Lothar System used in Bulgaria, 2008 – 2011 presentations
  - ✓ MAEur, Memorandum on needs for international expertise to absorb the Structural and Cohesion Funds, December 2011

#### **INFO USED FOR Q3 and Q5**

- ✓ OPTA Contribution to implement the Priority Measures Plan, November 2011
- ✓ ACIS, Priority Action Plan for increasing the capacity to absorb structural and cohesion funds, 30 September 2011

#### **INFO USED FOR Q6**

- ✓ MAEur, Memorandum on possible reallocation between Operational Programmes, 2011
-



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## Annexes related to content

In the annexes the following documents can be found:

1. Description of LOTHAR +
  - ✓ 1A Description of LOTHAR + calculation model
  - ✓ 1B Overview of expected availability of funds for reallocation
2. Analysis Report of the capacity of the beneficiaries of PA2 and PA3
3. List of new Projects Ideas that can be included in the OPTA pipeline by the end of the current programming period and comparison of international good practice
4. International experience and good practice

## Annex 1A Description of LOTHAR + calculation model

### 1. Background information

This project aims at improving the quality, effectiveness and consistency of the assistance by providing a risk assessment of not fully drawing down the allocated funds of the OPTA, by assessing the danger of automatic de-commitment of OP funds over the next years and by proposing adequate options of reallocation of the possible unused funds within the programme or to other programmes. The LOTHAR+ system that is currently being developed under the project aims at supporting the assessment of automatic de-commitment and the process of proposing options for reallocation through financial forecasting.

LOTHAR+ is based on the LOTHAR system developed in partnership between the Bulgarian Authorities and the EC. The original LOTHAR is:

- Excel-based – basically an intricate Excel file with a number of links between cells and sheets, allowing visualization of different variables;
- Used for the preparation of financial forecasts for the absorption of SCF through the Bulgarian OPs;
- Used also for monitoring of main processes – contracting, payments, verification, and certification.
- LOTHAR's objective is to monitor the implementation of N+3/2 principle under the OPs, so that corrective actions could be taken, if there is a danger of de-commitment. Thus, LOTHAR's objective and elements are very similar to the objectives of this project, which is why the model was selected as a starting point for the development of a forecasting tool. Thus, LOTHAR+ integrates both the functionality of a monitoring and a forecasting tool.

### 2. Methodology

#### 2.1 Description of inputs

The development of LOTHAR+ was a time-consuming process, both due to the time needed for development and for the time to ensure the right input. The first LOTHAR+ template was developed in February 2012. Since then there was one small revision in the template. In the meantime the Client and beneficiaries started providing the necessary data. The data was structured and input in the LOTHAR+ template by the project team. Afterwards, followed verification of the input data in the system, performed by the Beneficiaries and the Client by the end of April 2012. The input data is in a separate Excel file in order to allow ease of work with the model. The input data (at project level) includes:

- EU financial commitments
- RON/EUR exchange rates – used for the calculation of commitments in RON and quarter averages since Q1 2007.
- Total eligible budget of approved projects (EU and National funding)
- Total EU funding of approved projects
- Submission date
- First approval date (or rejection)
- Financial agreement date
- Project start date



- Project end (or cancellation) date
- All interim and final payment amounts, along with claim and authorisation amounts and dates and payment dates.
- Certified amounts (total and EU share), along with certification dates.

The output data from the LOTHAR+ model includes data and projections until 2015 for each KAI, PA and OPTA, under the baseline and various other scenarios for:

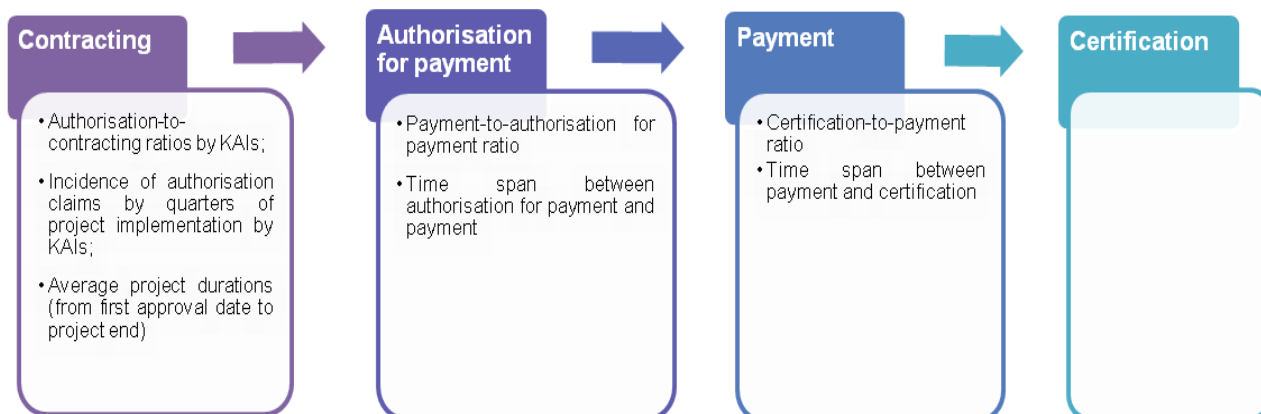
- Commitments
- Contracting (total)
- Contracting (EU contribution)
- Authorized payment (total)
- Authorized payment (EU contribution)
- Payment (total)
- Payment (EU contribution)
- Certified payments
- N+3/2 rule (Advance excluded) cumulative
- N+3/2 rule (Advance included) cumulative
- Commitments - de-commitments (cumulative)

## 2.2 *Methodology for baseline projection*

Baseline projections are generally made assuming a “business-as-usual” scenario, including continuation of the current trend in contracting by KAIs. This scenario assumes that contracting would be equal to its average value in 2009-2011. The period 2007-2008 is not taken into account, because the programme was just starting up in the first two years of Romania’s accession to the EU and the amounts contracted back in these years is by no means representative of what might be expected over the medium term up to 2015. The baseline scenario furthermore does not include the projects in the pipeline and assumes no changes in the efficiency of absorption under OPTA and no re-allocation of commitments. All variables are forecast in terms of flows and then transformed in stock to allow for estimation of absorption and assessment of the funds in danger of de-commitment. Each of the forecast variables marks a stage in the process of absorption of EU funds and is broken down to key areas of intervention (KAI). Thus an implicit assumption of relative homogeneity of the projects, falling under the same key area of intervention is made. Both national and EU funded levels are forecast for each variable down to a level of KAI.

The current version of the model incorporates a possibility to make changes for all assumptions, underlying the baseline projections and which are detailed in the section, explaining how to use the LOTHAR+ model. As there are only a limited number of completed projects under the operational programme, both completed and some of the ongoing projects have been taken into account for the estimation of the values of the parameters that are central to the projections. With the progress of the implementation of the operational programme, more detailed and more reliable information will become available. Taking this into account we have modelled all assumptions that are relevant for the baseline projections, as parameters that can subsequently be changed under the alternative scenarios to account for subsequent modifications or specifications of these underlying hypotheses. In case that is strong and commonly accepted belief/estimation for the value of any of these parameters, they can be modified for the baseline scenarios as well.

The underlying methodology for the baseline scenario can be summarized as follows:

**Figure 39 Methodology of LOTHAR+**


1. **Contracted** funds are assumed to remain at levels, amounting to the average value for contracting over the period between Q1 2009 and Q4 2011. The time span for the estimation of mean values has been chosen in order to exclude the period of the first two years after accession, when the entire system for EU funds absorption is supposed to be setting up. Only for KAI 2.3 and KAI 3.1, Q4 2008 has also been included, as for these two KAIs there are contracting flows only in the last quarter of 2008.
2. **Authorisation for payment** is forecast, based on contracting, taking into account an estimate of the average ratio of authorization-to-contracting ratio for each KAI. The latter are based on calculations at project level of the current authorisation-to-contracted budget levels for the more advanced projects. Additionally, expected levels of authorisation are assessed, taking into account the project phase, end date, progress and making indirect conclusions about the beneficiaries absorption capacity. Aggregation at KAI level is made by averaging across projects, where the project budgets are used as weights. The average time period between the first approval of the project and authorisation and the average duration of the projects have also been incorporated as parameters in the projection. More specifically, the differences between the date of payment and the date of first approval of the project are calculated for each authorised payment under each project under OPTA. Additionally, the amounts authorised are also taken into account as a share of the total budget of the project. These calculations made it possible to make general inferences about the authorisation scheme both in time and amounts for most of the KAIs. The authorisation scheme is a matrix, where the rows represent the quarters since the start of the project and the columns stand for the different KAIs. The values in the matrix give information about the payments in percent of the project budget, that are authorised in a given quarter after the beginning of the project For some KAIs, like KAI 3.2, where there are currently no payments, extrapolation has been made from other KAIs, which are either in the same PA, or have a similar project duration and payment similarities. Project duration is taken into account to make sure that there will be no requests for payments after the end of the projects.
3. **Payment** estimate is derived from authorisation for payment, adjusting for the ratio between claims for authorisation and payment and for the time elapsed between authorisation and actual payment. In practice payment is broadly equal to authorisation for payment, as generally 100% of the authorised amounts are paid and they are paid within the same quarter as the authorisation.
4. **Certification** is projected following broadly the same methodology as for the rest of the variables: based on payment, taking into account the time, elapsed between payment and

certification by the CPA, as well as the part of paid amounts that is certified on average for each KAI. The time elapsed between payment and certification is estimated to amount to an average of one quarter (based on the project data) for all KAIs in the operational programme. The share of certification in paid amounts was initially established, depending on calculations at project level of the current certification-to-payments levels for the more advanced projects. However these estimates were changed in the final version of LOTHAR+, based on the expert consensus estimates, that the certification-to-payment ratio will eventually go as high as almost 100% for all KAIs. Additionally, expected levels of certification are assessed, taking into account the project phase, end date, progress and making indirect conclusions about the beneficiaries absorption capacity. Aggregation at KAI level is made by averaging across projects, where the payments, already made under each project, are used as weights.

Certification provides a basis for estimation of the **danger of de-commitment** for each KAI, priority axis (PA) and the entire operational programme “Technical assistance” (OPTA). This is done automatically in excel by comparing certification versus commitments, taking into account the so called “N+3” and “N+2” rules. The latter are computed both including and excluding the 9% advance payment under OPTA. The following scheme for absorption of the committed EU funds by years is respected:

EU funds committed for:	Need to be absorbed by the end of:
2007	Divided into six and added to the funds for each of the remaining six years.
2008	2011
2009	2012
2010	2013
2011	2013
2012	2014
2013	2015

Finally, **adjusted commitments** are calculated, scaling commitments down by the amount of possible de-commitments that might take place under the baseline scenario. As all calculations are made at KAI, PA and OPTA level, the model supports the users in judgements about the threat of de-commitment at a relatively lower breakdown and in decisions for possible re-allocation of funds from one KAI/PA/OP to another in order to achieve maximum level of absorption. The model, however, makes no inferences, as to where a possible intervention, financed out of EU funds, might have an optimal administrative or social benefit.

In order to take into account the effect of floating **exchange rate** of the RON against the EUR, quarterly average exchange rates have been calculated, based on data, available at the InforEuro - Financial Programming and Budget website<sup>28</sup>. For the baseline the RON is assumed to remain at its average level for Q4 2011 by the end of 2015.

In a nutshell the functioning of the model is given in the box below.

<sup>28</sup> [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)

$$C_t = a.P_{t-i}$$

$$P_t = b.AP_{t-j}$$

$$AP_t = c.CT_{t-k}$$

$$CT_t = const$$

Where:

$C_t$  is certification in quarter  $t$

$P_t$  is payment in quarter  $t$

$AP_t$  is authorised payment in quarter  $t$

$CT_t$  is contracting in quarter  $t$

$a$  is an average estimated certification-to-payment ratio

$b$  is an average estimated payment-to-authorisation ratio

$c$  is an average estimated authorisation-to-contracting ratio

$i$  is the time delay between certification and payment

$j$  is the time delay between payment and authorisation

$k$  is the time delay between authorisation and contracting

$const$  is a constant

Contracting is assumed to remain at levels, equal to their average level for the period Q1 2009-Q4 2011. However, depending on the modeller's view or political engagements undertaken, they might follow a trend or take values that the analysts consider appropriate.

### 2.3 Methodology for alternative scenarios

While baseline provides the most probable realisation of the projected variables, LOTRAR+ also incorporates possibilities for performance of alternative scenarios, based on different assumptions, policies or external shocks. The baseline forecast provides users with the general direction, where the absorption of EU funds under OPTA is heading, broken down by PAs and KAIs and quarters. Such a projection is available for all major stages of EU funds absorption, namely, contracting, authorisation for payments, payments and certification. However, the central, or baseline, projection is rarely realised in practice: as it presents a series of point estimates, which probability of occurrence is close to zero. This scenario provides policy-makers with a forecast, given the information, available at the time, when the projection is made. However it does not take into account all the policy changes and other exogenous shocks that might take place and that might be very diverse in their nature. That is why we have integrated a tool for performance of alternative scenarios into the LOTRAR+ model.

The LOTRAR+ model allows users to make alternative scenarios, based on different values for:

- EU contribution share;
- Exchange rate of RON against the EUR;
- Different authorisation schemes for each KAI, both in terms of period and amount of authorisation;
- Duration between first approval of the project and its completion;
- Different payment schemes for each KAI, both in terms of period and amount of payments;
- Different certification schemes for each KAI, both in terms of period and amount of certification;

- Transfer of commitments for a particular year from one KAI to another;
- Inclusion of additional projects in the pipeline.

### 3. How does LOTHAR+ work

Just as LOTHAR, LOTHAR+ is Excel-based. However, the original LOTHAR does not include VBA elements. Visual Basic for Applications (VBA) is an implementation of Microsoft's programming language Visual Basic 6 within Excel, which enables building user defined functions and automating processes. In this way LOTHAR+ aims at overcoming LOTHAR's problem of non-automated forecasts. Forecasting output is also automated using VBA.


Moreover, LOTHAR+ is much more interactive. It allows users to see the current state of play and to perform different scenarios, through changing parameters in the model. The tool also allows for visualization of different variables at all levels of intervention, chosen by the user.

LOTHAR+ consists of two excel files. Due to the VBA code in both files, the user should enable Macro and ActiveX content in order to be able to use the built-in functionality of the model. In all files we have used the following convention for the background colours of the cells in the spreadsheets or for the spreadsheets themselves, which is meant to facilitate users.

<b><u>do not change</u></b>	Cells, which are used as references in the VBA code.
<b><u>fill in data - Paste as values</u></b>	Cells, where raw project-level data needs to be filled in manually.
<b><u>drag formula</u></b>	Cells with formulas.
	Sheets, where model output is visualized.

The algorithm for updating and running LOTHAR+ is as follows:

**Step 1:** Open file LOTHAR+.xslm. Update manually information for new and/or existing projects under all KAIs if new data is available: fill in data in columns from "O" to "AI" according to the above colour code.

**Step 2:** Press the button  to aggregate information at project level up to KAI level. Such a button is available in cell "H2" in each of the KAI sheets.


**Step 3:** Update information in Sheet "Flash\_sheet". This sheet gives information about the current progress in the implementation for each of the projects. This sheet is inherited from the original LOTHAR+ file and it alone provides a good basis for monitoring. Aggregated data from the flash sheet is also used for the projections, which are made in sheet "InputForBaseline".

**Step 4:** Go to sheet "InputForBaseline". Update the first quarter of the forecasting period in the dropdown menu.


The baseline projection is in practice made in sheet "InputForbaseline". It contains links to all variables for all KAIs. Additionally, Some aggregate parameters are linked to the flash sheet. In case the underlying assumptions need to be changed already for the baseline projection (and not in the scenario analysis), they available as follows:

Cell range "P2:P40"	Exchange rates
Cell range "R1:R2"	EU contribution
Cell range "BB50:BK77"	Scheme for distribution of authorization of

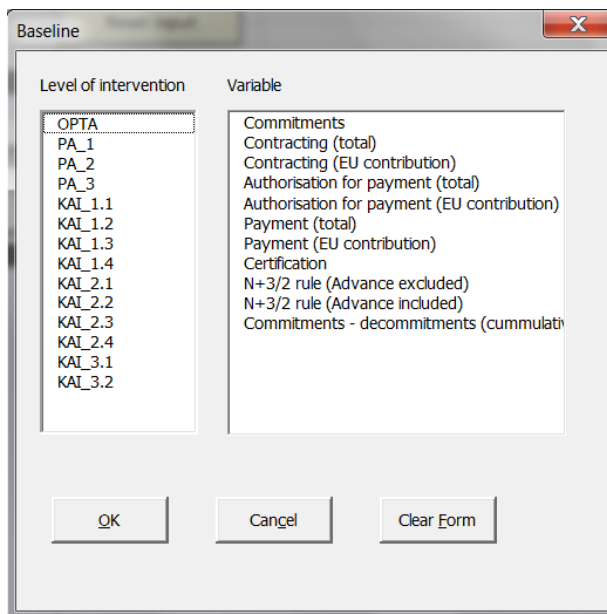
Cell range "BB79:BK79"	payments by quarters of the project implementation and as a share of total budget of the project. This table of assumptions also determines the share of the project budget that is actually authorized for payment.
Cell range "CH50:CQ51"	Project implementation duration
Cell range "DN50:DW51"	Ratios and delays of transformation of authorizations for payment into actual payments.
	Ratios and delays of transformation of payments made into certified payments.

**Step 5:** Open file "LOTHAR+\_simulations.xlsm" and enable macros and ActiveX contents. Press the button  to update baseline projection from the LOTHAR+.xlsm file. To do this, however, the latter file needs to be open. Otherwise a message, suggesting opening the file, pumps-up.

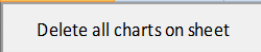
**Step 6:** Update information about new pipeline by filling in manually or pasting as values data for new projects and dragging formulas in sheet "Pipeline", in columns from "A" to "K".

**Step 7:** To obtain results for the baseline scenario go to sheet "Input\_scenario" and press button  in cell "A1". Then a dialogue menu appears as follows:

**Figure 40 Baseline scenario pop-up window**



The user can then change which levels of intervention and which variables to display both in the output sheet and the chart. Users may choose visualizations of just one level of intervention or variable, or their combination. Out of practical reasons, the number of lines, than can be drawn on the chart is restricted to 10.

**Step 8:** The graphical results of the baseline scenario can be visualized in sheet “Charts”. All charts are saved as pictures. However a button  is available to allow users to clear all existing charts.

A spreadsheet with the results is available in sheet “Output\_baseline”. The system also automatically displays the contribution to the danger of de-commitment remaining funds at the three main levels: OP, PA, and KAI (again in sheet ‘Output\_baseline’, starting at row “42”). The danger is displayed both in RON and in EUR.

Two tables show the following percentages at different periods that the user may select:

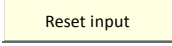
- % of contracted funds
- % of paid funds
- % of certified funds

The tables also show the funds, which are not absorbed yet (not certified).

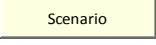
Through the baseline scenario the user will be able to:

- Easily identify de-commitment danger at OPTA, PA, and KAI level for different periods
- Easily calculate the percentage of the contracted, paid, and certified values at periods that the user chooses
- Compare different KAIs, PA

As a result, users of the LOTHAR+ baseline scenario will have at their disposal all important values of the programme implementation and forecasts based on the implementation so far.

**Step 9:** The alternative scenarios show the expected developments, if some changes are made to the operational program and its implementation. This scenario can be accessed again from Excel sheet ‘Input\_scenario’. There is a spreadsheet, providing the user with an opportunity to change all major underlying assumptions of the baseline scenario. If any value is changed, it will appear in red. If the users need to return to baseline value, they only need to press on . Possibilities for changes for the alternative scenarios from the spreadsheet include different values for:

- EU contribution share;
- Exchange rate of RON against the EUR;
- Different authorisation schemes for each KAI, both in terms of period and amount of authorisation;
- Duration between first approval of the project and its completion;
- Different payment schemes for each KAI, both in terms of period and amount of payments;
- Different certification schemes for each KAI, both in terms of period and amount of certification.

After deciding whether making changes in the underlying assumptions, the user needs to click on  and a pop-up window (Figure below) will show, allowing users an option to choose what variables and levels of intervention to display.

**Figure 41 Alternative scenarios pop-up window**

There are two important additional possibilities for simulation of alternative scenarios:

- Transfer of commitments for a particular year from one KAI to another. The user needs to insert the amount that is to be re-allocated, the year of reference and source and destination KAI.
- Inclusion of additional projects in the pipeline. If this box is ticked, then all projects in sheet “Pipeline” will be included in the simulation.

**Step 10:** The output of the simulation of alternative scenarios can be accessed from the sheets. Sheet “Charts” contains a chart, comparing baseline and alternative scenario for the chosen variables. Again a maximum of 10 lines is allowed for this chart. Sheet “Output\_baseline” contains the baseline values for the chosen variables and levels of intervention, while sheet “Output\_scenario” provides a spreadsheet with the respective values for the alternative scenario.

Again, as in the case of the baseline, it is possible to monitor and to obtain an estimate some of the fundamental ratios of EU absorption, like contracting, payment and certification rate and to assess easily what amounts of funds remain unabsorbed as of end-period for each year of the current programming period.

Again, below the scenario data, there are 4 tables that show the following:

- Contribution to the danger of de-commitment: Difference between certification and N+3/2 (advance excluded) in RON. The dangers of de-commitment are in red.
- Contribution to the danger of de-commitment: Difference between certification and N+3/2 (advance excluded) in EUR.
- Data for contracted, paid, and certified funds and for the funds left to be certified at dates chosen by the user – in RON. The choice of quarters is made through a drop-down menu and the data is automatically calculated.
- Data for contracted, paid, and certified funds and for the funds left to be certified at quarters chosen by the user – in EUR.





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In RON														
Risk of decommitment: Difference b/n certification and N+3/2 (advance excluded)														
	OPTA	PA_1	PA_2	PA_3	KAI_1.1	KAI_1.2	KAI_1.3	KAI_1.4	KAI_2.1	KAI_2.2	KAI_2.3	KAI_2.4	KAI_3.1	KAI_3.2
Dec-11	32 535 510	39 679 928	-2 527 387	-4 617 030	40 199 626	-266 572	447 790	-700 916	-2 663 650	-2 378 850	2 785 344	-270 231	-3 357 985	-1 259 046
Dec-12	-33 568 390	21 840 351	-28 337 712	-27 071 029	41 484 254	-5 235 616	-6 387 979	-8 020 308	-9 992 141	-7 849 678	-1 375 495	-9 120 398	-17 976 424	-9 094 605
Dec-13	-223 824 117	-41 274 545	-106 468 046	-76 081 525	36 096 725	-15 252 688	-30 676 522	-31 442 060	-31 386 459	-19 014 931	-14 304 029	-41 762 627	-51 598 068	-24 483 457
Dec-14	-312 263 134	-65 202 352	-145 998 546	-101 062 236	38 821 734	-19 005 138	-41 844 812	-43 174 136	-41 336 290	-24 467 056	-18 262 918	-61 932 282	-69 819 365	-31 242 871
Dec-15	-432 842 947	-88 848 805	-203 507 238	-140 486 903	56 834 357	-27 340 995	-57 166 996	-61 175 172	-56 923 903	-33 025 434	-19 591 294	-93 966 608	-97 298 771	-43 188 132
As of:	12/31/2012													
	OPTA	PA_1	PA_2	PA_3	KAI_1.1	KAI_1.2	KAI_1.3	KAI_1.4	KAI_2.1	KAI_2.2	KAI_2.3	KAI_2.4	KAI_3.1	KAI_3.2
% contracted	107.6%	184.5%	37.4%	30.6%	307.1%	147.3%	58.0%	61.4%	45.9%	40.3%	63.8%	22.2%	33.6%	24.1%
% paid	24.3%	44.7%	5.5%	4.4%	80.4%	13.6%	12.8%	13.1%	3.2%	0.3%	14.4%	5.6%	5.7%	1.7%
% absorbed	12.9%	23.8%	3.6%	1.0%	41.8%	2.7%	9.5%	8.8%	1.6%	0.2%	10.8%	3.4%	1.3%	0.2%
Funds left	642 162 819	273 100 236	222 982 030	146 080 553	97 901 679	34 885 126	68 853 099	71 460 331	60 311 165	34 091 687	30 917 410	97 661 768	99 572 749	46 507 804
In EUR														
Risk of decommitment: Difference b/n certification and N+3/2 (advance excluded)														
	OPTA	PA_1	PA_2	PA_3	KAI_1.1	KAI_1.2	KAI_1.3	KAI_1.4	KAI_2.1	KAI_2.2	KAI_2.3	KAI_2.4	KAI_3.1	KAI_3.2
Dec-11	7 858 998	9 481 462	-558 098	-1 064 366	9 546 246	-53 915	132 148	-143 017	-615 020	-549 261	667 876	-61 693	-773 660	-290 706
Dec-12	-7 404 822	5 361 686	-6 517 636	-6 248 872	9 842 317	-1 201 244	-1 446 281	-1 833 105	-2 307 144	-1 812 442	-292 835	-2 105 215	-4 148 984	-2 099 888
Dec-13	-51 335 052	-9 212 439	-24 557 495	-17 565 118	8 597 305	-3 514 190	-7 054 419	-7 241 135	-7 246 968	-4 390 432	-3 277 951	-9 642 144	-11 912 022	-5 653 096
Dec-14	-71 756 339	-14 738 313	-33 684 969	-23 333 056	9 225 585	-4 380 674	-9 633 171	-9 950 053	-9 544 351	-5 649 301	-4 192 096	-14 299 221	-16 119 218	-7 213 839
Dec-15	-99 599 580	-20 199 983	-46 963 601	-32 435 996	13 382 982	-6 305 408	-13 171 099	-14 106 458	-13 143 464	-7 625 386	-4 499 007	-21 695 744	-22 464 056	-9 971 940
As of:	12/31/2011													
	OPTA	PA_1	PA_2	PA_3	KAI_1.1	KAI_1.2	KAI_1.3	KAI_1.4	KAI_2.1	KAI_2.2	KAI_2.3	KAI_2.4	KAI_3.1	KAI_3.2
% contracted	37.4%	63.9%	9.0%	17.2%	93.4%	51.5%	24.3%	44.8%	4.8%	1.0%	16.7%	11.6%	16.9%	18.1%
% paid	13.0%	24.6%	2.5%	1.0%	45.1%	7.0%	7.0%	5.7%	0.6%	0.1%	14.6%	0.4%	1.5%	0.0%
% absorbed	8.1%	15.4%	1.7%	0.3%	28.5%	1.8%	4.3%	4.1%	0.0%	0.0%	11.1%	0.2%	0.4%	0.0%
Funds left	156 468 958	70 058 525	52 457 002	33 953 432	27 760 863	8 136 527	16 808 327	17 352 808	14 154 781	7 889 321	7 113 873	23 299 027	23 191 271	10 762 161



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## Annex 1B Overview of expected availability of funds for reallocation (taking into account the latest available information up to May 2012)

	OPTA	PA_1	PA_2	PA_3
<b>Baseline scenario</b>				
Funds, not contracted (end-2014)	243 507 887	-77 042 989	200 207 844	120 343 031
Funds, not certified (end-2015)	425 482 863	80 120 215	210 434 653	134 927 995
<b>Pipeline scenario</b>				
Funds, not contracted (end-2014)	-48 497 837	-265 791 683	133 316 594	83 977 251
Funds, not certified (end-2015)	264 766 994	-22 942 034	172 827 977	114 881 051
<b>Pipeline+ scenario</b>				
Funds, not contracted (end-2014)	-126 623 462	-315 935 058	122 082 844	67 228 751
Funds, not certified (end-2015)	225 499 396	-46 372 662	166 581 727	105 290 331

	KAI_1.1	KAI_1.2	KAI_1.3	KAI_1.4	KAI_2.1	KAI_2.2	KAI_2.3	KAI_2.4	KAI_3.1	KAI_3.2
<b>Baseline scenario</b>										
Funds, not contracted (end-2014)	-160 295 936	8 676 144	33 880 452	40 696 351	57 151 805	29 169 644	29 678 833	84 207 563	86 208 221	34 134 810
Funds, not certified (end-2015)	-49 104 716	14 882 904	53 067 443	61 274 585	59 633 003	32 067 801	28 539 919	90 193 929	98 909 188	36 018 807
<b>Pipeline scenario</b>										
Funds, not contracted (end-2014)	-296 298 075	-5 578 683	10 653 726	25 431 351	25 497 735	15 256 354	14 073 943	78 488 563	57 152 441	26 824 810
Funds, not certified (end-2015)	-117 801 449	-4 577 893	44 149 861	55 287 448	39 957 260	27 494 330	15 973 876	89 402 511	83 599 124	31 281 927
<b>Pipeline+ scenario</b>										
Funds, not contracted (end-2014)	-330 918 450	-20 897 433	10 653 726	25 227 101	14 263 985	15 256 354	14 073 943	78 488 563	40 403 941	26 824 810
Funds, not certified (end-2015)	-132 426 178	-13 308 221	44 149 861	55 211 875	33 711 010	27 494 330	15 973 876	89 402 511	74 008 404	31 281 927

Remark: Funds, not contracted are estimated at the end of 2014. We consider this date to be a feasible end date for contracting, if the contracted amounts are to be certified by end-2015.

## Annex 2: Analysis Report of the capacity of the beneficiaries of PA2 and PA3

### Introduction

In this report we present the findings of the capacity analysis of the beneficiaries Operational Programme Technical assistance (OPTA) Priority Axis 2 and Priority Axis 3 (PA2 and PA3). This report will be part of the full final report of the evaluation of the absorption capacity of the Operational Programme and will form one of its Chapters.

For the analysis we have followed the main elements that are important for absorption capacity: Structures, Human Resources and Tools

The document is structured as following:

- ✓ Objective and methodology in Chapter 1 (will be included later in the Chapter 1 of the main report)
- ✓ Findings Structures
- ✓ Findings Human Resources
- ✓ Findings Systems & Tools
- ✓ Conclusions and recommendations

### 1. Objective and methodology

The objective of this stage is to answer Question 2 of the ToR:

***To what extent and how the reduced capacity of the beneficiary affects planning and management of the projects funded by PA2 and PA3.***

The ToR suggested process reengineering and workload analysis as methodologies in analyzing the beneficiaries' capacity to plan, design and manage projects funded by Priority Axis 2 and Priority Axis 3 (PA2 and PA3).

The analysis was structured on two integrated components:

- ✓ A workload analysis focused on the PA2 and PA3 beneficiaries' staff capacity to perform the tasks and undertake the responsibilities given to them through the job description of the positions occupied in the institutional structure of ACIS, relevant for the implementation of OPTA.
- ✓ Process re-engineering: an analysis of the work flows and functions to identify potential needs for process reengineering related to the role of ACIS relevant structures (Communication Compartment within TAD and SCD) as beneficiaries for OPTA PA2 and PA3.

### 2. Methodology

#### Workload analysis

In our approach we focused on the specific ToR requirements and on the needs identified during the inception interviews, with the view to answering Q2 *"to what extent and how the reduced capacity of the beneficiary affects planning and management of the projects funded by PA2 and PA3"* and to identify which are the tasks/responsibilities of the beneficiary that can be outsourced.

We therefore undertook a workload analysis for the PA2 and PA3 staff in the Communication Compartment in TAD and the SMIS Central Unit in the System Coordination Directorate with the view to identify potential work overloads which could contribute to the reduced capacity claimed by the beneficiary - and make recommendations to address them.

### Process re-engineering

Our project team undertook an analysis of the as-is situation for the two units beneficiaries, starting from the existing work flows for the PA2 and PA3 projects preparation and implementation and the relevant responsibilities and attributions provided by ROF and OPTA Implementation procedures. The information extracted from the desk research of these regulatory documents was then completed by the job descriptions content and data collected from the staff occupying the relevant positions in the beneficiaries' structures during joint group interviews.

### Integrated approach

It is important to point out that the two analyses were not made in isolation but in close correlation with each other. The integrated approach was used for all the activities undertaken during all the stages of the analysis. This enabled us to look at the same time at both the responsibilities and attributions for the ACIS relevant structures as PA2 and PA3 OPTA beneficiaries and at the current workload of the existing staff, analyse the correlations between them and identify potential gaps, dysfunctions, tasks overlaps and/or work overloads. Therefore the stages of the two analyses overlapped and the tools and information collected were combined in a synergic way.

### Steps

The following steps have been undertaken:

- Comprehensive desk research for the identification of the work flows and functions as established through the regulatory documents: procedures, job descriptions, Functional Regulations (ROF) of the Ministry of European Affairs.
- Design and use of the tool "Workflows and functions" (Annex 7A).
- Workload questionnaires among PA2 and PA3 staff (see Annex 7B). The questionnaire was sent to 8 staff in SMIS CS and ICIS having OPTA beneficiary responsibilities. Each questionnaire was accompanied by an explanatory letter presenting the context and the content so that relevance was better understood. Support was given to staff on a daily basis by phone and emails, answering questions and giving additional information and clarifications. Out of the total, 6 questionnaires were returned filled in by staff (5 from SMIS CS and 1 from ICIS).
- joint interviews with staff of the two ACIS structures beneficiaries (Seen Annex 7C). The meetings were organised as open discussions with the main goal to share the results of the findings from the desk research and questionnaires and obtain further clarifications if and when needed. These interviews were complimented with some clarifications after the analysis was made.

The findings, conclusions and recommendations formulated in this report are a result of the integrated analysis based on the information collected and processed during all the steps presented above and using the specific tools developed for this purpose.

### Limitations to take into account when interpreting the results

The estimation made by the staff, in the filled in questionnaires, of time needed for the tasks performance allowed identification of potential work overload for the staff undertaking both OPTA beneficiary responsibilities and other ACIS related tasks.

The time estimation by responders represent monthly average estimates for both total working time and tasks structures, and were made taking into account the following limitations:

- retroactive estimation based on staff memories in the absence of working time records. Very accurate estimation could have been done on the basis of time records made by the staff for all the activities undertaken during a certain period of time, which has been out of this project lifetime;
- OPTA related tasks and other ACIS tasks allocated to staff, in various percentages<sup>29</sup> both between staff and between beneficiaries. While for SMIS CS the OPTA related tasks, eligible activities established in OPTA which have not been outsourced yet, represent most part of their working time (an average of about 86%)<sup>30</sup>, for ICIS staff, according to ROF, job descriptions and questionnaires, the PA3 beneficiary responsibilities cover less than 35% of their tasks and average working time;
- variation of workloads along time according to project cycle and length and/or periodicity of certain tasks, overlaps between OPTA tasks and other ACIS tasks, pick periods generated by deadlines for both tasks categories, all leading to uneven workloads and percentages of time dedicated to OPTA beneficiary role,
- some information provided by SMIS CS staff not confirmed by management whose opinions could not be collected in due time for the analysis.

The detailed methodology is presented in Annex 6.

## 3. Structures

According to OPTA, the main beneficiaries for PA2 and PA3 are part of the Authority for the Coordination of Structural Instruments (ACIS) structures: for PA2 the main beneficiary is the System Coordination Directorate (SCD) while for PA3 the sole beneficiary is the Technical Assistance Directorate Within the SCD and the TAD, two units undertake responsibilities for the beneficiary role of the two priority axes according to OPTA FDI, Internal Regulations (ROF) and OPTA Implementation procedures:

- SMIS Coordination Service (SMIS CS) for PA2
- Information Compartment for Structural Instruments (ICIS) for PA3

The two ACIS structures beneficiaries have a different status in ACIS General Directorate organizational chart:

- the SMIS Coordination Unit, managed by a Chief of Unit is part of the System Coordination Directorate, managed by a director, which is under the coordination of the general director of ACIS,

<sup>29</sup> Calculated on the basis of the information provided by staff in the questionnaires on time estimates for categories of projects tasks and other ACIS tasks

<sup>30</sup> . It also covers the eligible activities established in OPTA which have not been outsourced yet, such as helpdesk

- the ICIS is part of the TAD which also includes the Implementation Service (IS) and the OPTA MA

Initially the Information Compartment was part of SCD and therefore this directorate was also beneficiary to PA3. Further to the organizational change that took place in 2011, the Information Compartment was moved to the Technical Assistance directorate and TAD has become the new beneficiary of PA3.

Each of the two beneficiary units has responsibilities allocated to their positions for projects preparation and implementation.

Responsibilities are allocated to staff through job descriptions (see also the section on tools), decisions by superiors and instructions from OPTA MA and the Implementation Service within TAD.

### The organisation structure of TAD and the Implementation Service

The organizational structure of TAD includes OPTA Management Authority (MA), the Implementation Service (IS) and the ICIS, coordinated by the director of TAD in the absence of a head of unit in the organizational chart.

The directorate was developed on the structure of an initial PIU which was later developed and included additional units to accommodate the OPTA MA. The ICIS was transferred from SCD with the view to compensate for the lack of capacity and give support for the PA3 absorption. According to the interviewees, this development of TAD organizational structure has been based on staff capability (relevant experience and expertise) to manage programs and projects, rather than on the organizational needs derived from its purpose/role.

The interviewees of ICIS and SMIS CS indicate that in terms of financing contracts execution the relations with the OPTA MA are clear, including the flows of documents that are officially exchanged between the two structures (the financing decisions, progress reports and reimbursement requests).

In terms of implementation through procurement contracts the situation is more complicated. The demarcation between the ACIS structures as beneficiaries and the IS for the responsibilities in managing the public procurement procedures and contracts for the implementation of the OPTA funded projects is not completely clear and no implementation agreement is in place for a formal delegation of responsibilities.

Although the IS is not formally involved in the project management as part of the financing contract, the projects are fully implemented through procurement contracts which are managed by IS.

According to OPTA MA implementation procedures, the administrative part of the procurement contract is managed by the IS while the technical part is the beneficiary's responsibility. The IS prepares all the contractual documents and monitors the execution of the contracts and at the same time forms the interface with the contractors. However, in practice there is no such clear delineation between all beneficiary responsibilities and the IS' during procurement contracts implementation. E.g. beneficiaries signatures requested on contractors financial reports, activities for the evaluation committees, the reception of goods and services delivered by the contractors, and so on. This is further elaborated in the section tools.

It can be concluded that although the structures needed for the implementation, are in place, the following elements are points for attention (see also section tools):

- the existence of a beneficiary structure (ICIS) under the same coordination with the OPTA MA,
- implementation responsibilities undertaken by a different structure than the beneficiary (IS) without a formal implementation agreement
- unclear delineation of implementation tasks between beneficiary and the IS

#### 4. Human Resources

The human resource, the most sensitive of the three capacity builders was analysed on three directions:

- number, resulting in volume of available working time for the amount of tasks to be performed (more projects),
- work efficiency resulting in better results for the same/less amount of work,
- areas for increasing capability and motivation for effectiveness and sustainability.

#### Staffing

The number of staff within the two units, as identified during desk research and interviews is presented in the table below:

**Table 16 PA2/PA3 OPTA beneficiaries staff in ACIS structures**

Unit	POSITIONS/JOB				
	Number of jobs			Job names according to job descriptions with PA2/PA3 responsibilities	Vacant/ suspended
	Total	Occupied	With PA2/ PA3 responsibilities		
CCIS	4	3	3	Superior expert Assistent expert	1
SMIS CD	9	8	6	Head of department Superior counselor Counselor examination- evaluation Expert examination-evaluation Expert	1

Source: interviews and documents on the organisation

The staff of the ICIS and SMIS units are not only responsible for the implementation of OPTA projects; this is a task which is additional to other ACIS tasks they have in the unit. In the case of SMIS unit, most of the tasks have to do with the main activity of this unit, which refers to ensuring the continuous and correct functioning of SMIS, as key requirement in the compliance of management and control systems for all OPs financed through structural instruments. As such, this is the only activity within ACIS coordinating role that is subject to audits from the Audit Authority and the EC.

#### ICIS

Of the total number of staff in ICIS, one was hired during the analysis and was not included in data collection process and one position has been suspended due to maternity leave of the occupier.

When looking at the total workload within the unit, it is found that the existing ICIS staff is considered to be insufficient for undertaking all current tasks assigned to the unit. As an interviewee mentions, the work overload is so high that no action plan with deadlines would be achievable unless it is accompanied by other actions to reduce the overload, such as hiring more staff, better tasks allocations (e.g. by types of activities) addressing the factors influencing the workloads identified and more outsourcing. This opinion is shared by the evaluator, seen the workload and tasks within the unit identified during the desk research, analysis of the filled questionnaire and the joint interview.

## SMIS CS

Of the total number of 9 positions allocated to this unit, only 8 are occupied while 1 is still vacant. Only 6 of the 8 occupied positions undertake OPTA beneficiary tasks according to both job descriptions responsibilities and to those received from superiors (head of unit and director).

Although part of the staff considers the number of staff insufficient seen the total workload they have, the situation is more complicated, as the workload is heavily influenced by other factors, such as the division and management of tasks.

A more detailed explanation on the workloads and factors influencing them is presented in the next sections.

## Projects implemented and pipeline

At present the units have under implementation up to 6 projects, of which 4 projects financed through PA2 and 2 projects from PA3. This is a considerably lower number of projects than originally foreseen in the indicative plan for projects proposed to be funded from OPTA for the period 2011-2015, which includes a number of 34 projects and contracts<sup>31</sup> for the two priorities and the two beneficiaries. This is about seven times more projects than the current number.

As can be seen in the table below, there are 21 projects and contracts planned for the SMIS unit and 13 for ICIS. This would represent an average of 3.8 projects/contracts per person in addition to the other ACIS tasks:

For each of the two units, the situation is as presented in the table below.

**Table 17 Projects envisaged for funding from OPTA in the period 2011-2015**

SMIS CD			CCIS		
PA2	Projects 2011-2015	Current staff	PA3	Projects 2011-2015	Current staff
KAI 2.1	9		KAI 3.1	12	
KAI 2.2	4		KAI 3.2	1	
KAI 2.3	3				
KAI 2.4	5				
<b>Total</b>	<b>21</b>	<b>6</b>	<b>Total</b>	<b>13</b>	<b>3</b>

Source: updated indicative plan for project proposed for funding from OPTA 2011-2015

<sup>31</sup> This number includes the projects and contracts in the pipeline updated as per May 14<sup>th</sup>. 3012 and does not include the projects finalized before this date



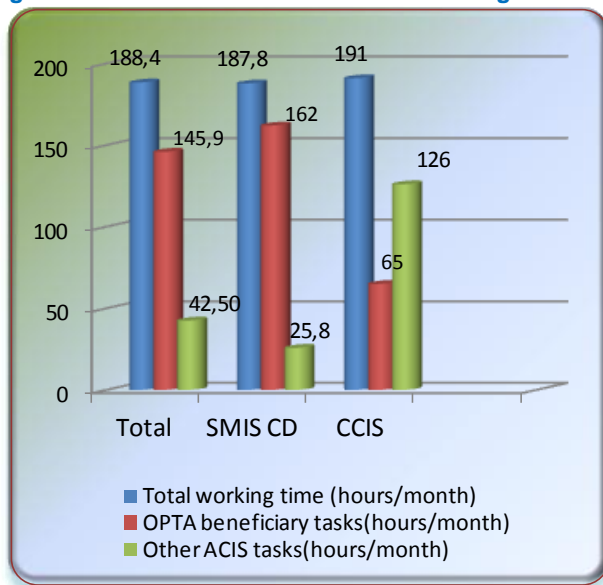
The allocation of the projects in the pipeline show an average of 3.5 projects/contracts per person for the SMIS CS and of 4,3 projects/contracts per person for ICIS. However the impact of these averages on the staff workloads should be seen in correlation with the information regarding the total working time and the proportions of OPTA related tasks in the total.

### Time dedicated to OPTA and other tasks

The findings regarding time estimates are mainly based on the information collected from staff through the questionnaires and joint interviews as presented in section 2 Methodology and subject to limitations specified in section 2.3.

The average estimated monthly working time<sup>32</sup> of the staff in the two ACIS structures is about 188.4 hours/month, (representing 11,30% overtime)<sup>33</sup> of which 77.5% for OPTA funded projects related tasks. However, although the average monthly working time is pretty similar for both units, the time dedicated to OPTA projects activities is very different. Thus, while ICIS staff only works in average 34% of the time for OPTA projects, SMIS CS fulfils OPTA tasks for about 86%<sup>34</sup> of the total working time which also includes other tasks related to SMIS. These latter tasks have to do with the main activity of this unit, which refers to ensuring the continuous and correct functioning of SMIS, as key requirement in the compliance of management and control systems for all OPs financed through structural instruments. As such, this is the only activity within ACIS coordinating role that is subject to audits from the Audit Authority and the EC.

**Figure 42 PA2/PA3 beneficiaries staff working time**



Source: Ecorys questionnaire staff

<sup>32</sup> Averages and percentages calculated on the basis of the information provided by staff in the questionnaires filled in

<sup>33</sup> An average of 19.1 hours/month/person

<sup>34</sup> It also covers the eligible activities established in OPTA which have not been outsourced yet, such as helpdesk

## OPTA project preparations and management tasks and time spent on them

Currently, the SMIS unit is implementing 4 projects, with one procurement contract per project (one of these procurement contracts is a framework contract, which involves frequent retendering for new services).

The ICIS is also implementing 2 projects, 1 project with one subsequent contract and one with 12 contracts under it.

The actual time spent on different tasks is as following, estimated by the staff involved:

**Table 18 Estimation of PA2/PA3 project tasks durations**

Task category	Frequency	Estimated average time spent	
		SMIS CD	CCIS
Project preparation	1 per project	60 hours	60 hours for KAI 3.1[1]
Preparation of tender dossier	1 per contract	20 hours/dossier	Between 16 (KAI 3.1.) and 30 hours/dossier (KAI 3.2).[2]
Evaluation of tenders	1 per contract	20 hours/evaluation	16 hours/evaluation (KAI 3.1.)
Contracting	1 per contract	-	8 hours (KAI 3.1.)[3]
Meetings with contractors	Weekly	4-5 hours/meeting	5 hours/ meeting (between 2 and 8 hours)
Checking of contractors' reports	Progress reports Quarterly	24 hours/report	Very large variation: between 9 hours/report for KAI 3.1 and 80 hours/report for KAI 3.2
	Technical reports	Very large variation: in general monthly with 4 hours/ report or 1-2 reports with 40 hours/report	

[1] For KAI 3.1 there is only one more project in the pipeline to be prepared until 2014 and no more projects for KAI 3.

[2] For KAI.3.2 there are no more procurement contracts to be concluded until 2014.

[3] Verification of contracts prepared by the Implementation Department

Source: phone interviews with SMIS CS and ICIS staff

Based on these figures, it is estimated that running a project with one subsequent contract would cost around 0,25 – 0,5 FTE<sup>35</sup>. Projects having more contracts would take more time. This is, of course, only as the time spent is dependent on the size of a project and the number of subsequent contracts and their size.

In our case, looking at the projects planning it can be seen that while for SMIS CS most of the projects and contracts are longer term and more complex,, which imply more time needed for project management and contracts monitoring (with important technical input), in the ICIS there are several short time projects/contracts which need more time for preparation of tender dossiers but much less time for project management.

Therefore the number of staff working exclusively for the preparation and management of projects and contracts provided in the pipeline for the period 2011-2014 for the two units would indicate a minimum of:

- SMIS CS: 10.5 FTE (calculated with an average of 0.5fte/project/contract)
- ICIS: 3.25 FTE (calculated with an average of 0.25 fte/project/contract)

<sup>35</sup> FTE: full time equivalent

Looking at the existing staff, percentage of OPTA tasks in their total working time and the overtime spent at work, the following calculations could be made:

Beneficiary	Estimated number of FTE needed for OPTA pipeline implementation	No. of existing staff with combined tasks	Weight by current work overtime (11.30%)	OPTA tasks average working time %	No. of existing FTE working exclusively for OPTA (3x4)	No. of additional FTE needed (1-5)
0	1	2	3	4	5	6
SMIS CD	10,5	6,00	5,31	86,00	4,6	5,9
CCIS	3,25	3,00	2,65	34,00	0,90	2,35

However it is important to keep in mind that projects preparation and implementation is an uneven activity. Implementation of OPTA through projects generates a variation of workload in time according to the number of projects and project cycle stages. Therefore, the total amount of working time and percentages allocated to OPTA beneficiary tasks may vary according to:

- the size and duration of the project and the number of subsequent contracts under the project
- stage in the project cycle: preparation of project proposals, financing applications, procurement dossier preparation, evaluation, implementation and monitoring of procurement contracts. As shown above, especially the meetings with contractors and checking of the reports takes a lot of time
- number of projects and contracts being implemented during the same period of time (overlapping)
- type and complexity of the project, that is not always measured by the budget and number of contracts, but by the objective of the project and type of activities and deliverables
- tasks allocation- in the unit: project managers undertake projects preparation and implementation tasks differently and there are cases when management tasks for the same project are split among several members of staff. This is done in the SMIS unit: in order to ease the tasks of the project manager or based on staff capabilities, some activities are allocated to another person, such as e.g. the procurement dossier.
- percentage of total OPTA related tasks in the overall unit responsibilities (e.g.: ICIS has a much higher percentage of other ACIS tasks- 66%),

At the same time, it is important to take into consideration potential savings of working time through work efficiency increase by actions taken on those factors which have a direct impact on the staff workload.

### Factors influencing the working time needed

In addition to the human factors generating the staff capability to undertake the allocated tasks, the amount of working time also is very much influenced by several categories of factors generated by the work process management. These factors were identified during the inception stage and included in the questionnaire filled in by the beneficiaries' staff with the view to estimate their influence on the staff workload. At the same time the information collected gave an indication on inefficiencies in the work process management and potential areas for improvements in the two units.

### SMIS CS

The table below shows a summary of these factors and the percentages of the working time influenced by them, as estimated by the respondents in the SMIS CS.

**Table 19 Workload influencing factors (number of people out of 5 identifying the factor mentioned as influencing the working time negatively)**

Percentage of working time	Other priorities (urgent tasks on tight deadlines)	Tasks overlaps	Interruptions by colleagues/ superiors/other categories	Insufficient knowledge for performing the tasks	Too much time spent in meetings
0-10%	0	2	1	2	2
10-25%	3	1	3	2	1
25-50%	1	0	3	0	0
Over 50%	1	0	0	0	0

Source: Ecorys questionnaire staff

Among these factors, two of them are almost general for all the staff; e.g.: other priorities (urgent tasks on tight deadlines on all tasks to be performed) are present for most of the staff, while interruptions by superiors and colleagues are general. There are also two members of the staff for which all the factors apply in various proportions.

The percentages of influence in the working time of each type of factor vary among respondents according to the tasks and positions. Most of the factors influence up to 25% of the working time of the staff, however in some cases this influence exceeds 25% and even 50% (other priorities).

## ICIS

For the ICIS staff only one factor was identified as having impact on the working time (urgent tasks on tight deadlines), but this one has an over 50% influence.

Another relevant element to consider is the staff capacity to make decisions on their tasks which directly relates to the delegation of responsibilities by their superiors and hence to the number and amount of time needed for approvals.

The tables below, show the source and level of decisions regarding the tasks undertaken by staff in the two units. The external decisions refer to those decisions made by higher levels in ACIS and/or higher level institutions.

## SMIS CS

**Table 20 SMIS CS staff perceptions regarding decisions on their tasks (number of people answering per category, N=5)**

Percentage of working time/ no. of answers	Who decides on the tasks?		
	Yourself	Superior	External*
0-10%	3	0	5
10-25%	1	0	0
25-50-%	0	2	0
Over 50%	1	3	0

Source: Ecorys questionnaire staff

\* Decisions made from outside beneficiary structure

It is interesting to notice that 3 of the 5 respondents in this unit consider that only up to 10 % of the decisions regarding their tasks <sup>36</sup>are made by themselves while the difference is shared between their superiors (50% and more and other decision makers from outside their structure (up to 10%). The fourth respondents shares the same opinion with a slight differences in the percentages while the fifth one (the head of unit) declares that makes half of the own decision while the difference of 50% is equally shared between the superior (director) and external decision makers.

## ICIS

**Table 21 ICIS staff perception perceptions regarding decisions on their tasks (number of people answering per category, N=1)**

Percentage of working time/ no. of answers	Who decides on the tasks?		
	Yourself	Superior	External
0-10%			
10-25%			
25-50-%		1	1
Over 50%	1		

Source: Ecorys questionnaire staff

The information in the table above shows a different situation for the ICIS where the staff estimated as making more than 50% of own decision while the difference is shared equally between superiors and outside decision makers.

This information given in the questionnaire was not confirmed however during the joint interviews when the staff expressed dissatisfaction for not having sufficient freedom in making decisions, especially in their specific areas of expertise. It is considered that the level of control in the current activity is high and the level of responsibilities for which there is delegation is lower and lower, especially in the context of outside requests on various communication activities.

It is also important to notice that the percentage of the external decision for this unit is higher than for SMIS CS which can be related to the 66% of general ACIS communication responsibilities in the total tasks of staff in this unit.

## Work efficiency

Work efficiency (results versus working time) is directly influenced by the actions taken to reduce the amount of working time through process management, and to increase the staff capability and motivation.

At the same time, a higher number of projects would need an improved administrative capacity and therefore all three capacity builders (structure, human resources and tools) need to be considered so that they allow for a better capability for projects planning and management.

The staff perception on a number issues negatively influencing the administrative capacity, is presented in the table below.

<sup>36</sup> For which the approval of a superior is not needed

**Table 22 Staff perceptions on the factors influencing administrative capacity (Number of people answered per category out of 5 for SMIS CS (N=5) and 1 for ICIS (N=1))**

Administrative capacity builders/ no.of answers		Issues	SMIS CD		CCIS	
			Difficulties in		Difficulties in	
			planning* projects	managing projects	planning** projects	managing projects
Structures	Organisation structures and management	Unclear tasks allocation	2	4	-	-
		Unclear responsibilities	2	4	-	-
		Lack of prioritization	4	3	-	-
Human resources	Staff sufficiency and qualification	Insufficient staff	2	4	-	1
		Insufficiently qualified	3	3	-	1
		Insufficient vision	3	3	-	-
Systems & tools	Procedures	No procedures	2	2	-	1
		Too many	0	0	-	-
		Too complicated	1	1	-	-
		I don't use procedures	1	1	-	-
	Manuals	No manuals	2	2	-	1
		Unclear or too	1	0	-	-
		I don't need manuals	1	2	-	-
MIS functioning	Explain if the case	0	Simplified procedures needed	-	-	
* one interviewee declares is not involved in planning						
** interviewee declares has no difficulties in planning projects						

Source: Ecorys questionnaire staff

These perceptions, collected through questionnaires and validated through the joint interviews, allow for two interesting comments for both beneficiaries:

- staff in both units perceive more issues in projects management than in projects planning: all staff faces problems in implementation and to lesser extent in planning, which could be considered normal since only a limited number of staff was involved in planning (2 people in SMIS CS and none in ICIS).
- human resources and systems and tools are the capacity builders for which both units identified issues, namely: insufficient and insufficiently used staff on the one hand and lack of procedures and manuals on the other hand. During the joint interviews the absence of a beneficiary manual was specifically mentioned as an important issue in the projects management.

At the same time there are specific issues identified for each of the two units:

## SMIS CS

The staff perception on organization structures and management indicate reduced work efficiency due to improper work process management related to project planning and project management. Thus:

- for projects management the most frequent answers refer to issues related to unclear responsibilities and tasks allocations while
- for projects planning the lack of prioritization and insufficient vision selected

The following issues identified during the joint interviews complete the list of causes for the reduced efficiency of the work:

- insufficient delegation due to lack of relevant knowledge ( e.g. technical) and trust, both at unit level and at the directorate level, staff needing to wait for approvals. Two people of the 6 who returned filled in questionnaires declared delegation as an area of improvement in addition to the ones specified in the questionnaire format. This was confirmed during the joint interviews by other 3.
- a vicious circle in terms of outsourcing: although there is a need for outsourcing to reduce workload (e.g. for, helpdesk, equipment maintenance or monitoring of procurement contracts) there is insufficient outsourcing due to lack of time to prepare the procurement dossiers and then due to delays in procurement launching once the dossiers are prepared,
- performing most of the external requests (other ACIS tasks in addition to SMIS mandatory activities) as urgent tasks, including administrative tasks such as ACIS equipment inventory and requests for equipment supplies,

These elements correlated with the factors influencing the working time presented in the section above point out that the focus is placed on daily tasks rather than on larger and longer term. Most of the daily tasks have to do with the main activity of this unit, which refers to ensuring the continuous and correct functioning of SMIS, as key requirement in the compliance of management and control systems for all OPs financed through structural instruments. As such, this is the only activity within ACIS coordinating role that is subject to audits from the Audit Authority and the EC.

In the area of systems & tools, in addition to the absence of a beneficiary manual for projects implementation, another issue is the lack of procedures for managing outside non-SMIS related complaints and requests (e.g. regarding equipment setting up for new users, equipment users' responsibilities, equipment and/or software functioning complaints, helpdesk) leads to frequent external interruptions.

The above outcomes show that there are several issues that can be improved in order to increase the capacity, especially in relation of outsourcing of time-consuming SMIS-related tasks, better definition of tasks and responsibilities for project management,, number of staff and better defined procedures.

## ICIS

The most important issues for this unit are related to the number and qualification of the staff which are seen as insufficient, and at the same time, to the absence of important working tools such as procedures and manuals. The information was confirmed during the joint interview when the need for the beneficiary's manual for implementation was reinforced.

## Capability and motivation

Looking at the human factors generating the staff capability and motivation to undertake the allocated tasks for projects planning and management, attention has been given to staff capability increase through addressing development needs in the related areas.

**Table 23 Staff perceptions on capability and potential areas for improvement (Number of people answered per category out of 5 for SMIS CS (N=5) and 1 for ICIS (N=1))**

CAPABILITY			
Question	Answer	SMIS CD (no. of answers)	CCIS (no. of answers)
In what way is capability hindering you in your work?	Reduce quality	1	-
	Increase working time allocated to tasks	4	-
	Not achieving objectives	1	-
	Decrease motivation	4	-
What is required by the job (job description) regarding the project management capability?	Project management	3	1
	Project preparation	3	1
	Time management	3	1
	Strategic planning	3	1
	Public procurement	2	1
	Other (specify)* * technical training; post accession funds, communication skills	2	
Is this capability / skills / knowledge available?	No knowledge		
	Minimum	2	
	Satisfactory	4	1
	Excelent	1	
Room for improvement* *comment: not useful as they are not applied	Project management	3	1
	Project preparation	2	1
	Time management	2	1
	Strategic planning	2	1
	Public procurement	3	1
	Other (specify)	-	

Source: Ecorys questionnaire staff

For **SMIS CS** insufficient capability would affect the work. Most part of staff agree that insufficient capability would increase the working time allocated to tasks and reduce motivation while one person also identified reduced quality and not reaching objectives as direct effects as well. This is an indication that the improvement of capabilities would increase the work efficiency.

The **ICIS** would not be affected as insufficient capability is not considered an issue for this unit.

However, **for both beneficiaries**, in terms of development needs in the areas required by the job, most of the respondents perceive their level of skills and knowledge as satisfactory compared to the requirements of the job and acknowledge development needs mainly in project management and public procurement areas which are directly related to their project manager's role. Interviewees from the SMIS unit indicate that during contracts implementation there are specific technical activities which cannot be standardized through procedures but for which there is a need for staff training. From the interviews it becomes clear that capacity problems and lack of expertise leads to certain tensions between the beneficiaries and the ID with regard to the preparation of the procurement dossiers (see also the section on procedures).



Furthermore, the beneficiary staff does not always have the necessary knowledge for monitoring and for performing certain tasks or making decisions for specific projects. Next to this, it is indicated during the interviews that the staff development programmes are very useful in building capacities and that the knowledge acquired through these programmes is being used in the daily activities, mainly by the ICIS staff.

Following the feed-back received from staff both through the questionnaires and the interviews, the staff development programs for both beneficiaries would need to be based on:

- management awareness and commitment for staff development,
- development programs tailored to specific needs of the positions and staff
- staff and management motivation in using the acquired knowledge and skills

## Motivation

The opinions about the motivation as a stimulating factor for the absorption capacity vary among staff. While half of them consider that motivation is contributing to a large extent to the absorption capacity increase, the other half believes that this influence is average (1) or even low (2).

However, the evaluator considers motivation as an important factor, as high motivation contributes to a low staff turnover and thus to the prevention of a loss of skills, experience and capacities.

**Table 24 Staff perception on motivation and potential areas for improvement (Number of people answered per category out of 5 for SMIS CS (N=5) and 1 for ICIS (N=1))**

MOTIVATION			
Question	Answer	SMIS CD (no. of answers)	CCIS (no. of answers)
Would you consider the motivation within the unit to increase the absorption capacity	High	2	1
	Average	1	-
	Low	2	-
Why (staff comments)	- it is important to be respected; - staff commitment would be increase; - staff motivation does not influence the decision makers		- work efficiency would be increased;
What kind of motivations are needed for the job?	Financial	4	1
	Working atmosphere	5	1
	Commitment	5	1
	Is this motivation available?	3 Y+ 1N+ 1 partial	partial (commitment)
What improvements are needed to stimulate motivation?	Financial	salary increase according to performance	salary increase according to performance
	Working atmosphere	a clearer allocation of tasks, prioritization and follow-up,	more relaxed working atmospheres without overloads and tight deadlines
	Commitment	committed management, management by objectives	
What other area of improvement would be needed		prioritizing, follow-up of activities, delegation of responsibilities/tasks to the employees, more freedom in performing the tasks which can't be achieved without trust in employees	

Source: Ecorys questionnaire staff

## SMIS CS

Although not all staff considers motivation to contribute to absorption capacity increase, for all of them motivation is important for the job and all three motivation factors have been identified as being needed.

The arguments brought to the proposed improvements point out very clearly the changes which would increase staff motivation for better results:

- salary increase according to performance, however, it is indicated that this might be a difficult issue seen the limitation in the salary system for civil servants staff ,
- better working process management, including delegation,
- management by objectives

## ICIS

The staff in ICIS shared the opinion about the importance of motivation as a factor for increasing for absorption, both through the answers in the questionnaire and also during the joint interviews.

Additionally, during the interviews was indicated that there is a permanent lack of satisfaction within the ICIS related to the incapacity to achieve all the results within the deadlines due to lack of time, as a result of a severe shortage of staff compared to the amount of responsibilities both for projects and other ACIS tasks.

A performance based salary system along with a more relaxed working atmosphere without work overloads and tight deadlines are also considered as important factors leading to an increase of motivation.

In addition, two more improvement factors specified during the interviews referred to delegations of responsibilities based on trust and an improved working environment in terms of human relations as well as in physical conditions.

## Consequences in relation to the absorption capacity

Despite the possible time savings that can be made by improvement of the above mentioned issues, the capacity to absorb the remaining pipeline is not enough. Hence, for the remaining of the programming period, additional workload would need to be considered as a result of implementation of the new projects which are in the pipeline planned for the 2011-2015 and which would need about 8 times more working time on projects at the current work efficiency. The evaluator concludes, based on the outcomes of the capacity of the beneficiaries as it is now, that it will be very difficult to absorb the projects present in the pipeline, without extra resources. The evaluators consider that in sourcing of project managers would be an option to ensure that projects in the pipeline can be absorbed on relatively short notice.

The figures presented in section 4.1. show an estimation<sup>37</sup> of FTE working time needed for the implementation of the projects and contracts in the pipeline which would require additional staff:

- **SMIS CS:** 5.90 FTE
- **ICIS:** 2.35 FTE.

However, before hiring new staff, this estimation should be considered together with specific time needs of the projects to be implemented, as presented in section 4.1 and with potential time savings achieved through better work process management; e.g.

- filling in suspended/vacant position
- actions to reduce the negative influencing factors on workload,

<sup>37</sup> The numbers refer to full time equivalent additional staff working exclusively for PA2/PA3 projects.

- better tasks reallocations between existing staff along with job descriptions reviews (see also section job descriptions).

## Possibilities for outsourcing

**For both units** the project management tasks outsourced through TA projects would free up time resources, especially for activities such as preparation of terms of reference and procurement dossier, support in the evaluation of tenders and monitoring of contracts implementation.

**For the ICIS**, there is a need for outsourcing the activities of the Communication Plan, but not for the implementation of the plan as a whole.

**For the SMIS unit** it would be essential to outsource time-consuming activities, also with the view on reducing the workload. Activities that could be outsourced are SMIS related activities such as helpdesk to SMIS users, application maintenance, training and error correction,<sup>38</sup> maintenance of equipment<sup>39</sup>. For the helpdesk a call centre or a hotline could be a suitable solution which could be organized through outsourcing. For managing projects preparation of terms of reference and procurement dossiers, support in evaluation of tenders as well as the monitoring of procurement contracts would release important amount of time. For some activities, outsourcing is a bit more complicated, as for instance the monitoring of the SMIS functioning is very specialist work and the contractor should be familiar with the system and its applications.

## 5. Systems and tools

### 5.1. Procedures and responsibilities

According to OPTA and to the Financing Decision<sup>40</sup>, the beneficiaries have full accountability for the implementation of OPTA funded projects but, at the same time, according to OPTA Implementation procedures, the administrative management of the project is undertaken by the Implementation Service, part of the TAD, while the beneficiaries undertake the technical implementation. This situation leads to unclear responsibilities for projects preparation and implementation and at the same time to dissipation of the legal accountability for the financing contract execution.

In this section a list of findings on the regulatory documents is presented, which indicate a certain lack of consistency and/or correlations both between documents and/or between provisions of different sections of the same document.

### MEUR Internal Regulations (ROF)

The ROF provisions about the OPTA beneficiaries roles and responsibilities are very general and sometimes without clear correlations between them, e.g.:

- the System Coordination Directorate undertakes the OPTA Beneficiary responsibilities „according to the attributions of the Directorate and to the implementation internal regulations”, while the SMIS Coordination Service has only technical responsibilities, that relate to the key SMIS-related responsibilities of this unit, without any reference to OPTA Beneficiary role. At the same time the jobs descriptions of SMIS Coordination Service

<sup>38</sup> Procurement dossier prepared already for outsourcing

<sup>39</sup> Partly already done, as a new contract was signed for new equipment which includes 5 years of maintenance,

<sup>40</sup> Financing contract for ACIS structures

positions include some tasks related to projects implementation, mainly technical and unstructured.

- the Communication Compartment in the Technical Assistance Directorate is only responsible for the preparation of project proposals and technical implementation of procurement contracts.

### *OPTA Implementation Procedures*

This is a comprehensive OPTA MA procedures manual covering 2007-2013 OPTA implementation. The evaluators consider the manual, updated in October 2011, a detailed and useful tool at hand for the MA staff but also for ACIS structures beneficiaries involved in the implementation of OPTA as it includes tasks and responsibilities for the beneficiaries as well.

However the document contains some inconsistencies and lack of clarity regarding PA2/PA3 OPTA Beneficiary's roles and responsibilities in the projects preparation and implementation, which can be structured in two main categories:

1. regarding the Beneficiary's accountability for the project implementation - the provisions of OPTA and the Financing Decision on the one hand and the provisions of the implementation procedures on the other hand;
2. regarding projects implementation responsibilities - different provisions in different parts of the documents.

### Beneficiary's accountability for the project implementation

- ✓ According to OPTA, the Beneficiaries (B) play the leading role in the management and implementation of the interventions approved within OPTA. Also the Financing Decision (Annex B 2.1. to the OPTA Implementation Procedures) states that:
  - The Beneficiary must ensure the implementation of the Project according to the approved Financing Application – art.6 paragraph a) item 1) .
  - The Beneficiary will be the sole responsible in front of the OPTA MA for the Project implementation – art.6 paragraph a) item 1).

However according to OPTA implementation procedures main text, the implementation responsibilities are also undertaken by different structures than the one which holds the accountability. Thus, while the Director of the Beneficiary structures signs all the implementation documents as the sole responsible for the project implementation, the responsibilities for the procurement procedures and contracts needed for the project implementation are undertaken by the Implementation Service and the financial tasks by FMD within TAD. At the same time no provisions could be found in the procedures regarding an implementation agreement or a similar document delegating responsibilities to these structures involved in the project implementation.

At the same time, the project implementation (through procurement contracts) is divided between two project managers, representatives of the structures involved and references are made in the implementation procedures to two "project responsables". The project responsible in charge with the administrative management of the contracts is part of a different structure and reporting to a different Director than the Beneficiary's

### The projects implementation responsibilities

The OPTA implementation procedures manual sets implementation responsibilities both for the Beneficiary and for other ACIS structures such as the Implementation Service and the Financial Management Service within TAD.

Some of the responsibilities, presented in several sections in the procedures, are not very clear or contradictory, leaving room for interpretation and/or overlaps; e.g.:

- Responsibilities regarding preparation of financing applications, progress reports and payment claims:
- art. 6) a) 15) of the Financing Decision and section II.4 of OPTA procedures main text (Cooperation with structures of MFP/MAEur and other ACIS structures) state the Beneficiary's responsibility to submit the financing applications, progress reports and payment claims to the MA which processes them according to procedures. Also according to section I.I ( Organisation structures and attributions), the public procurement unit in the ID prepares the financing applications and the payment claims only for ACIS, OPTA MA and ICIS.
- section E of the procedures (Projects preparation, public procurement and contract implementation): „For projects whose beneficiary is ACIS, or ACIS structures, the financing application, payment claim and progress report will be prepared by responsible staff nominated by the head of the Implementation Service according to the approved job description.
- This inconsistency can be also found in other sections of the document.

Unclear role of the Beneficiary. In the absence of a Beneficiary's procedures manual, a manual provided by the OPTA management to the Beneficiaries to instruct them on the obligations and requirements, the responsibilities of the project managers specified in various sections of the procedures are not very clear.

Although, according to OPTA implementation procedures, the beneficiary is responsible for the “technical management” of the project, at the same time it has to prepare administrative implementation documents such as the procurement dossier, progress reports and payment requests. The confusion is generated mainly due to using the “project manager” term for both managers, in the beneficiary and in the ID (Section E2.2. -Project implementation activities within ID), and also in both contract situations: financing decision and procurement contracts.

There are no clear provisions regarding the beneficiary's manager responsibilities for the technical implementation of the procurement contracts and therefore the risk of overlaps with the ID on the one hand and with the procurement contractors on the other hand.

Responsibilities regarding the record of accounts:

- According to art.6 a) 14) of the Financing Decision, the Beneficiary must keep records of accounts using separate project analytical accounts;
- According to RoF and *Section I.I* of OPTA implementation procedures (Organisation structures and attributions), the Financial Management Service ensures that the beneficiaries and other structures which take part in the implementation of the operations, use either a separate accounting system or an adequate accounting coding and also makes payments to contractors for the OPTA funded projects whose beneficiaries are ACIS and ACIS structures and performs the corresponding record of accounts of all the operations.



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## The procedures in practice

The interviews show that the main problems in practice are found in relation to the procurement contracts, as there is some confusion about the division of tasks. This due to the fact that the procedures are not very clear in making a clear distinction between contract managers for the procurement, referred to as project managers, and the project managers from the beneficiaries.

In practice, the relations between the project managers (from the beneficiary) and the contract managers, regarding the administrative management and technical management of the procurement contract are based on informal agreement. This means that the responsibilities are shared according to the IS contract manager requests. This is also done, as there is no clear instruction or manual for the beneficiary on these issues. The result is that the beneficiary has to learn by doing under the directions given by the IS and their superiors.

Another issue is that there are no provisions in the procedures regarding all documents flows. Thus, the beneficiary is preparing project progress reports and reimbursement requests based on the contractors supporting documents which are received by the IS. However, the beneficiary project manager does not automatically receive the copies of those documents on which the report has to be based and has to ask for them from the IS or from the Financial Management Service, which is sometimes causing difficulties. Also, the beneficiaries do not keep records of accounts for the projects, although they have this responsibility according to the financing decisions.

This is not a satisfactory situation for the beneficiaries, especially since, according to the financing decision, the beneficiary holds full responsibility for the project implementation. The evaluators conclude that these issues influence the efficiency of working, but more important, can contain risks for accountability and liability. Hence, from this point of view it is important to improve the procedures and division of tasks regarding the procurement and also to formally regulate the relations between the beneficiary and the IS regarding the implementation responsibilities delegated to the IS (procurement procedures and contracts)

Relating to the SMIS unit specifically, the lack of procedures for managing complaints and requests from outside, leads to frequent interruptions having a high negative influence on the efficiency of the unit.

### 5.2. Job descriptions

The content of the job descriptions of the positions in the two PA2/PA3 beneficiary units was looked at as a part of the integrated analysis with the view to identify the correlations between:

- ✓ responsibilities at different functions levels and how they are broken down at positions level,
- ✓ the positions goals and the allocated tasks set for achieving these goals,

The content of all the job descriptions was introduced in an Excel document for a comparative analysis and the OPTA beneficiary related tasks were highlighted to identify these correlations. As there are no separate functions relating to OPTA project preparation and management, the full job descriptions are assessed.

The comparative analysis shows a number of areas of improvement, identified by the evaluator:

- While ICIS positions could be identified in a TAD detailed organizational chart, no SCD chart could be found for the identification of SMIS CS jobs;

- ✓ the names of the positions in the job descriptions do not reflect the jobs' roles in the organization but the civil service functions, although in the TAD organizational chart for instance the positions in the ICIS are referred to as "Communication managers";
- ✓ even if there is a standard format, the content is differently understood among the units and positions. While the job descriptions of the ICIS positions are more detailed and with a similar content, having tasks allocation by KAI in PA3, in the SMIS CS they are more synthetic and the tasks allocations less clear in relation to the job goals;
- ✓ the roles and goals of the positions in the organization seem to be insufficiently understood and most of the job descriptions describe activities for the position goals;
- ✓ in several cases the specific requirements for the job seem to reflect the qualifications of the occupiers rather than the position needs for undertaking the allocated tasks;
- ✓ all the jobs include OPTA beneficiary responsibilities and other ACIS tasks in various proportions. In most cases the project manager roles are not specifically included and many of the projects preparation and implementation responsibilities are missing and/or different from one position to another. None of the job descriptions in SMIS CS includes tasks related to preparation of project proposals/financing applications and to projects administrative implementation (progress reports and payment claims) although staff is required to perform them. Most tasks refer to the technical activities and one common provision present in all job descriptions refers to the preparation of procurement dossiers.

Especially the last point is relevant to the OPTA absorption capacity. A better description of the roles, tasks and responsibilities in project preparation and – management would be benefited for the efficiency of working. The description needs alignment with the (improved) procedures and can be either introduced in the job description or in a separate instruction to the project managers.

### *5.3. The use of the tools in practice*

The above shows that there is not a full correlation between the projects preparation and implementation related tasks provided by ROF, OPTA implementation procedures and the job descriptions. The job descriptions do not cover all project related tasks.

The questionnaire shows that OPTA implementation procedures are not familiar to beneficiaries' staff or are considered to be exclusively TAD procedures and not relevant for them while a need for a beneficiary's procedures manual is generally acknowledged. The evaluators consider that the use of procedures should be promoted.

Despite of this and the fact that not all project management issues are covered in the job descriptions, the staff does undertake the necessary project management activities. They undertake the implementation tasks at the request and/or instructions of superiors and other relevant units (e.g. Implementation unit, Financial Management Service). Thus, in practice, project proposals and financing application preparation as well as administrative implementation tasks (progress reports and payment claims) are undertaken by staff as part of their project manager role.

A number of improvement actions related to issues that need to be improved relating to structures, human resources and systems and tools were presented to staff for opinions and the answers below reflect their perceptions on potential solutions.

**Table 25 Staff perceptions on potential improvement actions** (Number of people answered per category out of 5 for SMIS CS (N=5) and 1 for ICIS (N=1))

Administrative capacity builders		Improvement actions	No. of answers	
			SMIS CD	CCIS
Structures	Organisation structures and management	Create project multifunctional teams	4	1
		Clarify allocation of tasks - review job descriptions	3	1
		Improve management	4	
		Increase outsourcing	3	
Human resources	Staff sufficiency and qualification	Hire more staff	4	1
		Staff development	4	1
		Personal development	4	1
Systems & tools	Procedures	Review procedures	2	1
		Train staff in the use of procedures	3	
		Verify use of procedures	1	
	Manuals	Develop working guides	3	
		Train staff in the use of guides	2	
		Verify use of the guides	1	
	MIS functioning	Explain what improvement you need	-	

Source: Ecorys questionnaire staff

Similarly, most of the answers refer to structures and human resources and most part of respondents would agree on project multifunctional teams with clear tasks allocations and improved management. Only half of them would see outsourcing as a potential solution but at the same time almost everybody sees human resources development in terms of number and skills as a general improvement need. In terms of systems & tools reviewing procedures and developing working guides should be accompanied by staff training in their use.

In terms of organising the work, the interviewees of the ICIS unit indicate that it would be beneficial to create multifunctional project teams and to include financial and procurement experts. Currently, there is a PM in the beneficiary structure working with experts in other units without being part of a structured formal project team with clear responsibilities.

## 6. Conclusions and recommendations

In this section we present our conclusions on how the Structures, Human Resources and Tools are affecting the absorption capacity of the beneficiaries of the Operational Programme Technical Assistance, Priority Axis 2 and 3. This section is followed by recommendations.

### 6.1 Conclusions

#### Structures

The structures for the implementation of the OPTA PA2 and PA3 are in place. The division of tasks between the structures is, however, not always clearly set. This is especially the case in relation to the public procurement tasks, leading to unclear responsibilities and inefficiencies, but more important to dissipation of the legal accountability for the financing contract execution.

According to the Financing Decision<sup>41</sup>, the beneficiaries have full accountability for the implementation of OPTA funded projects but, at the same time, the administrative management of the procurement contracts as part of projects implementation is undertaken by the Implementation

<sup>41</sup> Financing contract for ACIS structures



Service. The involvement of the ID in the implementation of the beneficiaries' projects is done in the absence of an implementation agreement or a similar document establishing responsibilities among the structures involved in the project implementation.

The development of TAD organizational structure has been based mainly on staff capability (relevant experience and expertise) to manage programs and projects, rather than on the organizational needs derived from its purpose/role. Technically this could lead to a number of dysfunctions, delays and/or difficulties in managing projects:

- additional flows introduced in the projects implementation processes
- potential conflicts of interests in managing MA and beneficiary roles within the same structure
- beneficiaries' accountability for projects implementation

While the separation of functions within TAD has been established by ROF, at the level of the beneficiaries there is a need for a written agreement with all structures involved.

### Human resources

There are permanent staff shortages in ICIS and SMIS CS through temporary suspension of a position in ICIS and 1 vacant position and less efficient working process as related to the complexity of tasks in SMIS CS, along with temporary shortages generated by projects implementation needs.

When looking at the capacity of the beneficiaries to absorb the projects in the project pipeline, it is clear that with the current available staff and the current workload, there is not enough capacity to prepare and implement those projects. The people involved in both the beneficiary units are currently overloaded and are already working more hours than contracted for. This included regular tasks for the unit and OPTA project implementation tasks.

For each of the two beneficiary units the administrative capacity for planning and implementing projects is limited by different factors due to specific staffing, organization and management. While in ICIS the highest limitation is staff insufficiency, the SMIS CS capacity is limited by several factors, such as:

- ad hoc tasks which are essential to ACIS obligations and which usually cannot be bypassed: helpdesk to SMIS users all over the country
- external non-SMIS related tasks and requests regarding equipment setting up for new users, equipment users' responsibilities, equipment and/or software functioning complaints, which lead to frequent external interruptions
- prioritization of current SMIS-related tasks at the expense of project management tasks
- job descriptions insufficiently focused on project management tasks and unclear tasks allocation

Work efficiency will be directly influenced by actions taken to:

- reduce the amount of working time through process management,
- increase the staff capability and motivation

In terms of capability, the current level of skills and knowledge is perceived by staff as satisfactory. However important development needs are acknowledged mainly in project management, time management and public procurement, areas directly related to their project manager's role.



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Motivation of staff is very important in order to prevent a high staff turnover, and thus, a loss of knowledge, skills and experience. A performance based salary system would contribute to the motivation, but might be difficult to consider due to the civil servants status of staff for which the payment system is regulated by law according to categories, functions and grades. However a financial incentive scheme would be a good motivating factor and it could be considered for funding from OPTA PA1.

Although there are considerable improvements in work efficiency possible, especially in the SMIS unit, it is clear that on the short run, there is need to increase capacity in terms of number of people to ensure the implementation of the projects in the pipeline and to ensure the absorption of the funds as planned. For the long run, time could be made available for the regular staff to manage projects as a result of the introduction of measures improving the efficiency of the work, such as better work process organization, reallocation of tasks, review of job description and personal development.

In order to ensure the increased capacity in sourcing of temporary contractual staff such as consultants for specific projects<sup>42</sup> and outsourcing of time consuming activities such as project preparation, preparation of procurement documents and monitoring of procurement contracts could be taken. The estimated time per project needed differs based on the size and duration of the project, the nature and complexity of the project and the number and size of subsequent contracts needed for the implementation of the project. A first rough estimate is that for a project with one subsequent project around 0.25-0.5 FTE is needed and therefore, for the implementation of the projects in the 2011-2014 pipeline, the calculation shows a need of additional staff of 5.9 FTE for SMIS CS and 2.35 FTE for ICIS.

### Systems and tools

There is a comprehensive OPTA MA procedures manual covering 2007-2013 OPTA implementation, as a detailed and useful tool at hand for the ACIS structures involved in the implementation of OPTA. The evaluators consider that although the document is dedicated to MA staff is also useful for OPTA beneficiaries as part of it includes tasks and responsibilities related to the MA staff. Although it was posted on the intranet is not familiar to beneficiaries' staff as it is not considered relevant for them.

On the other hand, the beneficiaries generally acknowledge the need for a detailed dedicated procedures manual for OPTA beneficiaries with clear roles, responsibilities and deadlines for project managers/teams along the whole project cycle.

There are some inconsistencies between different sections and/or between its provisions and what is actually done in relation to the PA2/PA3 OPTA Beneficiary's roles and responsibilities. There are also no clear delineations between ID and beneficiary's tasks in contracts implementation and the flow of tasks and documents is not complete for all stages of procurement contracts implementation.

Currently, in the absence of a beneficiary's manual (who is doing what?) and of working guides (how to do?) the project managers' responsibilities for implementation are undertaken according to instructions received from ID and from the superior in a "learning by doing process". This sometimes leads to delays and/or tensions among staff from ID and beneficiaries on "who is doing what" or "who is accountable". This is requiring improvements urgently, in order to work more

<sup>42</sup> In the Netherlands freelancers/consultants are hired on a temporarily basis for specific needs

efficiently, and, more importantly, to ensure the legal accountability for the financing contracts execution.

For SMIS CS there is also a lack of ACIS-level procedures to manage outside non-SMIS related complaints and requests which currently are creating an important amount of interruptions and stress; e.g.: helpdesk, equipment setting up for new users, equipment and/or software functioning complaints, equipment users' responsibilities, requests for equipment supplies, ACIS equipment inventory.

## 6.2 Recommendations

This section presents actions recommended to be taken to address the issues identified through this analysis as the main causes for the reduced capacity of the PA2 and PA3 beneficiaries to plan and implement projects funded by OPTA. The recommendations are structured in 3 main subsections corresponding to the three capacity builders analysed during the process.

### Capacity improvement through better structures.

The inconveniences created by the actual structures and their impact on the absorption capacity could be addressed either through structures redesign and/or through improving the work processes.

Our recommendations for the structure redesign would consider:

- the Implementation Service organized as a separate unit/directorate, under direct coordination of the General Director of ACIS, and including the financial management tasks related to procurement contracts implementation
- reorganizing the Financial Management Service remaining under TAD coordination to accommodate the MA needs,
- organize the ICIS as a separate unit outside TAD, under direct coordination of the General Director of ACIS in order to avoid the conflict of interest situation by having the beneficiary in the same structure of the Managing Authority.

In order to clarify the legal accountability of the beneficiaries for the financing contracts execution and the ID responsibilities for the procurement contracts, it is recommended to:

- designate the Contracting Authority role for public procurement contracts to the beneficiary
- delegate implementation responsibilities to the Implementation Service and the Financial Management Service through implementation agreements to clearly define the division of tasks and responsibilities relating to public procurement and contract management between the beneficiary and the Implementation Service.

To better accommodate all OPTA beneficiaries' responsibilities, including the relations between involved structures in the process, it is important that the Organising and Functioning Regulation ROF provisions regarding ACIS structures' roles and attributions are further defined and elaborated

In order to support the work division between the different structures, the following recommendations are made:

- review the job descriptions in both **SMIS CS and ICIS** in order to match the structures' roles, for a more efficient and cleared allocation of project management tasks.



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## Capacity improvement through better human resources management

Seen the limited capacity of the current PA2/PA3 beneficiaries' staff to manage more OPTA projects, it is recommended to increase the capacity on short notice for both SMIS CS and ICIS. This can be realised through hiring additional staff in these ACIS structures positions and through increasing outsourcing for the time consuming activities.

Staffing (in sourcing):

- for **SMIS CS**, the estimation indicate a number of 5.9 FTE additional staff needed for the implementation of projects in the 2011-2014 pipeline.
- for **ICIS** the estimation indicate 2.35 FTE.

These numbers cover the vacant/suspended positions and therefore before hiring new staff, priority should be given to filling in suspended and vacant positions in both units and to reallocation of tasks between existing staff.

Considering the large variation of projects in terms of size, duration, complexity and the timing of their phases, it is recommended that in sourcing of temporary contractual staff is considered, according to the remaining needs after outsourcing of the major tasks.

Increased outsourcing for time consuming activities:

- ✓ **for both units** – project management activities through TA projects such as:
  - tender dossier preparation,
  - support in the evaluation of tenders
  - monitoring of procurement contracts implementation:
    - verification of contractors progress reports,
    - monitoring of technical activities and verification of deliverables
- ✓ for **ICIS** - implementation activities for the Communication Plan
- for **SMIS CS**: : SMIS related activities such as helpdesk to SMIS users all over the country, application maintenance, training and error correction,<sup>43</sup> maintenance of equipment<sup>44</sup>. For the helpdesk to SMIS a call centre or a hotline could be considered.

### Better work process management

The capacity to absorb OPTA projects on the longer term can be improved through work efficiency increase as a result of:

- ✓ for **both units**: prioritization of project management related tasks and time allocation through task classification by importance and urgency
- ✓ for **SMIS CS**:
  - a more efficient division of tasks and responsibilities among positions and staff
  - internal specific procedures for non-SMIS related tasks

### Capability and motivation

Increased staff and management capability through:

- ✓ staff development programmes (training and coaching) tailored to the specific needs of the actual tasks performed:

<sup>43</sup> Procurement dossier prepared already for outsourcing

<sup>44</sup> Partly already done, as a new contract was signed for new equipment which includes 5 years of maintenance,

- training needs assessment (specifically on project preparation and management, procurement and time management),
  - training in the areas identified through the needs assessment
  - staff coaching in the practical use of the knowledge acquired.
- ✓ management development programmes could be organised, to support managers in developing the necessary skills to better organize work processes and staff e.g. project management, time management, strategic planning, human resources management, motivation and communication. It is recommended that such programs are organized in agreement with the target participants and accommodate their working program.

#### Increased staff motivation through:

- ✓ financial motivation: design of a financial incentive system to reward people who get good results in implementing projects as a way to boost absorption.
- ✓ delegation of some management responsibilities to staff; this is also a way to increase the work efficiency. The delegation may consider specific tasks for which corresponding authority for decision making is given to staff. The selection of such tasks should be made by the manager together with the staff based on common understanding and trust regarding staff capability to undertake the responsibilities.

## Capacity improvement through better working systems & tools

### OPTA MA implementation procedures

As certain inconsistencies are found in the OPTA MA implementation procedures, it is recommended to:

- ✓ correct inconsistencies between different sections and/or between its provisions and what is actually done in relation to the PA2/PA3 OPTA Beneficiary's roles and responsibilities in the projects preparation and implementation;
- ✓ develop and complete insufficient or missing responsibilities and document flows for all stages of procurement contracts implementation;
- ✓ adjust the content of the financing contract/decision to comply with the actual rights and liabilities of both parties.

### Beneficiary's procedures manual

In order to facilitate the division of tasks and proper project management, it is recommended to

- ✓ prepare a detailed Beneficiary's manual answering the questions "who is doing what, when and how" covering all project cycle stages and correlated with the OPTA MA implementation procedures and its dissemination to all beneficiary structures.
- ✓ train the beneficiary staff in the use of the manual including through concrete examples and exercises in the use of documents and formats.

### SMIS CS internal procedures

- ✓ Outside non-SMIS related complaints and requests<sup>45</sup> addressed to the SMIS unit lead to ad hoc work, having a very negative effect on the work efficiency due to work interruptions and stress. In order to reduce the outside complaints and the ad hoc way of working and

<sup>45</sup> E.g.: equipment setting up for new users, equipment and/or software functioning claims, equipment users' responsibilities, requests for equipment supplies, ACIS equipment inventory.



increase work efficiency, it is recommended that ACIS level procedures are prepared to set clear rules for managing them. These procedures should set rules, responsibilities and deadlines for collecting and registering the requests, prioritization according to importance, urgencies and frequencies, allocation of clear tasks and deadlines for their solving (who is doing what and when) according to types of issues, from the moment they reach the unit

A proposed action plan for implementation of the above recommendations is presented in Annex 5.



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### Annex 3: List of new Projects Ideas that can be included in the OPTA pipeline by the end of the current programming period and comparison of international good practice

Project no	Project title	Budget estimates [in euro]	Main features and characteristics	Eligible costs change needed?	Target Groups	Suitable for other OPs than OPTA?	Still suitable for OPTA 2007-2013?	Suitable for OPTA in 2014-2020?	Proposed Beneficiary
<b>In Priority Axis 1</b>									
<b>KA1.1</b>									
1	Establishment of a co-ordination network between those responsible at national, regional and local level of integrating sustainable development aspects in the Structural Funds.	200 000 euro (estimation per year; ongoing network; the amount varies depending on the scope and intensity of the activities).	Useful tool to integrated environmental and sustainable horizontal aspects in the OP implementation. Also, powerful instrument to generate project ideas and to inform all sectoral policies with the horizontal principle of sustainable development. Possibility to set up different working groups regarding climate change or the Environmental Strategic Evaluation. Finally, the network acts as a platform that brings together the most relevant actors and stakeholders in this field and can eventually be used to represent the country in the European sphere on cohesion policy and sustainable development	No	Regional and local authorities; Environmental organisation; Sustainable development main stakeholders.	No	Yes	Yes	Ministry of Environment and Forests
2	Urban Development thematic network.	200 000 euro (estimation per year; ongoing network; the	This thematic network focuses on the urban dimension of the European Regional Development Fund co-financed Ops. It has proved very useful to design and promote urban development projects in different territories and to keep this fundamental	Yes	Romanian Federation of Municipalities; Romanian Association of	No	Yes	Yes	Ministry of Regional Development and Tourism

Project no	Project title	Budget estimates [in euro]	Main features and characteristics	Eligible costs change needed?	Target Groups	Suitable for other OPs than OPTA?	Still suitable for OPTA 2007-2013?	Suitable for OPTA in 2014-2020?	Proposed Beneficiary
		amount varies depending on the scope and intensity of the activities).	feature of cohesion policy in the project portfolio. This becomes even more important with the fact that URBAN does not exist anymore. The network also brings together the relevant national government Ministries and agencies with the local government to discuss about urban development policies and also acts as the country representative for URBACT II.		Communes; relevant Ministries at national level. Towns and cities should also be involved.				
3	Network on equal opportunities between women and men and disadvantaged groups.	200 000 euro (estimation per year; ongoing network; the amount varies depending on the scope and intensity of the activities).	The network coordinates efforts for the accomplishment of a horizontal principle of paramount importance in Structural Funds implementation. It also goes in line with policy trends in the country and guarantees equal treatment in the EU funded activities. The ultimate objective is to promote an effective equal treatment and access to opportunities between men and women and disadvantaged groups. It acts as a platform that brings together all relevant actors and stakeholders on equal treatment and gender mainstreaming in the country. Finally, powerful instrument to generate project ideas and to inform all sectoral policies with the horizontal principle of equal treatment.	No	Organisations representing women's interests; institutes or associations; National School of Political and Administrative Studies (SNSPA).	No	Yes	Yes	Ministry of Labour, Family and Social Protection
4	Thematic Network for	750 000 euro (estimation	Useful tool to promote the concept of innovation as a key feature for achieving growth and jobs.	No	Universities; Technological	No	Yes	Yes	Ministry of Communicatio



Project no	Project title	Budget estimates [in euro]	Main features and characteristics	Eligible costs change needed?	Target Groups	Suitable for other OPs than OPTA?	Still suitable for OPTA 2007-2013?	Suitable for OPTA in 2014-2020?	Proposed Beneficiary
	promoting innovation and RTD.	per year; ongoing network; the amount varies depending on the scope and intensity of the activities).	This is a network that would bring together all relevant actors on RTD and innovation. The network may implement various types of activities, e.g. regional network of agencies for Innovation - a study + pilot project of 1 year to run 1/several agencies within a RDA or an association of RDAs leading to a study proposing to propose the best type of organization for OPTA 2014-2020; or study to apply the smart specialization - to allow integration of this new concept integrated into a practical approach for Romania at 2014-2020 horizon.		Centres; Research Institutes; National Authority for Scientific Research (ANCS); RDAs; Local Authorities; ACIS_TAD.				ns and Information Society
5	Co-ordination of the Business Innovation Centres Network operating in Romania.	200 000 euro	This DG Regio's network BICs across Europe usually have a Co-ordination Unit or Secretariat to guarantee coherence and maximise results of this supporting Centres. It has proved to be useful and a success history. With a limited budget, tangible results and concrete coordination and dissemination activities can be carried out on this important field.	No	Chamber of Commerce; a Regional Development Agency, Federation of Entrepreneurs or a national body for innovation and/or support to the private sector development.	No	Yes	Yes	Foundation of Romanian Business and Innovation Centres
6	Study needs for upgrade of the	100 000 euro	Study for upgrading the procurement system - on needs, institutions to be connected, institutional	Yes	National School of Political and	No	Yes	Yes	SNSPA + Universities

Project no	Project title	Budget estimates [in euro]	Main features and characteristics	Eligible costs change needed?	Target Groups	Suitable for other OPs than OPTA?	Still suitable for OPTA 2007-2013?	Suitable for OPTA in 2014-2020?	Proposed Beneficiary
	procurement system.		structures, changes and costs. The functional study should result in providing details on the details to be corrected and improved in the whole procurement system.		Administrative Studies (SNSPA); Universities				
7	Upgrade of system for procurement [SEAP].	3 000 000 euro	The system should be upgraded significantly. The budget proposed for that improvement would cover all preparatory and implementation costs: from the functional analysis, through implementation to the tests of the new system, and further training of the Train-Of-Trainers.	Yes	n/a	No	Yes	Yes	ANRMAP
8	A database on public procurement.	1 000 000 euro	Connected to SEAP - a database needs to be established that will interlink, use and be accessible? to all involved in public procurement to exchange information and to tackle overlaps and conflicts of interest. The project would cover both, very important analysis and consultation? process of many involved institutions as well as the costs of updating the structure and contents of the database.	Yes	n/a	No	Yes	Yes	ANRMAP
9	Training for staff of the procurement agency.	100 000 euro	Especially on the specialist topics such as ex-post verification. The training could be organised as an ongoing cycle of trainings which, in time, should cover checking of practical implementation of the first series through 2nd round of trainings [higher level] for trainees=participants in the 1st edition.	No	ANRMAP	No	Yes	Yes	ANRMAP

Project no	Project title	Budget estimates [in euro]	Main features and characteristics	Eligible costs change needed?	Target Groups	Suitable for other OPs than OPTA?	Still suitable for OPTA 2007-2013?	Suitable for OPTA in 2014-2020?	Proposed Beneficiary
10	Developing a better selection process and system / Setting up a pool of staff that can support in a flexible way different Managing Authorities and Intermediary Bodies.	200 000 euro	The public institutions [e.g. DLAF]??? could make benefit of an external assistance in development of improved system and methodologies for attracting and selecting optimum candidates for work in the MAs. The system should be based on the best adapted Romanian and international experiences. As a result, the system should lead to creation of the pool of staff who would/could be implemented in flexible manner by MAs and IBs.	Yes	Managing Authorities and Intermediary Bodies	No	Yes	Yes	ACIS
11	Support for the timely delivery of indicators and covering the expenses of data collection for OP monitoring plus exchange of information and learning process from Italy.	500 000 euro	Improve the current systems for data collection and information flows to monitor OP's implementation. The first part of the analysis should cover analysis of the Italian experiences and practices in that respect. The analysis to be followed by the changes stemming from the results - to be implemented by the future Beneficiary.	No	ACIS and MAs	No	Yes	Yes	National Institute of Statistics (INS)

Project no	Project title	Budget estimates [in euro]	Main features and characteristics	Eligible costs change needed?	Target Groups	Suitable for other OPs than OPTA?	Still suitable for OPTA 2007-2013?	Suitable for OPTA in 2014-2020?	Proposed Beneficiary
<b>KA1.2</b>									
12	Evaluation Network	1 500 000 euro (estimation per year; ongoing network; the amount varies depending on the scope and intensity of the activities).	Useful tool for responding to the European Commission's high expectations on Programmes' evaluation. Also good tool to promote the culture of evaluation in the country and, finally, effective instrument to be used for programming for the next period. The Evaluation Network will count with an Annual Work Plan and a wide array of activities will be carried out such as: needs assessment and a pilot project to develop training programmes addressed to the Evaluators of High Education, together with universities/ associations/ organizations of evaluators from EU with good practices in this field; grant scheme for evaluation activities improving/widening evaluation methodologies and practices.	No	Universities; Research Centres; National School of Political and Administrative Studies (SNSPA); various institutions in public administration; well known organizations of evaluators	No	Yes	Yes	ACIS
<b>KA1.4</b>									
13	Inventory of tasks to be outsourced regarding Outsourcing of maintenance of IT systems inside the MA?.	50 000 euro	Outsourcing the informal 'technical help-desk' and other administrative services would allow the team concentrating on developing concrete tasks. That outsourcing would cover the technical services to be provided throughout the ACIS; thus freeing resources of the SMIS Unit to develop that System further, according to the original pipeline.	No	ACIS	No	Yes	Yes	ACIS

Project no	Project title	Budget estimates [in euro]	Main features and characteristics	Eligible costs change needed?	Target Groups	Suitable for other OPs than OPTA?	Still suitable for OPTA 2007-2013?	Suitable for OPTA in 2014-2020?	Proposed Beneficiary
<b>In Priority Axis 2</b>									
<b>KA2.1</b>									
14	Creation of a tool for the managing of cash flows between Managing Authorities and the connection in between them.	250 000 euro	Analysis and eventual implementation of unified system for managing cash flows. That analysis should be concentrated on adding/correcting/upgrading functionality of the SMIS. The analytical work to be led by/under leadership of the SMIS Unit, as the System should incorporate that functionality, at the end.	No	ACIS, CPA and MAs	No	Yes	Yes	ACIS (SMIS Unit)
15	Introduction of the electronic signature.	2 500 000 euro	Analysis and implementation of the electronic signature technology (obligatory linked with the SMIS) among the MAs, including continuous training on using that technology.	No	ACIS, CPA, MAs, IBs, Beneficiaries	No	Yes	Yes	ACIS(SMIS Unit)
<b>In Priority Axis 3</b>									
<b>KA3.1</b>									
16	Tailored communication campaign in a selected territory.	100 000 euro per year?	Communication campaigns to be designed according to the specificities of a given territory in the country (for instance, in a heavy industries region, focus on how Structural Funds are supporting economic development). The more tailored and targeted the communication campaign is, the more successful and effective will be. This "micro" communication activity is	No	Ministry of Regional Development and Tourism; RDAs; City Councils; Association of Communes of Romania (ACoR).	No	Yes	Yes	ACIS

Project no	Project title	Budget estimates [in euro]	Main features and characteristics	Eligible costs change needed?	Target Groups	Suitable for other OPs than OPTA?	Still suitable for OPTA 2007-2013?	Suitable for OPTA in 2014-2020?	Proposed Beneficiary
			complementary to the one indicated below on mass media						
17	A competition to support the best ideas of promoting the EU Structural Instruments' results.	4 000 000 euro	This is a project on dissemination that is considered a success history in Poland. OPTA gets to involve the media (and thus attracting future interest), NGOs, self-governments, universities, etc. in promoting real-life results of Structural Funds implementation among the public. The individual projects would be defined by the public - thus responding to the information needs of the society = bottom-up approach.	Possibly	Awarded media/NGOs/companies/self-governments/universities, etc. (it should be run like a grant scheme)	No	Yes	Yes	Structural Instruments Information Centre



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## Annex 4 International experience and good practice

### Experiences and ideas from other countries

We can find Technical Assistance Operational Programmes in a large number of the Member States, including both old and new countries in the EU. In this chapter we present ideas and experiences found in Spain, Poland and Bulgaria.

#### Spain

Spain has been historically the largest recipient of funds in the EU's history. It thus has a long and solid experience in the Structural Funds Instruments implementation and the country has achieved an impressive development in all types of operations, both on infrastructure projects and the so-called 'soft' projects. In this way, and as a result of the long history and the large amount of funds implemented in the last 25 years, managing authorities, intermediary bodies have developed a wide range of activities to be implemented by a large number of different types of beneficiaries.

It is for example interesting to see that the coordination efforts to ensure a sound implementation of structural funds are channelled through three fundamental instruments:

1. The **Fund Coordination Committee, which** is the agency that coordinates the policies implemented with the Cohesion Fund, the European Regional Development Fund, the European Social Fund, the Rural Development Fund and the European Fisheries Fund.
2. The **Thematic and Industry-wide networks, which** are the mechanisms of coordination that serve as an exchange of experiences and the dissemination of best practice funded by Community funds in their fields of activity; and for the presentation and analysis of developments in Community and national policies with repercussions in the management of activities funded by Community funds; and the dissemination and analysis of technical problems caused by the application of Community and national legislation in the activities funded by Community funds, including that stemming from systems of management, control and auditing as main goals.
3. The **National Wide Technical Assistance Operational Programme and Priority Axis 5 and Priority Axis 7 of regional Operational Programmes:**
  - ✓ The Technical Assistance Operational Programme mainly covers TA support for bodies, actors and entities of the central government and national government agencies.
  - ✓ Priority Axis 5 of the Competitiveness Regions Operational Programmes (+ phasing in).
  - ✓ Priority Axis 7 of the Convergence Regions Operational Programmes (+ phasing out).

The specific EU funding allocated to technical assistance in Spain is 216.167.060 Euro. Out of this EU funding, the Technical Assistance Operational Programme has a budget allocated of over 63 million euro. With this, more than 100 OPTA funded projects can be found in the 2010 Annual Implementation Report, which places Spain as a reasonably useful source of information to look at in order to identify potential activities and beneficiaries to be implemented in Romania.

## Poland

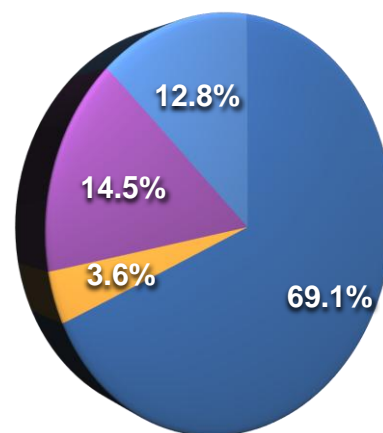
Poland is the biggest recipient of the structural funding among the 10 New EU Member States. Within the current programming period 2007-2013 Poland has foreseen commitment of the EU Structural Instruments at the level of 67 billion Euro.

The Technical Assistance Operational Programme in Poland has access to the EU funding at the level of 517 million Euro.

Poland has also very good experiences and, most of all, good absorption results: currently (January 2012) there is 72,3 % commitment and 32.61% disbursement (of the whole national allocation for 2007-2013). Because of those good results the country often has been used, especially by the European Commission, as an example for the other New Member States.

It is for example interesting that Poland is reallocating budget within the OPTA. This is the second time in the current programming period (following the first reallocation effective on 25 February 2009). The Polish OPTA is split into 4 Priority Axis:

- ✓ Priority Axis 1: Support to human resources - [approximately 69.1% of total funding].
- ✓ Priority Axis 2: IT support in the NSRF implementation [3.6%].
- ✓ Priority Axis 3: Support of the structural funds operations implementation [14.5%].
- ✓ Priority Axis 4: Communication and promotion [12.8%].



In August 2011 the mid-term evaluation of the programme has brought the need for the 2<sup>nd</sup> reallocation proposal. Interestingly for the Romanian OPTA, **Poland wants to reallocate the funds to Priority Axis 4 dedicated to promotion and communication, and to exchange of experiences among participants of the NSRF**. The new structure of the OP will be the following:

**Table 26 Proposed reallocations (in Euro) for Poland:**

Priority	Community part (until now)	National part (until now)	partTotal now	Reallocation		
				Community part (after reallocation)	partChange of the community part	Change – total
PA1	357 000 000	63 000 000	420 000 000	341 700 000	-15 300 000	-18 000 000
PA2	18 700 000	3 300 000	22 000 000	18 700 000	0	0
PA3	74 800 000	13 200 000	88 000 000	64 600 000	-10 200 000	-12 000 000
PA 4	66 200 000	11 682 353	77 882 353	91 700 000	+25 500 000	+30 000 000
<b>Total</b>	<b>516 700 000</b>	<b>91 182 353</b>	<b>607 882 353</b>	<b>516 700 000</b>	<b>0</b>	<b>0</b>

Source: Polish Ministry for Regional Development

## Bulgaria

Bulgaria has similarities in the EU relations and circumstances to Romania as both countries have entered into the EU at the same time. Hence, Bulgaria can be considered a useful for the Romanian experiences as both OPTAs have many similarities (although differences in the size), also as the country is usually being subject of similar approach by the European Commission as Romania.



The Bulgarian Operational Programme for Technical Assistance is smaller in size: 48.2 million Euro ERDF. However it has similar tasks as the OPTA in Romania - the specific objectives of OPTA are:

1. Strengthening the necessary capacity and functioning of the central and local administrative structures involved in the SCFs absorption.
2. Increasing the information and public awareness with respect to the effective and efficient use of the Structural and Cohesion Funds in Bulgaria.

In order to achieve these objectives, the following priority axes have been identified:

**Priority axis 1** – Support to the implementation of the activities, performed by the Structures at central level: Central Coordination Unit, Certifying Authority, Audit Authority, OPTA Managing Authority, NSRF Monitoring Committee and OPTA Monitoring Committee; Capacity building measures for SF implementing structures.

**Priority axis 2** – Further development and support to the functioning of the Unified Management Information System. Key areas of intervention:

- ✓ Development and maintenance of UMIS.
- ✓ Continuous support and training of the UMIS users.
- ✓ Equipment Supply.
- ✓ Support to the Help Desk.
- ✓ Development of integrated system of indicators, standardised queries and reports on request by OP MAs.
- ✓ Development of interfaces with external systems.

**Priority axis 3** – Promotion of the European Cohesion Policy and its objectives in Bulgaria and ensuring the provision of general and statistical Information. Key areas of intervention:

- ✓ Planning, coordination, and realisation of a comprehensive information campaigns and public awareness activities.
- ✓ Providing data and analyses of the current economic situation and elaborating model for assessments of the EU funding impact and effects of funding on the various sectors.
- ✓ Further development of Unified Gateway giving access to general and specialised information about the management of the Structural Funds and the Cohesion Fund of the European Union in Bulgaria.
- ✓ Securing the establishment / development of 28 district Info points - development and roll-out operations, securing the running operations, securing the publicity measures on local level, providing equipment required for the normal operation of the points as well as relevant trainings.

**Table 27 Breakdown allocation for Bulgaria (in Euro)**

Priority Axis	Community Funding (ERDF)	National Funding			Total OP	Co financing rate (%)
		Public	Private	Total		
1	2	3	4	5=3+4	6=2+5	7=2/6x100
<b>PA1</b>	25 00 0000	4 411 765	0	4 411 765	29 411 765	85
<b>PA2</b>	9 659 303	1 704 583	0	1 704 583	11 363 886	85
<b>PA3</b>	13 637 210	2 406 566	0	2 406 566	16 043 776	85
<b>TOTAL</b>	48 296 513	8 522 914	0	8 522 914	56 819 427	85

Source: OPTA Bulgaria 2007-2013



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### *The Monitoring and Information System Presage*

The French Presage system has been in place for a number of years now and it is constantly used as a valid reference for different Monitoring and Information Systems in Western Europe.

By networking all the partners concerned, the PRESAGE computer system used in France for the follow-up, management, control and evaluation of European programmes is helping to ensure an efficient and transparent implementation of European procedures. PRESAGE aims for a sound and efficient management of both European and national payments made in the framework of the European regional programmes in France.

In managing the Structural Funds, the French regions had progressively acquired computer monitoring tools, but without any real coordination. At least four types of software were being used and the data synthesis remained empirical and often unreliable. In May 1998, the French Government therefore set itself the goal, for the 2000-06 programming period, of putting into place a single monitoring and management software, the use of which would be compulsory for all managers of European Structural Funds.

To this end, in 2000 France submitted a specific Single Programming Document (SDP), entitled the "Programme National Informatique" (PNI), in the form of a national programme for technical assistance, common to all European procedures and designed to introduce a single management tool in all the French regions. The actions programmed in are as follows:

- ✓ The human resources required for the project realisation (national and regional level).
- ✓ The intangible investments linked to computerisation (development, data capture, electronic transmission to the European Commission, training of instructors and users, training manuals).
- ✓ The tangible investments required for the project realisation (national and regional computing equipment).
- ✓ Follow-up, maintenance, implementation and evaluation (hotline, communication, follow-up, mid-term evaluation and final evaluation).

Approved by the European Commission on 22 March 2001, the PRESAGE device ('Programme Régional et Européen de Suivi,d'Analyse, de Gestion et d'Evaluation' / 'Regional and European Monitoring, Analysis, Management and Evaluation Programme') provides the 24 French regions with a device for the monitoring, management and evaluation of Community programmes linked to regional economic development: Objectives 1 and 2, INTERREG, LEADER+, URBAN and the Financial Instrument for Fisheries Guidance (FIFG).

The device has four main aims:

- ✓ To make available to the partners concerned all information regarding the management and implementation of SPDs.
- ✓ To make available the statistical data which are essential to carrying out evaluation exercises.
- ✓ To regularly update the national and European authorities on programme progress.
- ✓ To intervene in real time throughout the entire aid management and control chain.
- ✓ The computer application makes it possible to monitor and manage all projects, from the time of submitting a request for aid, by following the different stages in the application's progress, collecting information needed for carrying out the evaluation exercises and monitoring the control operations.

It is true to speak of a genuine "PRESAGE network" as the device links up all the actors involved in European programmes in France: regional Prefectures charged with steering the programmes, Regional Councils, General Councils, State services involved in appraising, managing, following up and controlling applications. Also connected to the system are the European Commission which transmits information, the ministries responsible for managing the funds and the DATAR<sup>46</sup> which consolidates the data at national level, as well as various other services.

PRESAGE is accessible in real time by all the partners in a secure environment. It is installed on the Interior Ministry's platform, which contains all the regional and national databases. The system permits the Regional policy European Union import or export of data in text format concerning the project, contracting authority, accounts of co-financers, invoices, etc. Data on the Structural Fund call can be transmitted electronically to the European Commission. A lot of data can be exported in text format for subsequent use with office automation tools (Excel, Access, etc.). As a result, data can be presented in the form of histograms, dynamic crossed tables and mapping tools.

A PRESAGE intranet provides users of the software with PRESAGE documentation, a FAQ section, forum and directory. To operate the system, a team of 37 persons were allocated to the project full time from the time of start-up, including: - one person per region charged with promoting and coordinating PRESAGE among users; - five persons from the Interior Ministry charged with running and processing the databases and two charged with technical assistance; - three technicians to provide assistance ("hotline") and ensure functional maintenance of the software. Since it was launched in 2000, some 2 300 users at 930 sites have used PRESAGE, totalling over 450 000 connection hours.

The total cost of the "Programme National Informatique" developed to finance PRESAGE is EUR 38 million, 56% of which is financed by the ERDF. These figures must be set against the EUR 10 billion in Community aid and the more than EUR billion of total financing which the project is able to monitor.

**Table 28 Overview of PRESAGE and contact details**

<b>Project:</b>	PRESAGE for efficient Structural Fund management
<b>Program:</b>	Project: PRESAGE, Programme: Programme National Informatique (PNI)
<b>Total Cost:</b>	38 000 000 EUR
<b>EU contribution:</b>	21 280 000 EUR
<b>Contact:</b>	DATAR Olivier , ANNE1 avenue Charles Floquet  F75007 , Paris France Tel.: 01 40 65 10 62 Fax.: 01 40 65 12 19 E-Mail: olivier.anne@datar.gouv.fr

#### *Comparison between the eligible activities, costs and beneficiaries of Romania with Spain, Poland and Bulgaria*

This section presents a brief comparison in between the Romanian OPTA and the respective Technical Assistance Operational Programmes for Spain, Poland and Bulgaria.

<sup>46</sup> DATAR = Délégation à l'aménagement du territoire et à l'action régionale. In English: Delegation for town planning and regional action.



This analysis was undertaken during the Inception phase of the evaluation and it provided with valuable information and examples that would conduct the evaluators' proposals for new TA interventions.

From that initial analysis, the main conclusion suggested that there was a wide array of activities done in the context of the three national Technical Assistance Operational Programmes in Spain, Poland and Bulgaria but the majority of them were already included in one or another way under the current scope of action in the Romanian OPTA.

Even if that was the case, the main observation identified at the inception phase pointed out the following:

- A. The list of potential beneficiaries could be further expanded, especially taking into account the Polish and Spanish experiences.
- B. There were sufficient grounds for widening the scope of the Romanian OPTA in its relevant Key Actions for both this programming period and for the next one.

#### A) Beneficiaries

On the first point on beneficiaries, the Polish experience from the KAI concerning support of human resources, suggests to widen the list of eligible beneficiary institutions, as presented in the following non-exhaustive list of the Polish eligible institutions:

- ✓ National Evaluation Unit (in the Ministry of Regional Development).
- ✓ Relevant units in the regional units of national public administration.
- ✓ Managing Authority for the European Territorial Development Objective.
- ✓ Bodies of government dealing with issues of Nature 2000 sites and environmental impact assessments.
- ✓ Public Procurement Office.
- ✓ National Centre for Research and Development.
- ✓ Office of Competition and Consumer Protection.
- ✓ Centre for the Development of Education.
- ✓ Tax offices.
- ✓ Regional Directorates for Environment.
- ✓ Target groups (individuals, institutions, social groups directly benefiting from the aid) (if applicable).
- ✓ Office of Electronic Communication.
- ✓ Main Statistical Office.
- ✓ Office of Railway Transport.
- ✓ Energy Regulatory Office.
- ✓ National Water Management Authority.
- ✓ Polish Agency of Information and Foreign Investment.
- ✓ Head Inspector for Environment Protection.

Looking at the eligible beneficiaries of especially Poland and Bulgaria, the list of eligible beneficiaries can also be expanded, depending on the specificity of the KAI, almost in every Key Areas of Intervention, and especially at those focused at:

- ✓ Evaluation.
- ✓ Management Information System.
- ✓ Publicity and communication.



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In the same manner, and as regards beneficiaries, the comparison between the Romanian OPTA and the Spanish one suggests the idea that there is a much wider array of potential beneficiaries for the case of Spain.

Potential beneficiaries for the Spanish case refer to many entities and bodies outside the Ministry of Economy (which is the Managing Authority of the Programme), including quite a few different Ministries and stakeholders from the social, business and the civil society spheres.

From the Bulgarian experience, and during the inception analysis, possibility of increasing the list of potential beneficiaries to the local and regional levels came out as another idea. This was supported by the successful project ideas developed in that Member State regarding the Bulgarian Network of Info Points.

#### B) Widening the scope of the Operational Programme

The general comparison between the Spanish and the Romanian OPTA regarding the activities and projects developed centred around the Key Areas 'KAI 1.1 - Support to the management and implementation of Structural Instruments' and the Key Area 'KAI 3.1 - Dissemination of general information and publicity activities regarding the Structural Instruments' allocated to Romania.

For the first one, the Key Area 'KAI 1.1 - Support to the management and implementation of Structural Instruments', most of the new activities for the Romanian OPTA that can be found in the Spanish case are related to the four thematic networks that were set up in Spain for OP coordination and for enhancing project generation. These networks are the mechanisms of coordination that serve as:

- An exchange of experiences and the dissemination of best practice funded by Structural Funds in their fields of activity;
- For the presentation and analysis of developments in Community and national policies with repercussions in the management of activities funded by Community funds;
- For the dissemination and analysis of technical problems caused by the application of Community and national legislation in the activities funded by Community funds, including that stemming from systems of management, control and auditing as main goals.

Out of the four existing thematic networks, the Thematic Network on Environment and the Thematic Network on Equal Opportunities should be especially mentioned. Both have proved to work very well and constitute solid drivers of Structural Funds Instruments in Spain, developing a large number of activities with a high level of effectiveness.

With respect to the comparison with the Key Action 'KAI 3.1 Dissemination of general information and publicity activities regarding the Structural Instruments' allocated to Romania, a few activities were identified within the Spanish OP that added to the existing pipeline in Romania. These referred mainly to the elaboration of studies and preparation of innovative actions related to the Structural Funds' Instruments implementation, oriented to the whole territory.

New ideas for activities and beneficiaries also related to KAI1.3 – Horizontal training in the field of the management of programmes/projects and KAI1.2 – Evaluation.

For the latter, on evaluation related activities, the ideas initially identified at the inception phase related mainly to the fact of the setting up of Evaluation Thematic Working Groups covering aspects specific to:



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- Communication. This is a fundamental feature in the 2007-2013 programming period whereby Regulation 1828/2006 sets a wide range of rules and procedures that have to be observed. For this purpose, and as we know, Operational Programmes have to develop Communication Plans and these Plans have to be object of specific evaluations. In Spain, a working group was set up in the framework of OPTA to guide, coordinate and monitor the whole process of Ops' communication related evaluations.
- Innovation and the knowledge Economy. This is the key thematic aspect the Lisbon Agenda tried to promote during the 2007-2013 and, in this way, a special focus on monitoring and evaluation with this perspective was done in Spain. Activities include the setting up of the Evaluation thematic group and also the celebration of seminars and meetings on this fundamental aspect of OPs successful implementation.

And finally, on the Key Action KA11.3 – Horizontal training in the field of the management of programmes/projects, and in the framework of this initial comparison, it can be noted that Spain introduces a number of training activities related to specific implementation aspects dealing with Art 13 related to the First Level Control, the use of electronic signature or environmental aspects in OPs' implementation that could complement the existing training activities already planned for the Romanian OPTA.

The main general difference between the Romanian OPTA and relevant Operational Programme in Poland is an additional Priority – focused on 'Support to Human Resources'. These actions constitute Priority 1 in the Polish OPTA, the biggest among four priorities. It is split into two Activities:

- a. 'Support to employment'.
- b. 'Increasing the qualifications'.

These types of activities are, in general, covered by PA 1 in the Romanian OPTA but obviously in dramatically smaller scale. The idea of expanding it by using that Polish example was considered within the current evaluation as very tempting for both, the absorption capacity and increasing the level of civil service, it was dropped based on the following factors:

1. The Romanian circumstances concerning the employment of new civil servants as well increasing the salaries seemed to be impossible for implementation.
2. It would be very difficult to achieve consent of the European Commission for such change of the OPTA.

Within the Polish OPTA Priority 2 Activity 2.1 'IT support in the NSRF implementation' the difference in comparison to Romania was linked to some actions focused on preparation for functioning of various IT systems in the next programming period. However, this focus has been taken into account mainly by expanding scope of undertaken projects beyond 2013, whenever feasible and appropriate.

Within the Polish Priority 3 'Support of the structural funds operations implementation' (which is similar to the Romanian OPTA Priority 1) the general difference concerned projects dedicated to implementation of various forms of international cooperation/initiatives/policies, e.g. European Territorial Cooperation, ESPON, Baltic Strategy, etc. These actions were interpreted as not constituting the major priority for improving the absorption capacity in Romania; therefore they were not developed further.

The second activity in the Polish OPTA concerns 'Evaluation' and as such does not differ in the general scope from the Romanian OPTA. The same general comment concerns the Priority 4 in

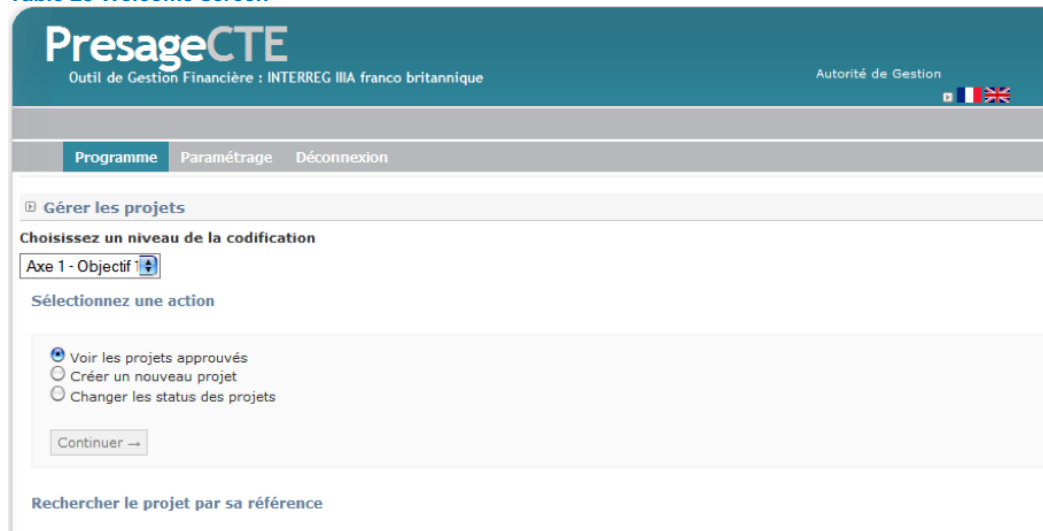
Poland 'Communication and promotion'. However, it is interpreted wider within the scope of the Polish projects implemented under that type of Priority.

## Conclusions

- A comparative analysis of projects and operations co-financed by the Technical Assistance Operational Programmes of Spain, Poland and Bulgaria carried out at the inception phase of the evaluation revealed that there were grounds for widening the scope of activity within the framework of the Romanian OPTA.
- Within these grounds for enlargement in the content and number of projects, it was within the scope of Priority Axis1 on the Support for implementation and coordination of structural instruments where more space for development could be identified after carrying out this preliminary analysis.
- There were also reasonable grounds for increasing the number of activities and projects in those actions regarding Communication in the framework of Priority Axis 3: Dissemination of information and promotion of Structural Instruments.
- In contrast to this, the preliminary comparative analysis undertaken in the framework of this evaluation, revealed that limited scope for change could be found for projects that could be supported under the umbrella of Priority Axis 2 on Further Development and support for the functioning of the Single Management Information System
- Finally, the preliminary analysis has also concluded that the Romanian Technical Assistance Operational Programme observed a great margin of coincidence as to the scope, objectives and principal activities and projects to the analysed OPs in the other three Member States.

Below some screens from the PRESAGE system are included.

Table 29 Welcome screen



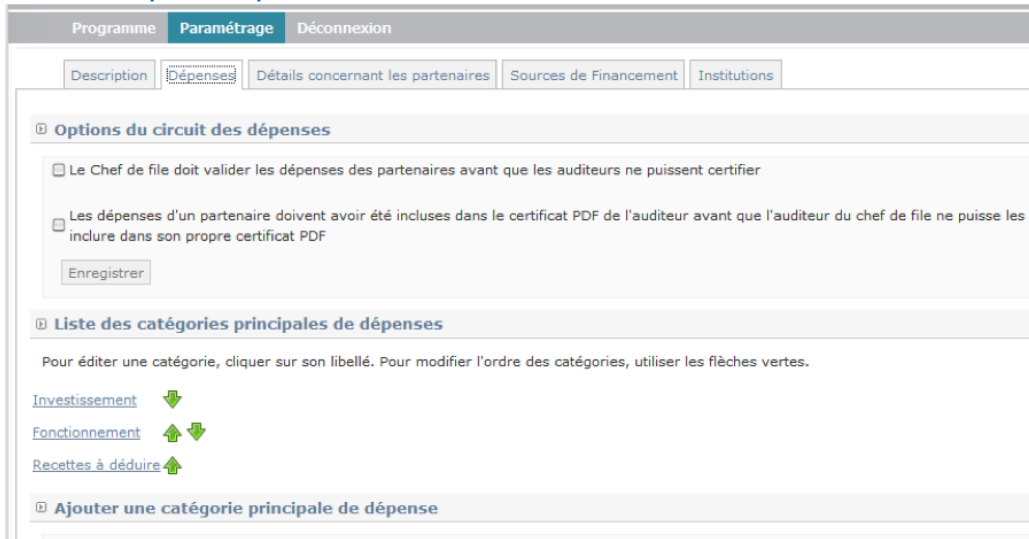
Source: PRESAGE system

Table 30 Programme set up



Source: PRESAGE system

Table 31 Set up of the expenditure and certification scheme



Source: PRESAGE system



**Table 32 Application form (URBACT example)**

- 3.6 [Communication activity](#)
- 3.7 [Concrete results](#)
- 3.8 [Outputs and deliverables](#)
- 4. Action plan / Work programme
  - 4.1 [Action plan](#)
- 5. Management of the project
  - 5.1 [Previous experience of lead partner](#)
  - 5.2 [General co-ordination and overall responsibilities](#)
  - 5.3 [Operational management, including administrative and financial aspects](#)
  - 5.4 [Specific role and tasks of each project partner](#)
  - 5.5 [Certifying bodies](#)
- 6. Bank information
  - 6.1 [Informations](#)
- 7. Other information
  - 7.1 [Argumentation](#)
- 8. Detailed information on the lead and project partners
  - 8.1 [List of partners](#)
- 9. Certification
- 10. Project finance
  - 10.1 [Financial contribution by partners and sources](#)
  - 10.2 [Expenditures per year and budget line](#)
  - 10.3 [Expenditures per year and source](#)

Source: PRESAGE system

**Table 33 Project description**

The screenshot displays the PRESAGE system interface for project description. It features a main window with tabs for 'Description', 'Plan de travail', 'Produits', and 'Postes de dépenses'. The 'Description' tab is active, showing fields for 'Acronyme' (Projct Test), 'Durée du projet', 'Date de début' (2007-01-01), 'Date de fin' (2015-12-31), and 'Libellé'. To the right, a smaller window shows a table with columns for 'Produit', 'Type d'unité', 'Valeur prévisionnelle', and 'Description', along with an 'Ajouter un produit' button. Below this, another window shows 'Catégories de dépense' with a table listing 'Investissement', 'Fonctionnement', and 'Recettes à déduire', each with a plus sign icon.

Source: PRESAGE system

**Table 34 Outputs**

☐ Récapitulatif des financements par partenaire

FEDER

Nom du partenaire	FEDER	FEDER %	Contrepartie assurée par				Total
			Région	Ville	Administration d'Etat	Total contreparties nationales	
<u>mon_chef_de_file</u>	10 000,00 €	66.67	0,00 €	5 000,00 €	0,00 €	5 000,00 €	15 000,00 €
<u>Partenaire_1</u>	0,00 €	0.00	1 000,00 €	1 000,00 €	0,00 €	2 000,00 €	2 000,00 €
<b>Total</b>	<b>10 000,00 €</b>	<b>58.82</b>	<b>1 000,00 €</b>	<b>6 000,00 €</b>	<b>0,00 €</b>	<b>7 000,00 €</b>	<b>17 000,00 €</b>
<b>% Total</b>	<b>58.82</b>	<b>58.82</b>	<b>14.29</b>	<b>85.71</b>	<b>0.00</b>	<b>41.18</b>	<b>100 %</b>

☐ Budget prévisionnel

FEDER		Autres collectivités locales			Autres Financements	Budget total
FEDER	Total contreparties nationales	Autres collectivités locales	Total contreparties nationales			
10 000,00 €	7 000,00 €	0,00 €	0,00 €	0,00 €	17 000,00 €	

Source: PRESAGE system



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## Annex 5 Proposed action plan for implementation of Evaluation recommendations

No.	Conclusion	Recommendation	Ways of Implementation
<b>1.</b>	<b>Ensure the absorption capacity and simplification of procedures for authorisation of payments</b>		
1.1	Certification and payments are lagging behind	It is recommended to simplify the procedures for authorisation of payments	Recommendation: accepted Responsibles: OPTA MA , MAEur Deadline: End June 2012
1.2	Lack of capacity at beneficiaries level to prepare and implement good projects under OPTA	Increase the capacity of beneficiaries to prepare and deliver projects by training and guidance	Recommendation: accepted Responsibles: OPTA MA, ACIS Directorate Deadline: - ToR for the delivery of training on project procurement, project management, etc. has been launched in March 2012. PA2 and 3 Beneficiaries should be prioritized for the training. - TA and Guidance: beneficiary manual for ACIS is ready. Needs to be finalised and approved. Deadline: November 2012
1.3	The current capacity of SMIS CS and the ICIS is insufficient for preparing and managing the projects in the pipeline	Increase the capacity of the beneficiaries by filling in the vacancies and to in/outsourcing activities as well as to implement the other recommendations deriving from the workload analysis:	See below
<b>2</b>	<b>Consider the expansion of list of activities, target groups and beneficiaries under PA1 based on the new project identified</b>		
2.1	PA1 is the engine of the programme and for this PA new projects have been identified. To be able to finance them some amendments to the Programme are inevitable.	In order to be able to finance the newly projects identified under PA1, some new activities, beneficiaries and target groups should be added to the eligibility criteria. For PA2 and PA3 there is no need for changes in the eligibility criteria:	
		- In the OPTA monitoring committee of 13 June new beneficiaries will be added Land register system, Ministry of Environment	Recommendation: accepted Responsible: OPTA MA and Monitoring Committee Deadline: July 2012
		- Have a discussion on the list of new projects to assess whether these are	Recommendation: accepted



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		feasible and desirable.	Responsible: ACIS Deadline: June
		- Potential beneficiaries proposed and selected will be consulted by ACIS	Recommendation: accepted Responsible: TAD Deadline: September 2012
		Depending on the results of above steps: starting the discussion with the Commission	Recommendation: accepted Responsible: OPTA Deadline: October 2012
<b>3.</b>	<b>Consider the reallocation options presented</b>		
<b>3.1</b>	PA2 and PA 3 are far behind contracting level and based on the project pipeline and additional project identified, contracting will only reach half of the commitment. KAI1.1, on the other hand can absorb a substantial higher budget than committed.	It is recommended to consider the different reallocation options based on the outcomes of Lothar+ (Even more scenarios than presented can be tested as Lothar+ is delivered to OPTA MA):	
		- Meeting in the week of 18 June 2012 to test the options	Recommendation: accepted Responsible: OPTA MA Deadline: Week of 18 June 2012
		- Present the options in the MC in autumn. See whether reallocation can take place within PA1	Recommendation: accepted Responsible: OPTA MA Deadline: October 2012
<b>3.2</b>	The proposed scenarios for reallocations within OPTA or to/from other OPs can affect the general and specific objectives of OPTA and the achievement of corresponding indicators.	- Prepare a proposal for reallocation and the consequences for the indicators for approval by the EC	Recommendation: accepted Responsible: OPTA MA Deadline: October 2012
<b>4</b>	<b>Ensure the follow up on the identified project ideas</b>		
<b>4.1</b>	Several new project ideas have been identified which could be added to the project pipeline, for which the exact	It is recommended that the project ideas identified will be further discussed between the OPTA Strategy Unit and the potential beneficiaries in order to ensure that those ideas are taken forward. Further guidance from the Strategy	Recommendation: accepted Responsible: OPTA Strategy Unit and beneficiaries



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	scope and beneficiary has to be decided upon.	Unit is needed.	Deadline: ASAP
<b>5.</b>	<b>Improve the internal mechanisms and procedures for procurement</b>		
<b>5.1</b>	Projects are delayed in their implementation due to lengthy procurement procedure. This affects the absorption (payments) negatively.	The delays in procurement should be shortened by shortening the internal lengthy procedures and decision making rules	Recommendation: accepted Responsibles: Minister Deadline: Discussion is ongoing on the improvement of the functionalities of the Implementation Unit. Decision: 3rd quarter 2012

<b>PROPOSED ACTION PLAN FOR IMPLEMENTATION OF RECOMMENDATIONS for the workload analysis specifically</b>			
<b>No.</b>	<b>Conclusion</b>	<b>Recommendation</b>	<b>Ways of Implementation</b>
<b>1.</b>	<b>Capacity improvement through better structures</b>		
<b>1.1.</b>	Current TAD organizational structure leads to a number of dysfunctions, delays and/or difficulties in managing projects through: - additional flows introduced in the projects implementation process; - potential conflict of interests in managing MA and Beneficiary roles within the same structures; - beneficiary's accountability for projects implementation	<b>Analysis of impact and decision at strategic level on the following organisational structure changes:</b>	
		<b>a.</b> Implementation Service organized as a separate unit/directorate, under direct coordination of the General Director of ACIS, including also the financial management responsibilities related to procurement contracts implementation	Recommendation: to be decided Responsibles: ACIS head, head MA and Secretary of State Deadline: 3rd quarter 2012
		<b>b.</b> reorganizing the Financial Management Department remaining under TAD coordination to accommodate the MA needs,	Recommendation: rejected
		<b>c.</b> organize the ICIS as a separate department outside TAD, under direct coordination of the General Director of ACIS	Recommendation: will be decided Responsibles: ACIS head, head MA and Secretary of State Deadline: 3rd quarter 2012
<b>1.2.</b>	According to the Financing Decision, the beneficiaries have full accountability for the implementation of OPTA funded projects . At the same time, the administrative management of the procurement contracts as part of projects implementation is undertaken by the	<b>Clarification of the legal accountability of the beneficiaries for the financing contracts execution through:</b>	
		<b>a.</b> designation of Contracting Authority role for public procurement contracts to the beneficiary	Recommendation: will be considered Responsibles: ACIS head, head MA and Secretary of State
		<b>b.</b> delegate implementation responsibilities to the Implementation Service and	



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	Implementation Service within TAD and in the absence of a formal document setting responsibilities among the structures involved in the project implementation	the Financial Management Service through implementation agreements to clearly define the division of tasks and responsibilities relating to public procurement and contract management between the beneficiary and the Implementation Service.	Deadline: 3rd quarter 2012
1.3.	The responsibilities and division of tasks between the structures is not always clearly set leading to unclear responsibilities and inefficiencies, but more important to dissipation of the legal accountability for the financing contract execution.	<b>Accommodate all OPTA beneficiaries' responsibilities, and support work division, between the different structures and efficiency increase through:</b>	
		<b>a.</b> further modify the Organising and Functioning Regulation (ROF) provisions regarding ACIS structures' roles and responsibilities: - TA will be hired to have a look at the ROF and to review/adjustment the job descriptions	Recommendation: accepted Responsibles: for ROF the General Director, for the job descriptions the directors of the beneficiary departments,
		<b>b.</b> prepare a project proposal for TA in support to PA2 and PA3 beneficiaries for job descriptions review/adjustment and for redesigning jobs in SMIS CS for better matching the structures' roles for a more efficient and clearer allocation of tasks.	For designing the project: the Implementation Unit Deadline: 1st quarter 2013
<b>2. Capacity improvement through human resources management</b>			
2.1.	There is work overload in both beneficiaries as a result of: - permanent staff shortages in ICIS and SMIS CS through temporary suspension of a position in ICIS and 1 vacant position in SMIS CS - temporary shortages generated by projects implementation needs - less efficient working process in SMIS CS	<b>Improve capacity by reducing workload through in sourcing/outsourcing- addressing staff shortages:</b>	
		<b>a.</b> filling in suspended position in ICIS and reallocate projects management tasks among the four existing permanent jobs of the unit.	Recommendation: rejected. Not relevant
		<b>b.</b> Outsource the following activities for communication and project management for ICIS: - Project management activities ( preparation terms of reference and procurement dossiers, support in the evaluation of tenders, monitoring of procurement contracts implementation, verification of contractors progress reports, monitoring of technical activities and verification of deliverables). - Implementation activities of the communication plan	Recommendation: Accepted Responsibles: General Directorate ACIS Deadline: Procurement documentation ready 3rd quarter 2012
		<b>c.</b> Filling the vacancies within the beneficiaries units	Recommendation: Accepted Responsibles: ACIS Head



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			Deadline: July 2012
		d. Outsource the activities for the SMIS Service - Project management activities ( preparation terms of reference and procurement dossiers, support in the evaluation of tenders, monitoring of procurement contracts implementation, verification of contractors progress reports, monitoring of technical activities and verification of deliverables). - Helpdesk to SMIS users, application maintenance, training and organisation of events, error correction, maintenance of equipment)	Recommendation: Accepted Responsibles: SCD Deadline: Procurement documentation ready 3rd quarter 2012
		<b>Improve capacity by increasing work efficiency through better working process</b>	
		g. organise 1 hour weekly meetings each two weeks at directorate level and agree on the tasks prioritization and time allocation through classification by importance and urgency	Recommendation: accepted Responsibles: TAD, ICIS, SCD, SMIS CS Deadline: permanent
		h. organise 1 hour weekly operative meetings at unit level and agree on tasks prioritization and time allocation through classification by importance and urgency	Recommendation: accepted Responsibles: ICIS, SMIS CS Deadline: permanent
		i. prepare internal specific procedures and analyse the possibilities for outsourcing of the management of the outside claims and requests (not relating to SMIS)	Recommendation: accepted in corroboration with 3.3 (systems and tools) Responsibles: SMIS CS Deadline: 3rd quarter 2012
		<b>Improve capacity by increasing work efficiency through increased staff capabilities</b>	
		j. analyse options for including staff and management development needs analysis and training & coaching according to needs assessment in current training programmes and/or projects in pipeline	Recommendation: accepted for SMIS (project in pipeline) for ICIS to be considered Responsibles: TAD, ICIS, SCD, SMIS CS Deadline: ASAP
		<b>Improve capacity by reducing staff losses through motivation</b>	
		k. design of a financial incentive system	Recommendation: Rejected
		l. joint analysis (management and staff) and selection of tasks and	Recommendation: accepted in corroboration with



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		responsibilities which can be delegated to staff.	1.3.b Responsibles: TAD, ICIS, SCD, SMIS CS Deadline: 3rd quarter 2012
<b>3.</b>	<b>Capacity improvement through better working systems &amp; tools</b>		
<b>3.1.</b>	The OPTA MA implementation procedures manual covering the 2007-2013 period is not familiar to ACIS beneficiaries. It also contains a number of inconsistencies and/or gaps regarding roles and responsibilities of different structures involved as well as insufficiently developed document flows.	<b>Improve OPTA MA Implementation procedures manual</b>  - revise OPTA MA Implementation procedures to correct inconsistencies, develop and complete insufficient/ missing responsibilities and document flows in procurement contracts implementation and adjust the content of the financing decision to comply with the actual rights and liabilities of both parties	Recommendation: Alternative action: solve liability issues between beneficiaries and the implementation unit in the implementation agreement Responsible: OPTA Deadline: ASAP
<b>3.2</b>	In the absence of a beneficiary's manual (who is doing what?) and of working guides (how to do?) the project managers' responsibilities for implementation are undertaken according to instructions received from ID and from the superior in a "learning by doing process". This sometimes leads to delays and/or tensions among staff from ID and beneficiaries on "who is doing what" or "who is accountable".	<b>Develop OPTA Beneficiary procedures manual</b>  a. prepare a detailed Beneficiary's manual answering the questions "who is doing what, when and how" covering all project cycle stages and correlated with the OPTA MA implementation procedures and its dissemination to all beneficiary structures.  b. disseminate manual and train the beneficiary staff in its use including through concrete examples and exercises in the use of documents and formats	Recommendation: accepted Responsibles: OPTA MA, TAD, SDC Deadline: second semester 2012
<b>3.3.</b>	For SMIS CS there is a lack of procedures to manage outside claims and requests which currently are creating an important amount of interruptions and stress; e.g.: helpdesk, equipment setting up for new users, equipment and/or software functioning claims, equipment users' responsibilities, requests for equipment supplies, ACIS equipment inventory	<b>Develop SMIS CS Internal procedures manual</b>  - prepare internal procedures manual to manage outside claims and requests not related to SMIS	Recommendation: accepted Responsibles: SDC, SMIS CS Deadline: second semester 2012





## Annexes related to Sources

In the annexes the following documents can be found:

1. Methodology for Workload analysis and process re-engineering
2. Design and use of the tool “workflows and functions”
3. Workload questionnaires among PA2 and PA3 staff
4. Joint interviews with staff of the two ACIS structures beneficiaries



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## Annex 6: Methodology for Workload analysis and process re-engineering

The ToR suggested process reengineering and workload analysis as methodologies in analyzing the beneficiaries' capacity to plan and manage projects funded by PA2 and PA3. Our focus in applying these methods was to answer the evaluation question.

With this view two analyses were undertaken as presented in the Inception Report:

- A workload analysis focused on the PA2 and PA3 beneficiaries' staff capacity (12 positions, of which 2 suspended) to perform the tasks and undertake the responsibilities given to them through the job description of the positions occupied in the institutional structure of ACIS, relevant for the implementation of OPTA.
- Process re-engineering: an analysis of the work flows and functions to identify potential needs for process reengineering related to the role of ACIS relevant structures (Communication Compartment within TAD and SCD) as beneficiaries for OPTA PA2 and PA3.

### 1. Workload analysis

Workload Analysis is a methodology to determine the time, effort and resources necessary to carry out the unit's operations, resulting in identifying the organization's actual needs of human resources both in terms of quality and quantity, and develop these resources to achieve the goals and strategies that the organization wants to achieve in the various work sites.

Several models have been designed in time by various institutions to undertake the workload analysis according to their specific needs, such as:

- To calculate the workload of a position / sub position, and also needs the number of people to fill the position / sub position.
- Analyze workload by task, current location of specialists, and where staff is needed to address emerging issues.
- Analyzing current tasks and discuss potential ways to improve efficiency and effectiveness.
- Enable discussion and review of priorities associated with work products.
- Provide suggestions how to reduce excessive or uneven workload.

Irrespective of the specific needs for which the workload analyses have been designed, the main starting point has been represented by the requirements of the job in terms of the amount and quality of the work.

In our approach we focused on the specific ToR requirements and on the needs identified during the inception interviews, with the view to answering Q2 *"to what extent and how the reduced capacity of the beneficiary affects planning and management of the projects funded by PA2 and PA3"* and to identify which are the tasks/responsibilities of the beneficiary that can be outsourced.

We therefore undertook a workload analysis for the PA2 and PA3 staff in the Communication Compartment in TAD and the SMIS Central Unit in the System Coordination Directorate with the view to identify potential work overloads which could contribute to the this reduced capacity and make recommendations to address them. During this analysis the emphasis was placed on the findings of the inception phase which pointed to the need to focus on tasks prioritization and outsourcing for PA2 beneficiary staff while for PA3 the needs seemed to be for more for extra staff and increase of skills/capability.



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For a common understanding of the scope and extent of such an endeavour within the existing time and resources of this project it is important to emphasize that the meaning of the word “task”. In the context of this project task is defined as “A responsibility to be performed”.

## 2. Process re-engineering

Process re-engineering is the analysis and design of workflows and processes within an organization. According to Davenport (1990) a business process is a set of logically related tasks performed to achieve a defined business outcome.

Our project team undertook an analysis of the as-is situation for the two beneficiaries, starting from the existing work flows for the PA2 and PA3 projects preparation and implementation and the relevant responsibilities and attributions provided by ROF and OPTA Implementation procedures. The information extracted from the desk research of these regulatory documents was then completed by the job descriptions content and data collected from the staff occupying the relevant positions in the beneficiaries’ structures during joint interviews.

## 3. Integrated approach

It is important to point out that the two analyses were not made in isolation but in close correlation with each other. Although generally there is a difference between them in terms of objectives and expected results, in our case they were linked and fed into each other, used similar tools and sources of information and targeted the same staff. An integrated approach was used all the way and the two analyses were undertaken in parallel using joint desk research, common questionnaires and joint interviews as well as a common analysis of the findings and final recommendations, as presented below.

The integrated approach was used for all the activities undertaken during all the stages of the analysis. This enabled us to look at the same time at both the responsibilities and attributions for the ACIS relevant structures as PA2 and PA3 POAT beneficiaries and at the current workload of the existing staff, analyze the correlations between them and identify potential gaps, dysfunctions, tasks overlaps and/or work overloads. Therefore the stages of the two analyses overlapped and the tools and information collected were combined in a synergic way.

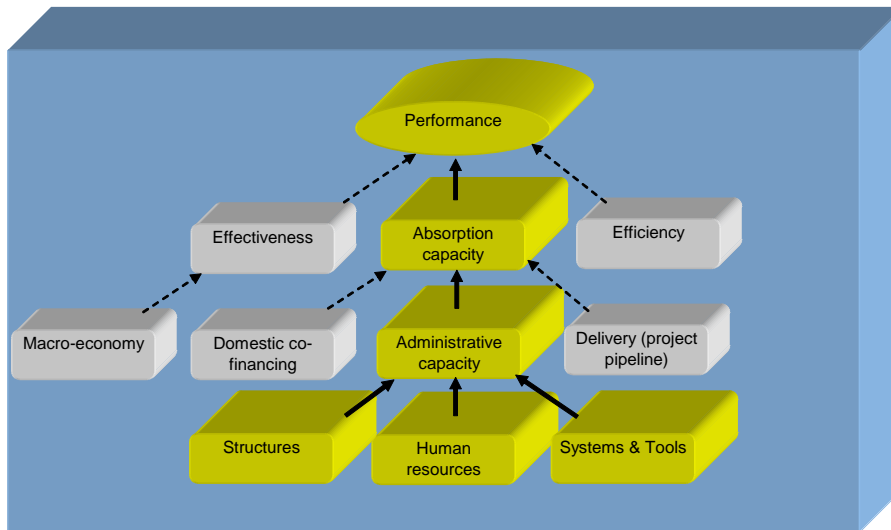
In doing this we used the absorption capacity model as presented in the Inception Report and, during the inception phase, we developed a joint questionnaire as a tool to collect and process the necessary data structured according to this model.

## 4. Absorption capacity model

For identifying the workload and processes we made use of the absorption capacity model. This model has been developed by Ecorys for the European Commission (DG REGIO) which has been used during the accession process of the new Member States and gives a good overview of the elements that are influencing the absorption capacity.

The absorption of Structural Funds depends on three factors: sufficient domestic co-financing, sufficient administrative capacity and sufficient delivery (projects). The administrative capacity can be broken down in three parts as well. Firstly the right structures should be in place (managing authority, certifying authority, etc), secondly sufficient and sufficiently skilled staff should be in place and thirdly the right systems and tools should be there to enable a good implementation of the funds.

**Figure 43 Overview of the elements influencing the absorption capacity**



Source: Ecorys, based on the criteria used in the study “Key indicators for candidate countries to effectively manage the Structural Funds (NEI, 2002), p. 3 and 4

Measuring the administrative capacity starts with a distinction between structure, human resources, systems and tools. *Structure* relates to the clear assignment of responsibilities and tasks to institutions, or better at the level of units or units within these institutions.

*Human resources* relate to the ability to detail tasks and responsibilities at the level of job descriptions, to estimate the number and qualifications of staff, and to fulfil the recruitment needs. Securing the timely availability of experienced, skilled and motivated staff is a key success factor in the management and implementation of the Structural Funds.

*Systems and tools* relate to the availability of instruments, methods, guidelines, manuals, systems, procedures, forms, etcetera. In brief, these are all job-aids that can enhance the effectiveness of the functioning of the system. Systems and tools enable organisations to transform tacit and implicit knowledge (within the heads of individual people) into explicit knowledge that can be shared across organisations. Systems and tools therefore make organisations less vulnerable (e.g. when key staff is leaving), reduce the risk of malfunctioning and enhance overall effectiveness. Effective management of the Structural Funds requires that the above dimensions be taken into account: structure, human resources, systems and tools. Together these provide complementary elements of the management capability grid.

## 5. [Stages and tools](#)

### 5.1 [Initial desk research](#)

An initial analysis of all the OPTA related documents took place during the inception period, with the view to have a better understanding of the requirements of the task and to develop the most suitable methodology. The information collected during this stage allowed us to better understand the context of the task and to identify the priorities and focuses of the approach as well as to prepare the appropriate tools, such as the questionnaires to be used for the data collection and processing. At the same time the relevant regulatory documents for the task were identified and collected.

## 5.2. Data collection and processing

The data categories to be collected and processed were defined in direct relation to the objective of our analysis: the answer to the question *to what extent and how the reduced capacity of the beneficiary affects planning and management of the projects funded by PA2 and PA3 of OPTA*.

Therefore the relevant information was searched in the following directions:

- actions needed along the project cycle stages for planning and management of projects,
- existing capacity in the PA2/PA3 beneficiaries to undertake the necessary actions,
- identification of gaps/inconsistencies/overlaps to be addressed for capacity increase.

The necessary information for the integrated analysis was gathered through three main channels:

- a comprehensive desk research, which allowed the identification of the work flows and functions as established through the regulatory documents,
- workload questionnaires filled in by the PA2/PA3 beneficiaries' staff,
- 2 joint interviews with the staff of the two ACIS structures beneficiaries.

For the data collection and processing, tools were developed whose design allowed for the relevant data to be collected in a structured way to enable processing and extracting of conclusions.

### The comprehensive desk research

This part of the research targeted the workflows and functions as set through the regulatory documents in relation to the responsibilities of OPTA beneficiaries for planning, preparation and implementation OPTA funded projects:

- Operational Programme for Technical Assistance,
- Functioning Regulations (ROF) of Ministry of the European Affairs,
- OPTA implementation procedures issued by TAD as OPTA MA
- Job descriptions of the positions in SMIS Coordination Service of SCD and Communication Unit of TAD, having OPTA beneficiary responsibilities allocated.

With the view to structure this analysis according to its purpose, a tool was designed („Workflows and functions”, attached in Annex 7A), which enabled extracting those tasks and responsibilities related to the workflow of activities and at the same time, making the necessary correlations and comparisons between the responsibilities set in the various documents along the project cycle stages, for the identification of gaps, dysfunctions and /or overlaps. The structure of the document, prepared during the desk research also allowed later input of information collected from questionnaires and interviews with the view to give a complete picture and enable a comprehensive analysis.

The document contains two work sheets, one for each PA2/PA3 ACIS structure beneficiary. Both sheets have the same structure while the contents show differences as they were identified during the analysis, mainly due to different responsibilities in certain stages of the cycle generated by the provisions of the implementation procedures and contents of the job descriptions.

The structure of the document contains three main parts:

- project cycle stages and activities,

- list of responsibilities for projects preparation and implementation established by POAT and the regulatory internal documents (ROF and POAT implementation procedures), structured according to project cycle stages and its relevant activities,
- who does it according to :
  - ROF and POAT implementation procedures,
  - job descriptions
  - staff - questionnaires and job interviews

The information collected during the desk research stage was loaded into the document which was circulated to staff before the joint interviews with the aim to give them the context, help them better understand the relevance of the interviews and take ownership of the process.

### The workload questionnaire

The first draft of the questionnaire was prepared during the inception phase and then was revised and finalized during the comprehensive desk research which followed. The questionnaire format is presented in Annex 7B.

Its structure was designed to include the tasks provided in the job descriptions aligned to the ROF responsibilities and contained two main parts:

- Part 1 “Time” – collecting data to allow estimation of the workload through asking for a time indication
- Part 2 “Capabilities and motivation”- asking questions on what problems staff perceived within their administrative capacity, related to prioritization, capability and motivation.

The integrated approach used in developing the questionnaire, present in both parts, allowed for a combined collection of data for both the workload analysis and the analysis of workflows and functions.

The first part of the questionnaire covered 3 main sections:

- tasks<sup>47</sup> and responsibilities by 3 categories:
  - tasks for PA2/PA3 projects preparation and implementation by ACIS structures, as POAT beneficiaries, according to ROF and OPTA implementation procedures
  - tasks allocated through job descriptions related to PA2/PA3 beneficiary role on the one hand, and to other ACIS responsibilities on the other hand.
  - tasks performed for PA2/PA3 beneficiary role and for other ACIS tasks
- time needed to perform the task
- factors influencing the workload

Due to the fact that the staff in the two analyzed structures is allocated both POAT beneficiary related tasks and other ACIS related tasks and with the view to identify the amount of time dedicated to PA2 and PA3 beneficiary role, the two categories of tasks were separated.

The identification of OPTA beneficiary responsibilities established through the regulatory documents versus the tasks actually performed, allowed the identification of potential lack of correlations, gaps and/or overlaps in the work flows in the projects preparation and implementation generating delays and/or blockages and therefore reduced work efficiency.

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<sup>47</sup> For a common understanding of the scope and extent of the analysis within the existing time and resources of this project, the Inception Report defined the meaning of the word “task” as “A responsibility to be performed”.



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The estimation of time needed for the tasks performance allowed identification of potential work overload for the staff undertaking both OPTA beneficiary responsibilities and other ACIS related tasks.

However it is important to point out that this estimation contains elements of subjectivity in the absence of any detailed time records which could help very clear quantification. Therefore it would be difficult to make a correct estimation for both total number of hours worked in a month for a particular period and also for the time used for performing impermanent tasks such as those corresponding to some stages of the project cycle , e.g. preparation of project proposals and financing applications or evaluation.

Therefore the time estimation by responders represent monthly average estimates for both total working time and tasks structures, and were made taking into account the following limitations:

- retroactive estimation based on staff memories in the absence of working time records. A correct estimation could have been made on the basis of time records made by the staff for all the activities undertaken during a certain period of time, which has been out of this project lifetime,
- OPTA related tasks and other ACIS tasks allocated to staff, in various percentages both between staff and between beneficiaries.
- variation of workloads along time according to project cycle and length and/or periodicity of certain tasks, overlaps between OPTA tasks and other ACIS tasks, pick periods generated by deadlines for both tasks categories, all leading to uneven workloads and percentages of time dedicated to OPTA beneficiary role.

The identification of these factors influencing the workloads and the estimation of their influence on the working time offered important information regarding potential work inefficiencies due to factors such as: lack of work planning and prioritization, overlaps and interruptions, insufficient skills and knowledge at staff and/or management level, as well as to external factors.

The second part of the questionnaire was divided in 2 main sections:

- Prioritization, which targeted work process elements for projects planning and management, analyzed through the 3 main factors determining the absorption capacity model: structures, human resources, systems and tools.
- Human factors influencing staff workload: capability (skills and knowledge) and motivation (work satisfaction)

The Prioritization section brought elements defining the work process and its management, the decisions made on the tasks and responsibilities allocated to staff, their distribution and prioritization, quantity and quality of staff and necessary working tools (procedures and manuals).

These elements helped identifying the process dysfunctions and their main causes through:

- verifying/confirmation of the findings from the desk research,
- staff perceptions on the these causes,
- new findings following to verification of the workflows and use of regulations and procedures in the daily activity,

The Capability and motivation section looked at the human factors influencing the workload, with the view to identifying the ways of increasing the absorption capacity through improvements of staff quality and work satisfaction. Therefore this part of the questionnaire collected staff opinions in two directions:

- staff development needs in the areas related to fulfilling OPTA beneficiary role (projects preparation and implementation) as an important means to raise work quality and efficiency,
- identification of the way staff motivation is affecting the absorption capacity and the staff perception on three motivation factors: financial, working environment and commitment.

All the columns in the questionnaire included detailed indications regarding its completion.

All the questionnaires were filled in with the ROF tasks relevant for the POAT beneficiary role, tailored according to each responder profile (name and job descriptions tasks) and sent to 8 staff in SMIS CS and ICIS having POAT beneficiary responsibilities. Each questionnaire was accompanied by an explanatory letter presenting the context and the content so that relevance was better understood.

Support was given to staff on a daily basis by phone and emails, answering questions and giving additional information and clarifications.

#### Joint interviews

After processing the data collected through questionnaires, two joint interviews were organised on March 14th. with the staff of the two units. The meetings were organised as open discussions with the main goal to share the results of the findings from the desk research and questionnaires and obtain further clarifications if and when needed

Two lists of questions were prepared and circulated to staff and management before the meetings along with the agenda (Annex 7C) and the „Work flows and functions” document, containing relevant information and findings from the desk research ( section 2.1. above) and from the questionnaires. The lists of questions, adapted to each beneficiary unit, included questions asking for clarifications and/or additional information in relation to the provisions of the analyzed regulatory documents and the data filled in the questionnaires. For each question, the issue (lack of clarity or inconsistency) was presented so that the relevance of the questions was properly understood. With the same purpose at the beginning of each interview the participants were presented the context of the discussions: the project, the objectives and the stages of the analysis.

In addition to the topics in the list of questions, the director of TAD who took part in the first part of ICIS interview, was asked three additional questions related to ICIS and ID as part of TAD structure:

- what was the reason for ICIS transfer to TAD?
- how has ID become part of TAD?
- how is TAD managed to avoid potential conflict of interest between OPTA MA and ID (beneficiary responsibilities).

### *5.3 Analysis of findings and formulation of recommendations.*

The analysis of findings and the formulation of recommendations were performed in a structured way according to the three capacity building elements presented in the absorption capacity model (structures, human resources, systems and tools) with the view to support the





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client in directing the efforts and the necessary resources for implementing the recommended actions.





Priority Axis 2

PROJECT CYCLE	Task/Responsibility as beneficiary			Who does it?			Comments	
	Project stage	Project cycle activities	POAT	ROF and TAD procedures	According to ROF and TAD procedures	According to PA2 staff Job descriptions		According to questionnaires and interviews
IDENTIFICATION AND FORMULATION	Project preparation		Project preparation		SMIS Unit	N/A	Preparation of project proposal	According to ROF, the System Coordination Directorate undertakes the OPTA Beneficiary responsibilities according to the attributions of the Directorate and to the implementation internal regulations, while SMIS Coordination Service has only technical responsibilities without any reference to PA2 Beneficiary role.
	Preparation and submission of financing application		Preparation and submission of financing application		Project Responsible (PR) in the Implementation Dept. TAD - Bureaux of projects preparation and public procurement (BoPPPP) in cooperation with SMIS Unit	N/A	Preparation and submission of financing application	TAD procedures: Part I.I: Organisation Structures and attributions: BoPPP within TAD prepares the financing application for ICIS Section E.1 :PR, within ID, prepares the financing applications, payment requests and progress reports for ACIS structures
APPRAISAL AND FINANCING	Evaluation and selection		Evaluation and selection of financing application		Strategies dept. TAD	N/A	N/A	
	Financing contracts		Preparation of contracts/ Financing decisions		Strategies dept. TAD to IS of TAD	N/A	N/A	
PROJECT IMPLEMENTATION AND MONITORING	Project management	The Beneficiaries (B) play the leading role in the management and implementation of the interventions approved within OPTA.	The Beneficiary must ensure the implementation of the Project acc.to the approved Financing Application - art.6 paragraph a) item 1)of the Financing Decision					The Beneficiary accepts the grant and commits to implement the Project at his own responsibility, acc.to the provisions of the Financing Decision and the European and national legislation in force - Financing Decision art 1, paragraph. 4) Acc. to procedures, there should be a Project Responsible of the Beneficiary- no provisions in ROF and no clear procedures on the tasks and responsibilities of such a beneficiary PR
		The implementation and financing mechanism of each OPTA project is regulated in a financing contract signed with the Ministry of European Affairs or in a financing decision signed by the ministry of European affairs for the projects where the beneficiary is ACIS.	The Beneficiary will be the sole responsible in front of the POAT MA for the Project implementation -- art.6 paragraph a) item 1)of the Financing Decision					
		They will be responsible, also, for the organisation of tenders and contracting of services and goods - FDI, chapter IV Implementation Issues.	Administrative management of the procurement contracts:					According to ROF and TAD procedures, the Implementation Service within TAD is responsible for the administrative management of the procurement contracts, monitoring the execution of the procurement contracts, analysing the contractors' periodical reports and confirming the reality of services provided by contractors. The beneficiary prepares the tender documentation, signs the
			Procurement procedures implementation, evaluation of tenders up to evaluation reports approvals	Implementation Dept. TAD - Bureaux of projects preparation and public procurement	PM in SMIS Unit takes part in the evaluations	Participates in evaluations		
		Tender dossier. Technical specifications, estimated value, terms of reference, invitation	SMIS Unit to Implementation Dept.TAD	PM in SMIS Unit	Prepares the tender tender dossiers			



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		to tender, contract format, etc.				procurement contracts verifies/confirm the progress reports and monitors technical implementation.
		Supervising contracts executions by contractors, verifying reports, confirming the invoiced services	PM within Implementation Dept. SMIS Unit for verification/confirmation of progress reports	PM in SMIS	Verification of contractors' progress reports attached to payment claims	1 job description has attribution ( Carmen Ilioiu)
		Payments to contractors	Financial Dept. TAD	N/A	N/A	
		Pre-financing request plus copies of procurement contract and treasury account proof	Project Manager (PM) within ID	N/A	N/A	Procurement procedures and contract undertaken by Implementation Dept. TAD
		Progress reports	Project Manager (PM) within ID	N/A	Preparation of project progress reports	The beneficiary is obliged to prepare the progress reports and the payment claims request and to submit to POAT AM the supporting documents - Financing Decision art 6 a) 15)
		Payment claims preparation and submission	Project Manager (PM) within ID	N/A	Preparation of reimbursement requests based on the supporting documents attached to contractors' payment claims	
		Projects accounts	Financial Dept. TAD	N/A	N/A	The beneficiary must keep records of accounts using separate project analytical accounts art.6 a)14) Financing Decision
<b>Technical Implementation:</b>	<b>Eligible activities for PA2:</b>	<b>Technical responsibilities specified in ROF related to POAT eligible activities for PA2</b>			Monitors technical implementation of procurement contracts and takes part in technical tasks	
<b>KAI 2.1.</b>	Elaboration of studies and analyses regarding the functioning of SMIS and its digital network in order to identify the needs for future development of the system (SMIS-NSRF and its complementary applications)	N/A		N/A		
	Elaboration, testing and installation of new versions of SMIS (SMIS-NSRF and its complementary applications), including transfer of data from one version to another	N/A		N/A		
	Elaboration and distribution of procedural guides	Elaborates SMIS-NSRF management and using procedures		X		Covered by job descriptions
	Performance of maintenance activities for SMIS (SMIS-NSRF and its complementary applications) and its digital network	Plans, develops, monitors, administrates and maintains SMIS, at the level of hardware, operating and data base/application server and corresponding communication infrastructure		X		Covered by job descriptions
		Plans, develops, monitors, administrates and maintains SMIS - subsystem dedicated to structural instruments (SMIS-NSRF), complementary applications, including interface with other information systems		X		Covered by job descriptions
		Monitors access, availability and security of all SMIS equipment and services		X		Covered by job descriptions
		Elaborates, maintains and monitors implementation of security, access and continuity procedures of the services for the		X		Covered by job descriptions



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		information system				
		Ensures the system management through administering of the access rights from SMIS-NSRF		X		Covered by job descriptions
<b>KAI 2.2</b>	Employment of contractual staff for SMIS Central Unit and coordination network	N/A		N/A		Legislative blockage
	Carrying out the activities of SMIS Central Unit (running costs, administrative costs related to the organisation of meetings, supplies, IT specialised training for the SMIS Central Unit staff, travels of the SMIS Central Unit staff etc.);	N/A		X		IT Specialised training
	Expertise and advice to support the SMIS Central Unit.	N/A		N/A		
<b>KAI 2.3.</b>	Organisation of SMIS training events, including elaboration and distribution of training materials	Organises training for staff of SI management structures in charge with SMIS-NSRF use		X		Covered by job descriptions
	Training of SMIS trainers	N/A		N/A		
	Elaboration and distribution of user guides;	N/A		X		
	Elaboration of questions/ answers guide on the functional aspects of SMIS	Performs help-desk function for SMIS-NSRF users		X		Helpdesk- 2 job descriptions
	Organisation of regular meetings and presentation seminars	Coordinates the activity of the SMIS -NSRF working group and organizes its working meetings		X		2 job descriptions: Raluca Stoian coordinates the working group Cristina Ciocoiu participates
<b>KAI 2.4.</b>	Assessment of the IT&C needs			N/A		
	Endowment with hardware, software used by the institutions involved in the Structural Instruments system and IT&C services for SMIS operation			N/A		
<b>EVALUATION</b>						



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Priority Axis 3

PROJECT CYCLE		Task/Responsibility as beneficiary		Who does it?			Comments
Project stage	Project cycle activities	POAT	ROF and TAD procedures	According to ROF and TAD procedures	According to PA3 staff Job descriptions	According to questionnaires and interviews	
IDENTIFICATION AND FORMULATION	Project preparation		Project preparation	Implementation Dept. TAD (Bureaux of projects preparation and public procurement) to Strategy. Dept (MA POAT?) ICIS to Strategy. Dept (MA POAT?)	N/A	Preparation of project proposal	ICIS responsibilities as OPTA Beneficiary acc. to ROF : preparation of project proposals and technical implementation of procurement contracts
	Preparation and submission of financing application		Preparation and submission of financing application	Project Responsible (PR) in the Implementation Dept. TAD - Bureaux of projects preparation and public procurement (BoPPPP) in cooperation with ICIS	N/A	Preparation and submission of financing application	TAD procedures: Part I!: Organisation Structures and attributions: BoPPP within ID prepares the financing application for ICIS Section E.1 :PR, within ID, prepares the financing applications, payment requests and progress reports for ACIS structures
APPRAISAL AND FINANCING	Evaluation and selection		Evaluation and selection of financing application	Strategies dept. TAD	N/A	N/A	
	Financing contracts		Preparation of contracts/Financing decisions	Strategies dept. TAD to ID of TAD	N/A	N/A	
PROJECT IMPLEMENTATION	Project management	The Beneficiaries (B) play the leading role in the management and implementation of the interventions approved within OPTA.	The Beneficiary must ensure the implementation of the Project acc.to the approved Financing Application - art.6 paragraph a) item 1)of the Financing Decision				The Beneficiary accepts the grant and commits to implement the Project at his own responsibility, acc.to the provisions of the Financing Decision and the European and national legislation in force - Financing Decision art 1, paragraph. 4)
		The implementation and financing mechanism of each OPTA project is regulated in a financing contract signed with the Ministry of European Affairs or in a financing decision signed by the ministry of European affairs for the projects where the beneficiary is ACIS.	The Beneficiary will be the sole responsible in front of the POAT MA for the Project implementation -- art.6 paragraph a) item 1)of the Financing Decision				Acc. to procedures, there should be a Project Responsible of the Beneficiary- no provisions in ROF and no clear procedures on the tasks and responsibilities of such a beneficiary PR
		They will be responsible, also, for the organisation of tenders and contracting of services and goods - FDI, chapter IV Implementation Issues.	Administrative and technical management of the procurement contracts:				According to ROF and TAD procedures the Implementation Service is responsible for the administrative management of the procurement contracts, monitors the execution of the procurement contracts, analyses the contractors' periodical reports and confirms the real delivery of the services
			Procurement procedures implementation, evaluation of tenders up to evaluation reports approvals	Implementation Dept. TAD - Bureaux of projects preparation and public procurement	PM in ICIS takes part in evaluations	Participates in evaluations	1 job description has attributions ( Coralia Alina Zadorojnai) The beneficiary/superior will sign the contracts



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		Tender dossier. Technical specifications, estimated value, terms of reference, invitation to tender, contract format, etc.	Implementation Dept TAD - BoPPPP	PM in ICIS	Prepares the tender dossiers	2 job descriptions contain attributions
		Supervising contracts executions by contractors, verifying reports, confirming the invoiced services	Implementation Dept. TAD ICIS for verification/confirmation of progress reports	PM in ICIS	Verification of contractors' progress reports attached to payment claims	2 job descriptions contain attributions
		Payments to contractors	Financial Dept. TAD	N/A	N/A	
		Pre-financing request plus copies of procurement contract and treasury account proof	Implementation Dept. TAD to Financial Mang.Dept. TAD ????	N/A	N/A	Procurement procedures and contract undertaken by Implementation Dept. TAD
		Progress reports	Implementation Dept. TAD to Financial Mang.Dept. TAD ?	N/A	Preparation of project progress reports	TAD procedures Section E.1 : PR, within ID, prepares the financing applications, payment requests and progress reports for ACIS structures
		Payment claims preparation and submission	Implementation Dept. TAD to Financial Mang.Dept. TAD	N/A	Preparation of reimbursement requests based on the supporting documents attached to contractors' payment claims	Financing Decision art 6 a) 15): The beneficiary is obliged to prepare the progress reports and the payment claims request and to submit to POAT AM the supporting documents
		Projects accounts	Financial Dept. TAD	N/A	N/A	Financing Decision art.6 a)14): The beneficiary must keep records of accounts using separate project analytical accounts
Technical Implementation	Eligible activities for PA3	Technical responsibilities specified in ROF related to POAT eligible activities for PA3			Monitors technical implementation of procurement contracts and takes part in technical tasks	The list of tasks/ responsibilities in the procedures and ROF, refer to the eligible operations in KAI 3.2 and to only one in KAI 3.1
KAI 3.1	Organization of campaigns and events (seminars, conferences) to be undertaken in order to promote a greater understanding of the EU funds and the implementation and monitoring arrangements in Romania;			N/A		1 job descriptions: participates in
	Preparation, publication, translation and distribution of materials (publications, brochures, folders, CDs and other possible formats) with information and promotion of the Structural Instruments;			N/A		Participation in the preparation of materials from the informational content point of view - 1 job description
	Publicity actions and publication and dissemination of materials connected to OPTA;					Covered by job descriptions
	Carrying out opinion polls;			N/A		
	Supporting national information campaigns on TV, radio or other media;			N/A		
	Organisation of information sessions for different categories of public (journalists, promoters etc.) in order to increase the understanding of Structural Instruments and to promote these funds;	Coordinates the organization of conferences, seminars, workshops, information events/ communication/ promotion on structural instruments initiated by the ministry	ICIS	X		Covered by job descriptions
	Analysis of impact and identification and			N/A		



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	analysis of the most effective means for the promotion and publicity activities.					
<b>KAI 3.2</b>	Remuneration of staff operating the Information Centre;				N/A	
	Purchasing books and materials for the Information Centre;				N/A	
	Communication about the Centre and its services;				N/A	
	Construction and maintenance of the web page;	Construction, administering and permanent updating of the www.fonduri-ue.ro web page	ICIS		X	1 job description Ioana Felicia Pâslaru: coordinates and supervises
	Functioning of the Information Centre, including the phone centre;	Functioning of the Information Centre and Call-Centre for the structural instruments	ICIS		X	1 job description Ioana Felicia Pâslaru: coordinates and supervises
	Functioning and remuneration of staff for the information points;				X	
	Organisation of events connected to the activity of the Information Centre.				X	
<b>EVALUATION</b>						

**Colours:**

- pink tasks allocated to beneficiary through ROF and TAD procedures for projects preparation and implementation
- blue tasks allocated to the Implementation Service through ROF and TAD procedures for projects preparation and implementation
- yellow: beneficiaries obligations as stated by the regulatory documents and eligible activities in OPTA not covered by the ROF, TAD procedures and job descriptions

## Annex 7B Workload questionnaires among PA2 and PA3 staff

### Questions related to time

Staff			Tasks for PA2/PA3 projects preparation and implementation by ACIS structures, as POAT beneficiaries, according to ROF and Internal procedures ( Please check the tasks filled in the column below)		Tasks allocated through job description (Please list here the tasks in the job description related to PA2 beneficiary role)	Tasks performed (Please list here the tasks you perform for the PA2/PA3 beneficiary role ). In case you do not perform a certain task provided in column 6, fill in N/A or "Subcontracted", by case You can add lines for additional tasks performed and not listed	Time needed - hours per month- (Please estimate how many hours you need for each of these tasks per month)	Tasks allocated according to job description (Please list here other ACIS tasks specified in the job description)	Tasks performed - hours per month - (Please list here other ACIS tasks you perform ) In case you do not perform a certain task provided in column 9, fill in N/A or "Subcontracted", by case You can add lines for additional tasks performed and not listed	Time needed - hours per month- (Please estimate how many hours you need for each of these tasks per month)	Factors influencing the workload : Please fill in the number corresponding to the estimated percentage of the working time influenced by these factors, as presented bellow : 1. 0- 10%; 2. 10-25%; 3. 25-50%; 4. more than 50% Fill in <b>only for the factors which apply</b>						Comments
Name of staff	Position in the organisation	Role in the PA2/PA3 projects (project member/ responsible for...). List the projects you are involved in and your role them	You can add the necessary number of lines to complete the list if incomplete	Tick in the box "X" if OK. If you are not familiar with them please write "Don't know")	In case the job description does not specify such tasks fill in N/A						Other priorities (urgent tasks due to deadlines)	Overlapping of tasks	Interruptions by colleagues/ superiors/ others	Insufficient knowledge for the tasks	Too much time spent in meetings	Other factors	
			PA2 project related tasks, including participation in meetings/training/events				Other ACIS related tasks, including participation in meetings/training/events										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18



Questions related to capability and motivation (part 1)

Staff			PRIORITISATION												
			Who is deciding on which activities should be undertaken?			Do you have difficulties with planning PA2/PA3 projects?	What difficulties are you having with planning PA2/PA3 projects?								
Name of staff	Position in the organisation	Role in the PA2/PA3 projects	Fill in the number of the factor which applies :				Yes/No	Structures (fill in "1" in the boxes which apply)			Human resources (fill in "1" in the boxes which apply)			Systems and tools (fill in the number corresponding to the answer which apply)	
			1. 0-10%;	2. 10-25%;	3. 25-50%;	4. more than 50%		Unclear task division	Unclear responsibilities	Lack of prioritization	Insufficient staff	Insufficiently qualified staff	Insufficient vision	Procedures (who does, what and when)	Manuals/working guides (how it is done)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16

Continued: Questions related to capability and motivation (part 2)

PRIORITISATION (continued)

Do you have difficulties with planning PA2 /PA3 projects?	What difficulties are you having with managing projects?									What could be done differently/improved?									
	Structures (fill in "1" in the boxes which apply)			Human resources (fill in "1" in the boxes which apply)			Systems and tools (fill in the number corresponding to the answer which apply)			Structures (fill in "1" in the boxes which apply)			Human resources (fill in "1" in the boxes which apply)			Systems and tools (fill in the number corresponding to the answer which apply)			
							Procedures (who does, what and when)	Manuals/working guides (how it is done)	MIS improper functioning							Procedures (who does, what and when)	Manuals/working guides (how it is done)	MIS improper functioning	
Yes/No	Unclear task division	Unclear responsibilities	Lack of prioritization	Insufficient staff	Insufficiently qualified staff	Insufficient knowledge	1. No procedures 2. Too many 3. Too complicated 4. I do not follow procedures	1. No manuals 2. Unclear or too complicated 3. I do not need manuals	Explain if it is the case	Create project multifunctional teams	Clarify allocation of tasks - review job descriptions	Improve management	Increase outsourcing	Hire more staff	Staff development	Personal development	1. Review procedures 2. Train staff in the use of procedures 3. Verify the application of procedures	1. Develop working guides 2. Train staff in the use of guides 3. Verify application	Explain what improvement you need
17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36

Continued: Questions related to capability and motivation (part 3)

CAPABILITY: skills and knowledge				MOTIVATION										What other area of improvement not included in this table would be needed		
In what way is capability hindering you in your work?				What is required by the job (job description) regarding the project management capability?	Is this capability / skills / knowledge available?	What improvements are needed	Would you consider the motivation within the unit to increase the absorption capacity		What kind of motivations are needed for the job ?			What improvements are needed to stimulate motivation ?			One phrase	
(fill in the number corresponding to the answer which apply)				(Fill in the number of the area which applies)	(Fill in the number of the level which applies)	(Fill in the number of the level which applies)	( Fill in the number of the level which applies)	(One sentence)	(Fill in the number corresponding to the answer which apply)			Yes/No	Write one phrase in the box of the applicable answer			
Reduce quality	Increase work time allocated to tasks	Not achieving objectives	Decrease motivation	1. project management, 2.project preparation, 3. time management, 4. strategic planning, 5. public procurement 6. other (specify)	1. No knowledge 2. Minimum 3. Satisfactory 4. Excellent	Training &coaching in 1. project management, 2.project preparation, 3. time management, 4. strategic planning, 5. public procurement 6. other (specify)	1. High 2. Average 3. Low	Please explain why this is the case	Financially	Working atmosphere/ environment	Commitment	Is this motivation available?	Financially	Working atmosphere/ environment	Commitment	
37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53





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## Annex 7C joint interviews with staff of the two ACIS structures beneficiaries

**Questions for the joint interviews scheduled for March 14th 2012**  
**Communication Compartment for Structural Instruments**

Issue	Questions
<b>QUESTIONS DERIVED FROM DESK RESEARCH</b>	
1. OPTA Implementation procedures issued but the TAD also cover some of the <b>Beneficiaries responsibilities</b>	<ul style="list-style-type: none"> <li>➤ <u>How familiar</u> are you with OPTA Implementation procedures?</li> <li>➤ If yes, <u>do you follow the procedures exactly</u> ?</li> <li>➤ <u>What difficulties do you face</u> when applying procedures</li> <li>➤ Are there <u>other tasks you perform</u> as OPTA beneficiary not covered by procedures? What do you do <u>differently</u>?</li> </ul>
2. The procedures are not very clear about the responsibilities for the <b>project proposals/ financing applications</b> . There are different provisions in different parts of them.	➤ What is your unit role? Who does what?
3. According to the Financing Decision, <b>the Beneficiary</b> holds <b>full and sole responsibility (accountability)</b> for the implementation of the project. However <b>other structures are involved</b> in the project implementation but they are not jointly responsible. The Beneficiary signs all the papers related to the project/contract, even those prepared by other structures. For PA3, the beneficiary is under the same coordination with the MA.	<ul style="list-style-type: none"> <li>➤ How are these implementation <u>responsibilities tasks transferred from the Beneficiary to other structures</u> – is there an implementation agreement or another similar document?</li> <li>➤ How is this situation managed for avoiding a conflict of interest?</li> </ul>
4. According to OPTA Implementation procedures the <b>procurement procedures</b> are undertaken by the BoPPPP within the Implementation Dept. of TAD. However the <b>procurement documents</b> are prepared by the Beneficiary and the procedures are very specific and detailed on the documents to be prepared. For ICIS however there is an exception and the beneficiary only participates in the preparation of the technical part.	<ul style="list-style-type: none"> <li>➤ How are the procurement documents prepared: who does what?</li> <li>➤ Who holds the <u>responsibility for the overall procurement</u> documents which go to the Implementation Service ?</li> </ul>
5. According to OPTA implementation procedures, the <b>ID undertakes the procurement procedures</b> and prepares the procurement contracts while the Beneficiary signs them and undertakes Contracting Authority role and responsibilities. At the same time the <b>administrative implementation</b> is also managed by the ID while <b>the Beneficiary is responsible for the technical implementation</b> .	<ul style="list-style-type: none"> <li>➤ How is this technical <u>implementation done without overlapping the Contractor</u> of the procurement contract? Who does what?</li> <li>➤ How the <u>administrative and technical implementation are coordinated/managed</u>? Who does what?</li> </ul>
6. ICIS is beneficiary for several projects in the pipeline for the period 2011-2015: 15 projects for PA3. According to OPTA implementation procedures, each project has <b>2 Project Managers (PM)</b> : one in the Beneficiary and one in the ID. The <b>procedures do not contain a checklist</b> of project tasks and their deadlines for the project managers.	<ul style="list-style-type: none"> <li>➤ How do the tasks of the PM in Beneficiary and ID relate to each other? Are there overlaps? If yes, for what tasks?</li> <li>➤ What tasks does the <u>PM in Beneficiary</u> undertakes for this role?</li> <li>➤ Is there a checklist at beneficiary level for project tasks and deadlines to be undertaken by the PM?</li> <li>➤ If not how is the tasks allocation/ distribution made?</li> </ul>
7. OPTA Implementation procedures are not very clear about the <b>progress reports and payment claims</b> for the projects. While, according to the OPTA implementation procedures, these documents should be prepared by the PM in the implementation unit for ACIS structures, actually the PMs in the beneficiaries structures (PA2) prepare them.	➤ What is your unit a role in their preparation?
8. OPTA Implementation procedures are not very clear about the <b>records of accounts</b> for the projects by the	➤ Does SMIS Dept/SCD keep <u>record of accounts</u> for the projects? If yes who does what?



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	Beneficiary. While the Financing decision provides for the obligation of the Beneficiary to keep separate records of accounts and according to ROF the Financial Management Service within TAD ensures that the Beneficiary does that, other provisions state that this unit performs them.	
	<b>QUESTIONS DERIVED FROM QUESTIONNAIRES</b>	
9.	The respondents for both PA2 and PA3 identified <u>the need for a set of OPTA Beneficiary Implementation Procedures</u> to clearly set all the tasks, responsibilities and deadlines of ACIS structures beneficiaries along all the project cycle.	➤ <u>How are the tasks, responsibilities and deadlines currently established</u> in the absence of such procedures? ➤ Do the current tasks undertaken for the OPTA beneficiary role <u>overlap between beneficiary staff</u> , e.g.: procurement documents, helpdesk for SMIS users, other technical activities
10.	The job descriptions vary and are not very clear regarding the job goal/position and OPTA beneficiary role. Also the content of the job descriptions in ICIS cover more other ACIS tasks while the projects preparation and implementation tasks represents a much smaller part.	➤ How were the <u>job descriptions prepared</u> : who prepared them, how were the job goals defined, how were the specific requirements and responsibilities for the position set? ➤ What is your opinion regarding the structure of the jobs/positions within the unit as defined through the job descriptions? Do they reflect/cover the needs? ➤ What improvement should be done to the job descriptions to <u>better define the job goal</u> in relation to the <u>unit role</u> identified by ROF ?
11.	The questionnaire indicated that an important part of the <u>decisions on tasks to be performed</u> (more than 50%) are made by yourself while the rest of the decisions is made by the superior and by external factors. Delegation of responsibilities is both a way to increase work efficiency and at the same time a motivation tool	➤ What is the level of the responsibility for which there is delegation at <u>this moment</u> ? ➤ What would be the level of responsibility which <u>would increase motivation</u> and for which there is <u>sufficient capability</u> ? ➤ What would be the level of responsibilities which would increase motivation and for which increase of <u>knowledge and skills would be needed</u> ?
12.	<u>Lack of prioritization</u> was identified as one of the issues for planning and managing projects together with unclear responsibilities and tasks allocations.	➤ <u>Who should</u> do this prioritization? What should be <u>your role</u> ?
13.	According to the questionnaire you are not involved in <u>projects planning</u>	➤ <u>Who is doing this planning</u> ? ➤ Do you think <u>you could be involved</u> ? If yes, how? If no, why not?
14.	Among the ways for structures improvement, <u>cross functional teams</u> with clear responsibilities and tasks allocations was confirmed by most of the respondents as a potential solution. Outsourcing was also identified by some of the respondents as a way to increase capacity.	➤ How do you think <u>such a team</u> should be built? What would be its <u>membership</u> ? ➤ Would <u>outsourcing</u> be an appropriate solution for your unit? If yes, what activities could be outsourced?
15.	<u>Motivation needs</u> - general opinion for all 3 categories indicated <u>Salary according to performance</u> was indicated as a motivation factor together with the working environment and commitment. <u>Management commitment</u> was mentioned in the questionnaires as a motivational factor	➤ Knowing that the <u>level of salaries</u> is established by law for civil servants according to the categories and grades, how do you see a potential solution for payment according to performance ? ➤ Would it be feasible <u>a financial incentives scheme</u> eligible through OPTA? ➤ What elements of the <u>working environment</u> would be more stimulating: ambient, working relations, other ➤ How management commitment could become a motivation element?
16.	According to time estimates in the questionnaires most of staff work overtime at an average of <u>19-20 hours a month</u> . The working time additionally spent <u>due to the factors presented</u> in the questionnaires exceeds in most cases 50%. Among the influencing factors, „Other priorities ( urgent tasks with deadlines)” comes first.	➤ Do you appreciate that <u>a monthly working plan</u> with deadlines and priorities at the unit level could solve/improve the situation? ➤ What <u>other solutions</u> do you think would be appropriate considering the specific of the unit?
17.	<u>Insufficient staff and insufficiently skilled</u> staff were identified as important causes for difficulties in managing projects. Staff development was identified as a general need, however some staff expressed concerns regarding the <u>appropriateness and use of the skills and knowledge acquired</u> .	➤ Would the <u>staff number</u> still be an issue in case the time loses will be reduced by addressing the influencing factors? ➤ <u>What would hinder</u> you from using the knowledge acquired through training in the daily activity: - inappropriateness of training content to your current needs, - the others, including colleagues and superiors do not use them ➤ Would a <u>training &amp; coaching programme tailored</u> to specific needs of ACIS structures OPTA beneficiaries be the solution for an appropriate staff development programme? Who should propose such a programme for funding through OPTA?



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### Questions for the joint interviews scheduled for March 14th 2012 SMIS Coordination Service

	Issue	Questions
<b>QUESTIONS DERIVED FROM DESK RESEARCH</b>		
1.	OPTA Implementation procedures issued but the TAD also cover some of the <b>Beneficiaries responsibilities</b> However it seems that beneficiaries outside TAD are not familiar with these procedures.	<ul style="list-style-type: none"> <li>➤ How familiar are you with OPTA Implementation procedures?</li> <li>➤ If yes, <u>do you follow the procedures exactly</u> ?</li> <li>➤ <u>What difficulties do you face</u> when applying procedures</li> <li>➤ Are there <u>other tasks you perform as OPTA beneficiary</u> not covered by procedures? What do you do <u>differently</u>?</li> </ul>
2.	The procedures are not very clear about the responsibilities for the <b>project proposals/ financing applications</b> . There are different provisions in different parts of them.	➤ What is your unit role? Who does what?
3.	According to the Financing Decision, <b>the Beneficiary</b> holds <b>full and sole responsibility (accountability)</b> for the implementation of the project. However <b>other structures</b> are involved in the project implementation but they are not jointly responsible. The Beneficiary signs all the papers related to the project/contract, even those prepared by other structures.	➤ How are these implementation <u>responsibilities tasks</u> transferred from the Beneficiary to other structures – is there an implementation agreement between SMIS and ID/TAD?
4.	According to OPTA Implementation procedures the <b>procurement procedures</b> are undertaken by the BoPPPP within the Implementation Dept. of TAD. However the <b>procurement documents</b> are prepared by the Beneficiary and the procedures are very specific and detailed on the documents to be prepared. In the job descriptions there are <b>6 positions with responsibilities for the preparation of procurement documents</b> , of which 3 positions only from the technical point of view, including the head of dept.	<ul style="list-style-type: none"> <li>➤ How are the procurement documents prepared: who does what?</li> <li>➤ Who holds the <u>responsibility for the overall procurement</u> documents which go to the Implementation Service since, according to job description, the <u>head of unit is responsible only for the hardware part</u>?</li> </ul>
5.	According to OPTA implementation procedures, the <b>ID undertakes the procurement procedures</b> and prepares the procurement contracts while the Beneficiary signs them and undertakes Contracting Authority role and responsibilities. At the same time the <b>administrative implementation</b> is also managed by the ID while <b>the Beneficiary is responsible for the technical implementation</b> .	<ul style="list-style-type: none"> <li>➤ How is this technical <u>implementation done without overlapping the Contractor</u> of the procurement contract? Who does what?</li> <li>➤ How the <u>administrative and technical implementation are coordinated/managed</u>? Who does what?</li> </ul>
6.	The SMIS CS is beneficiary for several projects in the pipeline for the period 2011-2015: 25 projects for PA2. According to OPTA implementation procedures, each project has <b>2 Project Manager (PM)</b> : one in the Beneficiary and one in the ID. The <b>procedures do not contain a checklist</b> of project tasks and their deadlines for the project managers. The content of the <b>job descriptions are not very clear</b> either about the roles of the positions for the projects preparation and implementation and <b>differ among the positions</b> although there are several staff holding the role of <b>Project Managers</b> in various projects.	<ul style="list-style-type: none"> <li>➤ How do the tasks of the <u>PM in Beneficiary and ID relate</u> to each other? Are there overlaps? If yes, for what tasks?</li> <li>➤ <u>What tasks does the PM in Beneficiary</u> undertake for this role?</li> <li>➤ Is there <u>a checklist at beneficiary level</u> for project tasks and deadlines to be undertaken by the PM?</li> <li>➤ <u>If not how</u> is the tasks allocation/ distribution made?</li> </ul>
7.	OPTA Implementation procedures are not very clear about the <b>progress reports and payment claims</b> for the projects.	➤ What is your unit a role in their preparation?
8.	OPTA Implementation procedures are not very clear about the <b>records of accounts</b> for the projects by the Beneficiary. While the Financing decision provides for the obligation of the Beneficiary to keep separate records of accounts and according to ROF the Financial Management Service within TAD ensures that the Beneficiary does	➤ Does SMIS Dept/SCD keep record of accounts for the projects? If yes who does what?



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	that, other provisions state that this unit performs them.	
	<b>QUESTIONS DERIVED FROM QUESTIONNAIRES</b>	
9.	There are contradictory answers among respondents regarding existence and use of procedures: either no procedures or too complicated. The general idea is that the SMIS CS staff is not familiar with/aware of OPTA implementation procedures or believe that they are TAD procedures only. There was however identified the need for a set of OPTA <b>Beneficiary Implementation Procedures</b> to clearly set all the tasks, responsibilities and deadlines of ACIS structures beneficiaries along all the project cycle	<ul style="list-style-type: none"> <li>➤ How are the tasks, responsibilities and deadlines currently established in the absence of such procedures?</li> <li>➤ Do the current tasks undertaken for the OPTA beneficiary role <u>overlap between beneficiary staff</u>; e.g.: procurement documents, helpdesk for SMIS users, other technical activities</li> </ul>
10.	The <b>job descriptions vary and are not very clear</b> regarding the job/position goal and OPTA beneficiary role . At the same time they do not cover all OPTA beneficiary tasks in terms of project preparation and implementation although there are several project managers	<ul style="list-style-type: none"> <li>➤ How were the <u>job descriptions prepared</u>: who prepared them, how were the job goals defined, how were the specific requirements and responsibilities for the position set?</li> <li>➤ What is your opinion regarding the structure of the jobs/positions within the unit as defined through the job descriptions? Do they reflect/cover the needs?</li> <li>➤ What improvement should be done to the job descriptions to <u>better define the job goal</u> in relation to the <u>unit role</u> identified by ROF ?</li> </ul>
11.	All staff indicated that an important part of the <b>decisions on tasks</b> to be performed are <b>made by superiors</b> : in half cases superiors make decisions for more than 50% of tasks while for the other half they make decisions for 25 % and 50% of the tasks. Delegation of responsibilities is both a way to increase work efficiency and at the same time a motivation tool.	<ul style="list-style-type: none"> <li>➤ What is the level of the responsibility for which there is delegation at <u>this moment</u>?</li> <li>➤ What would be the level of responsibility which <u>would increase motivation</u> and for which there is <u>sufficient capability</u>?</li> <li>➤ What would be the level of responsibilities which would increase motivation and for which increase of <u>knowledge and skills would be needed</u>?</li> </ul>
12.	<b>Lack of prioritization</b> was identified as one of the issues for planning and managing projects together with unclear responsibilities and tasks allocations.	<ul style="list-style-type: none"> <li>➤ <u>Who should</u> do this prioritization? What should be <u>your role</u>?</li> </ul>
13.	Among the ways for structures improvement, <b>cross functional teams</b> with clear responsibilities and tasks allocations was confirmed by most of the staff as a potential solution. <b>Outsourcing</b> was also identified by some of the respondents as a way to increase capacity.	<ul style="list-style-type: none"> <li>➤ How do you think <u>such a team</u> should be built? What would be its membership?</li> <li>➤ <u>Would outsourcing be</u> an appropriate solution for your unit? If yes, what activities could be outsourced?</li> </ul>
14.	<b>Motivation needs</b> - general opinion for all 3 categories indicated <b>Salary according to performance</b> was indicated as a motivation factor together with the working environment and commitment. <b>Management commitment</b> was mentioned in the questionnaires as a motivational factor	<ul style="list-style-type: none"> <li>➤ Knowing that the <u>level of salaries</u> is established by law for civil servants according to the categories and grades, how do you see a potential solution for payment according to performance ?</li> <li>➤ Would it be feasible a <u>financial incentives scheme</u> eligible through OPTA?</li> <li>➤ What elements of the <u>working environment</u> would be more stimulating: ambient, working relations, other</li> <li>➤ How management commitment could become a motivation element?</li> </ul>
15.	According to time estimates in the questionnaires <b>most of staff work overtime at an average of 19-20 hours a month</b> . The working time additionally spent due to the factors presented in the questionnaires exceeds in most cases 50%. Among the influencing factors, „Other priorities ( urgent tasks with deadlines)” and interruptions by colleagues/ superiors/other came first most of the answers.	<ul style="list-style-type: none"> <li>➤ Do you appreciate that a <u>monthly working plan</u> with deadlines and priorities at the unit level could solve/improve the situation?</li> <li>➤ How do you think <u>interruptions</u> could be <u>eliminated/limited</u>?</li> <li>➤ What <u>other solutions</u> do you think would be appropriate considering the specific of the unit?</li> </ul>
16.	<b>Insufficient staff and insufficiently skilled</b> staff were identified as important causes for difficulties in managing projects. Staff development was identified as a general need, however there are some concerns regarding the appropriateness and use of the skills and knowledge acquired.	<ul style="list-style-type: none"> <li>➤ Would the <u>staff number</u> still be an issue in case the time loses will be reduced by addressing the influencing factors?</li> <li>➤ <u>What would hinder</u> you from using the knowledge acquired through training in the daily activity: <ul style="list-style-type: none"> <li>- inappropriateness of training content to your current needs,</li> <li>- the others, including colleagues and superiors do not use them</li> </ul> </li> <li>➤ Would a <u>training &amp; coaching programme tailored</u> to specific needs of ACIS structures OPTA beneficiaries be the solution for an appropriate staff development programme? Who should propose such a programme for funding through OPTA?</li> </ul>





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## Annex 8: Kick-off meeting (list of participants)

### MINISTRY FOR EUROPEAN AFFAIRS

**Authority for the Coordination of Structural Instruments, Evaluation Central Unit**  
**Framework agreement for the assessment of structural instruments 2011-2015, Lot 1 – Evaluation,**  
**Subsequent contract no. 2/23/22.12.2011 –**  
**“Evaluation of the absorption capacity of the Operational Programme Technical Assistance”**

**Kick off evaluation meeting**  
**12 January 2012**

### LIST OF PARTICIPANTS

#### Central Evaluation Unit

- ✓ Claudia Măgdălina, head of Unit.
- ✓ Mariana Acatrinei, counsellor.

#### Project team

- ✓ Marie Jose Zondag - team leader.
- ✓ Radoslaw Piontek – expert.
- ✓ Javier Fernandez - expert.
- ✓ Miheala Constatinesu - expert.
- ✓ Zamfira Balan - expert.
- ✓ Catrina Sinescu - project assistant.

#### Directorate for technical Assistance

- ✓ Livia Chiriță- Director
- ✓ Daniela Bălan head of Strategies unit
- ✓ Cristina Pătrascioiu – counsellor, Strategies Unit
- ✓ Ioana Pâslaru – expert, Information Compartment
- ✓ Manuela Balamat –counsellor, Implementation Unit
- ✓ Dorin Dorian- head of Implementation Unit

#### Directorate for System Coordination

- ✓ Cristina Ciocoiu – expert
- ✓ Eugen-Viorel Grigore head of SMIS Unit

#### Directorate for Analysis and Programming

- ✓ Mirela Cristean counsellor

#### Directorate for Monitoring

- ✓ Antoaneta Popescu - General Director of ACIS
- ✓ Florentina Ciocănel - Director of Monitoring Department
- ✓ Ramona Panea counsellor -Monitoring Department

#### Audit Authority

- ✓ Eugen Teodorovici - Director for ERDF Audit Directorate

#### Certifying and Paying Authority

- ✓ Cristina Moise - expert
- ✓ Tomescu Nicușoara - expert.



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## Annex 9: Inception interviews list of interviewed people &amp; topics

## List of interviews in the inception phase(excluding Kick-off meeting, see annex 8)

<p><b>Thursday, 12 January 2012</b></p> <p>Project team:</p> <ul style="list-style-type: none"> <li>• Mrs. Marie Jose ZONDAG - team leader.</li> <li>• Mr. Radoslaw PIONTEK – expert.</li> <li>• Mr. Javier FERNANDEZ – expert.</li> <li>• Mrs. Mihaela CONSTANTINESCU – expert.</li> <li>• Mrs. Zamfira BALAN – expert.</li> <li>• Mrs. Catrina SINESCU - project assistant.</li> </ul>	<p><b>Central Evaluation Unit – Authority for Coordination of Structural Instruments (ACIS)</b></p> <ul style="list-style-type: none"> <li>• Mrs. Claudia MAGDALINA – head of Unit.</li> <li>• Mrs. Aneta STOICA –councillor.</li> <li>• Mr. Anton ENACHESCU - –expert principal.</li> </ul> <p><b>Authority for Coordination of Structural Instruments</b></p> <ul style="list-style-type: none"> <li>• Mrs. Antoaneta POPESCU – Acting General Director.</li> </ul> <p><b>Audit Authority</b></p> <ul style="list-style-type: none"> <li>• Mr. Eugen Orlando TEODOROVICI – Director for ERDF Audit Directorate.</li> </ul>
<p><b>Friday, 12 January 2012</b></p> <p>Project team:</p> <ul style="list-style-type: none"> <li>• Mrs. Marie Jose ZONDAG - team leader.</li> <li>• Mr. Radoslaw PIONTEK – expert.</li> <li>• Mr. Javier FERNANDEZ – expert.</li> <li>• Mrs. Mihaela CONSTANTINESCU – expert.</li> <li>• Mrs. Zamfira BALAN – expert.</li> <li>• Mrs. Catrina SINESCU - project assistant.</li> </ul>	<p><b>Technical Assistance Directorate - ACIS</b></p> <ul style="list-style-type: none"> <li>• Mrs. Livia CHIRITA – Director of Technical Assistance Directorate .</li> <li>• Mrs. Daniela BALAN – head of Strategies Unit.</li> <li>• Mrs. Ioana PASLARU – expert Information Compartment .</li> </ul> <p><b>System Coordination Directorate - ACIS</b></p> <ul style="list-style-type: none"> <li>• Mr. Eugen-Viorel GRIGORE – head of SMIS Central Unit .</li> <li>• Mrs. Cristina Elena CIOCOIU – expert – SMIS Central Unit.</li> </ul> <p><b>Monitoring Directorate - ACIS</b></p> <ul style="list-style-type: none"> <li>• Mrs. Florentina CIOCANEL – director of Monitoring Directorate .</li> </ul> <p><b>Technical Assistance Directorate - ACIS</b></p> <ul style="list-style-type: none"> <li>• Mrs. Livia CHIRITA – Director of Technical Assistance Directorate .</li> </ul>
<p><b>Monday, 16 January 2012</b></p> <p>Project team:</p> <ul style="list-style-type: none"> <li>• Mrs. Marie Jose ZONDAG - team leader.</li> <li>• Mrs. Mihaela CONSTANTINESCU – expert.</li> <li>• Mrs. Zamfira BALAN – expert.</li> <li>• Mrs. Catrina SINESCU - project assistant.</li> </ul>	<p><b>Authority for Certification and Payment (ACP)</b></p> <ul style="list-style-type: none"> <li>• Mrs. Ioana PREDULEA – Deputy General Director.</li> <li>• Mrs. Consuela TOADER - head of Certification Unit .</li> <li>• Mrs. Mihaela HOFNAR – councillor Certification Unit.</li> <li>• Mrs. Steliana DUMITRESCU – coordinator Methodology Compartment.</li> <li>• Mrs. Cristina MOISE – expert Methodology Compartment.</li> <li>• Mrs. Nicusoara TOMESCU – expert Technical Assistance Compartment.</li> </ul>
<p><b>Tuesday, 17 January 2012</b></p> <p>Project team:</p> <ul style="list-style-type: none"> <li>• Mrs. Marie Jose ZONDAG - team leader.</li> <li>• Mrs. Catrina SINESCU - project assistant.</li> </ul>	<p><b>Central Evaluation Unit – ACIS</b></p> <ul style="list-style-type: none"> <li>• Mrs. Claudia MAGDALINA – head of Unit.</li> </ul>
<p><b>January 2012</b></p> <p>Project team:</p> <ul style="list-style-type: none"> <li>• Mrs. Marie Jose ZONDAG - team leader.</li> </ul>	<p><b>Ernst &amp; Young</b></p> <ul style="list-style-type: none"> <li>• Mrs. Marie Brunagel – Team leader of ‘Absorption forecast and evaluation of the options for funds reallocations within the National Strategic Reference Framework 2007-2013’</li> </ul>
<p><b>January 2012</b></p> <p>Project team:</p> <ul style="list-style-type: none"> <li>• Mrs. Marie Jose ZONDAG - team leader.</li> </ul>	<p><b>European Commission – Directorate-General Regional Policy</b></p> <ul style="list-style-type: none"> <li>• Mrs. Mirabela-Marie Lupaescu –Desk officer of European Commission for the Romanian OPTA</li> </ul>



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## MINISTRY FOR EUROPEAN AFFAIRS

**Authority for the Coordination of Structural Instruments, Evaluation Central Unit**  
**Framework agreement for the assessment of structural instruments 2011-2015, Lot 1 – Evaluation,**  
**Subsequent contract no. 2/23/22.12.2011 –**  
**“Evaluation of the absorption capacity of the Operational Programme Technical Assistance”**

### Topics discussed at inception Phase Interview (prepared by the Ecorys Team):

Below topics give an idea of the type of questions we would like to ask. Our objective with the interview is to:

- 1) Deepen our knowledge, based on what we have read in the documents that were send to us,
- 2) Collect the needed documents/files for the project,,
- 3) Fine-tune the presented approach to your needs (what will be most efficient and effective to do),
- 4) Check what has already been done or thought about to avoid that we will re-invent the wheel.

Topics that we will discuss:

- Your expectations / wishes for project,
- Problems of absorption capacity. What already tried to increase absorption capacity?
- Why not more projects already?
- Ideas already thought of to increase absorption capacity, (so that we can investigate or exclude this option in the project),
- The type of workload analysis that is useful and needed? Difference with the ToR that was tendered 29 Dec?
- What activities already outsourced,
- Any preferences what we should look at in the scenarios (costs, activities, beneficiaries, etc.),
- With whom to contact on tasks/workload?
- Who to train on LOTHAR,
- Project pipeline (status and actions to increase number of projects),
- Capacity of the Managing Authority& Beneficiaries,
- Delineation of tasks, something done?
- Who are dealing with PA1, PA2, PA3 (per unit?)(IB),
- Who to involve in workload analysis?
- Who to contact on update of project pipeline?
- Who to contact/train on LOTHAR?
- Anything else?

## Annex 10: Interviews for Q3 & Q5 (list of interviewed people and topics)

**MINISTRY FOR EUROPEAN AFFAIRS**  
**Authority for the Coordination of Structural Instruments, Evaluation Central Unit**  
**Framework agreement for the assessment of structural instruments 2011-2015, Lot 1 – Evaluation,**  
**Subsequent contract no. 2/23/22.12.2011 –**  
**“Evaluation of the absorption capacity of the Operational Programme Technical Assistance”**

### List of interviews for answering evaluation questions Q3 and Q 5 (phase 3 A, B and 4 A, B)

Interview institutions and representatives	Area of interest of OPTA	Interviewer on behalf of the Project team	Date of interview
<b>Ministry of European Affairs</b> <b>Authority for Coordinating Structural Instruments (ACIS)</b> <ul style="list-style-type: none"> <li>Mrs. Livia CHIRITA – Director, Technical Assistance Directorate (Managing Authority for Operation Programme Technical Assistance)</li> </ul>	PA1 PA 2 PA3	Mrs. Mihaela CONSTANTINESCU – expert	Wednesday, 25 April 2012
<b>Info Centre for Structural Instruments</b> <ul style="list-style-type: none"> <li>Mrs. Ioana SAVA - Manager</li> <li>Mr. George ZAHARIA - Expert in Structural Instruments</li> </ul>	PA 3, KAI 3.2	Mr. Radoslaw PIONTEK – expert Mr. Javier Fernandez –expert	Thursday, 26 April 2012
<b>Department for Fight Against Fraud (DLAF)</b> <ul style="list-style-type: none"> <li>Ms. Anca ILIE – counsellor, Directorate for Juridical Affairs, Unit for Programming and training</li> <li>Mr. Alin BRESUG – counsellor, Directorate for Information Management</li> </ul>	PA1, KAI 1.1	Mr. Radoslaw PIONTEK – expert	Thursday, 26 April 2012
<b>Agency for Regional Development for Bucuresti-Ilfov Region</b> <b>(Intermediate body for Regional Operational Programme)</b> <ul style="list-style-type: none"> <li>Mrs. Roxana OPRESCU – expert, Directorate for Technical Assistance</li> <li>Mr. Daniel POPESCU – expert, Directorate for Technical Assistance</li> </ul>	PA 1 PA3	Mr. Radoslaw PIONTEK – expert Mr. Javier Fernandez –expert Mrs. Zamfira Bălan - expert	Thursday, 26 April 2012
<b>General Secretariat of the Government</b> <ul style="list-style-type: none"> <li>Mr. Laurentiu GRIGORESCU – expert (working with Structural Instruments), Directorate for Public Policies</li> <li>Mr. Dragos NEGOITA - expert (working with Structural Instruments), Directorate for Public Policies</li> </ul>	PA1, KAI 1.1	Mr. Radoslaw PIONTEK – expert Mr. Javier Fernandez –expert Mrs. Zamfira Bălan - expert	Thursday, 26 April 2012
<b>EvalRom (Evaluation Society in Romania)</b> <ul style="list-style-type: none"> <li>Mrs. Laura TROFIN – senior evaluator, member of the Executive Board</li> </ul>	PA 1 –KAI 1.2	Mr. Radoslaw PIONTEK – expert Mrs. Zamfira Bălan - expert	Thursday, 26 April 2012
<b>Ministry of European Affairs</b> <b>Authority for Coordinating Structural Instruments (ACIS)</b> <ul style="list-style-type: none"> <li>Mrs. Mariana ACATRINEI – counsellor, Central Evaluation Unit</li> <li>Mrs. Angelica VLADESCU – counsellor, Central Evaluation Unit</li> </ul>	PA1 PA 2 PA 3	Mrs. Sacha KOPPERT- leader. Mrs. Mihaela CONSTANTINESCU – expert.	Friday, 4 May 2012
<b>National Authority for Regulating and Monitoring Public Procurement in Romania (ANRMAP)</b> <ul style="list-style-type: none"> <li>Mr. Bogdan CIUBUC – counsellor, General Directorate for Regulating and Evaluation</li> </ul>	PA 1	Mrs. Sacha KOPPERT- leader. Mrs. Mihaela CONSTANTINESCU – expert.	Friday, 4 May 2012
<b>EvalRom (Evaluation Society in Romania)</b> <ul style="list-style-type: none"> <li>Mrs. Roxana MIHALACHE – senior evaluator, President of the Executive Board</li> </ul>	PA 1 –KAI 1.2	Mrs. Sacha KOPPERT- leader. Mrs. Catrina SINESCU - project assistant.	



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<b>National School of Political and Administrative Studies (SNSPA)</b> • Mr. Univ.Prof. Phd. Adrian MIROIU Rector	PA1 KAI 1.2 PA3	Mrs. Mihaela CONSTANTINESCU – expert	Friday, 4 May 2012
<b>Agency for Regional Development for West Region (Intermediate body for Regional Operational Programme)</b> • Mr. Sorim MAXIM– Director, ADRVest	PA 1	Mrs. Mihaela CONSTANTINESCU – expert	Friday, 4 May 2012
<b>The Bucharest University of Economic Studies (ASE)</b> • Mr. Univ.Prof. Phd. Nicolae ISTUDOR – Pro-rector, Department for Inter-institutional and economical and social environment Relations	PA1 KAI1.2 PA3	Mrs. Mihaela CONSTANTINESCU – expert	Monday, 7 May 2012
<b>University of Bucharest, Law Faculty</b> • Mr. Univ.Prof. Phd. Flavius BAIAS, dean of the Faculty of Law Bucharest	PA1 KAI 1.2 PA3	Mrs. Mihaela CONSTANTINESCU – expert	Monday, 7 May 2012
<b>Association of Communes of Romania</b> • Mr. Sergiu TARA- executive director	PA 1	Mrs. Mihaela CONSTANTINESCU – expert	Monday, 7 May 2012

### Topic lists for the interviews on relevance of project ideas

Questions addressed to the interviewees

#### Concerning project ideas

5. Relevance of the proposed project ideas for the interviewee's scope of activity?
6. Relevance of the proposed project ideas for their needs and challenges confronted. This is to say, would this project contribute to solve pressing needs and/or contribute to improve performance or challenge confronted by the given (potential) beneficiary?
7. Coherence of the proposed project ideas with the Operational Programmes and the current project pipeline? This topic could refer not only to coherence but rather take one step further and deal with complementarily and added value?
8. Feasibility of the proposed project idea? In terms of:
  - 1.2 In terms of complexity?
  - 1.3 Management capacity at the beneficiary? (What can be done to make it feasible)
  - 1.4 Public procurement issues?
  - 1.5 Availability/capacity of final recipients?
  - 1.6 Feasible in time: for this project period? Otherwise, if not feasible for 07-13, worth discussing for 14-20?
  - 1.7 Other feasibility issues
9. Activities proposed versus eligibility of costs? (What changes are needed to make it eligible)
10. Who to implement the project ideas? Additional typologies of beneficiaries needed?

#### Concerning other needs:

11. To what extent are there additional needs by the beneficiary that are not included in the project pipeline and project list discussed that could be addressed by OP TA? (both currently eligible and non-eligible project ideas)

#### Concerning absorption

12. In case the beneficiary has no projects/a limited number of projects: What are the reasons for not having projects or having only a limited number of projects?

## Annex 11: Focus groups (lists of participants)

### **LIST OF PARTICIPANTS Focus Group 1 with representatives of Managing Authorities, 10 May 2012**

<p><b>Ministry of European Affairs</b>          Authority for Coordination of Structural Instruments          Managing Authority for Operational Programme          "Technical Assistance"  <b>OPTA MA</b></p>	<p><b>Mrs. Livia Chirita</b> - Director OPTA Managing Authority  <b>Mrs. Daniela Balan</b> - Head of Strategy Unit, Directorate of Technical Assistance  <b>Mrs. Cristina Patrascoiu</b> responsible for OPTA monitoring, Strategies Unit, Directorate of Technical Assistance  <b>Mrs. Ramona Panea</b> - Senior Adviser, Monitoring Directorate  <b>Mrs. Claudia Bedea</b> - Head of Evaluation Central Unit  <b>Mrs. Mariana Acatrinei</b> - Advisor, Central Evaluation Unit</p>
<p><b>Ministry of Environment and Forests</b>          Managing Authority for Sectoral Operational Programme "Environment"  <b>SOP ENV</b></p>	<p><b>Mrs. Doinita Manea</b> - Advisor, Department of Technical Assistance  <b>Mrs. Maria Elena Teodorescu</b> - Head of Department, Directorate for Technical Assistance.</p>
<p><b>Ministry of Interior Affairs</b>          Managing Authority for Operational Programme "Administrative Capacity Development"  <b>OPDAC MA</b></p>	<p><b>Mr. Paul Moldovan</b> - Advisor, Program Strategies Unit</p>
<p><b>Ministry of Economy, Trade and Business</b>          Managing Authority for Sectoral Operational Programme "Increase of Economic Competitiveness"  <b>SOP IEC</b></p>	<p><b>Mrs. Cornelia Budică</b> - Advisor, Technical Assistance Coordinator;  <b>Mrs. Adriana Nica</b> - Technical Assistance Advisor</p>
<p><b>Ministry of Regional Development and Tourism</b>          Managing Authority for Regional Operational Programme  <b>ROP</b></p>	<p><b>Mrs. Cornelia Mateiu</b> - Training Coordinator, Program Management Division</p>
<p><b>Ministry of Labour, Family and Social Protection</b>          Managing Authority for Sectoral Operational Programme "Human Resources Development"  <b>MA SOP HRD</b></p>	<p><b>Mrs. Ioana Alexandra Raiciu</b> - consultant</p>
<p><b>Ministry of Transport</b>          Managing Authority for Sectoral Operational Programme "Transport"  <b>MA Transport</b></p>	<p><b>Mrs. Daria Predoana</b>, advisor, Directorate for Technical Assistance Projects</p>
<p><b>Project Team</b> "Evaluation of absorption capacity of Technical Assistance Operational Programme"</p>	<p><b>Mrs. Sacha Koppert</b> - Ecorys expert, Team Leader  <b>Mr. Javier Fernandez</b> - Ecorys Expert  <b>Mr. Radoslaw Piontek</b> - Ecorys expert  <b>Mrs. Mihaela Constantinescu</b> - Ecorys expert  <b>Mrs. Catrina Sinescu</b> - local project coordinator</p>



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Instrumente Structurale  
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<b>Ministry of European Affairs Authority for Coordination of Structural Instruments</b>	<b>Mrs. Livia CHIRIȚĂ</b> - OPTA Managing Authority Director, and Director of Technical Assistance Directorate <b>Mrs. Claudia BEDEA</b> - Head of Evaluation Central Unit <b>Mrs. Mariana ACATRINEI</b> - counsellor, Central Evaluation Unit <b>Mrs. Cristina CIOCOIU</b> - senior expert, SMIS Unit, Directorate of System Coordination <b>Mrs. Adriana GORGONEȚU</b> - senior expert, Strategies Unit, Directorate of Technical Assistance <b>Mrs. Mariana SVESTUN</b> - Senior counsellor, Directorate for Programming and Analysis
<b>Ministry of Environment and Forests</b>	<b>Mr. Narcis JELER</b> counsellor, Climate Change and Sustainable Development Department, National Focal Point to UNFCCC
<b>Association of Municipalities of Romania (ACOR)</b>	<b>Mr. Sergiu ȚĂRA</b> - executive director of ACOR <b>Mr. Catalin CONSTANTIN</b> - projects coordinator at ACOR
<b>National Institute of Statistics</b>	<b>Mrs. Alexandra YAHYA</b> , Expert, Directorate for European Affairs and International Cooperation
<b>Regional Development Agency West</b>	<b>Mr. Adrian MARICIUC</b> - Coordinator of Growth Pole Unit
<b>National School of Political and Administrative Studies (SNSPA)</b>	<b>Mrs. Oana Andreea Ion, Phd</b> - Lecturer, Department of International Relations and European Integration
<b>Regional Development Agency Bucharest- Ilfov, IB ROP</b>	<b>Mr. Ioan Ciupercă</b> expert, Technical Assistance Department, project manager, EEN network (innovation / business centres)
<b>National Authority for Regulating and Monitoring Public Procurement (ANRMAP)</b>	<b>Mr. Corneliu Burada</b> - General Director
<b>Ministry of Economy, Trade and Business Environment, IB for SMEs</b>	<b>Mrs. Diana Veronica SOARE</b> , counsellor, Programming and Technical Assistance Unit
<b>Structural Instruments Information Centre</b>	<b>Mr. Gabriel ZAHARIA</b> Structural Instruments expert
<b>Ministry of Regional Development and Tourism</b>	<b>Mrs. Delia POPA</b> - public manager, General Directorate for Spatial Development
<b>Chamber of Commerce and Industry of Romania</b>	<b>Mrs. Elena GEMENIUC</b> , counsellor, Chamber Representation Directorate
<b>Ministry of Labour, Family and Social Protection</b>	<b>Mr. Dan MOLDOVAN</b> - councillor, Directorate for Equal opportunities between women and men
<b>National Authority for Scientific Research (ANCS)</b>	<b>Mrs. Svetlana GOMBOS</b> - counsellor
<b>University of Bucharest Faculty of Law</b>	<b>Mrs. Monica-Amelia RAȚIU, Phd</b> - Lecturer, Department for Public Law
<b>Project Team "Evaluation of absorption capacity of Technical Assistance Operational Programme"</b>	<b>Mrs. Sacha KOPPERT</b> - Ecorys expert, Team Leader <b>Mr. Javier FERNANDEZ</b> - Ecorys Expert <b>Mr. Radoslaw PIONTEK</b> - Ecorys expert <b>Mrs. Mihaela CONSTANTINESCU</b> - Ecorys expert <b>Mrs. Catrina SINESCU</b> - local project coordinator



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