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# Romania – Republic of Serbia IPA CBC Programme Evaluation

## Evaluation Report

Draft Final Version - June 2012



**Commissioned by:**

Ministry of Regional Development and Tourism of Romania

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## Table of contents

Executive Summary .....	5
<b>1. Context of the evaluation .....</b>	<b>1142</b>
<b>1.1. Background .....</b>	<b>1142</b>
<b>1.2. Objectives and scope of the evaluation .....</b>	<b>1142</b>
1.2.1. Objectives of the evaluation .....	1142
1.2.2. Scope of the evaluation .....	1213
<b>1.3. Methodology .....</b>	<b>1344</b>
1.3.1. Evaluation framework .....	1344
1.3.2. Limitations .....	1346
1.3.3. Structuring recommendations .....	1416
<b>2. Evaluation results .....</b>	<b>1547</b>
<b>2.1. Relevance .....</b>	<b>1547</b>
<b>2.2. Effectiveness .....</b>	<b>3943</b>
(2.c) What were the reasons for over/under application on different Priority Axes and future steps to be adopted? .....	3943
(2.b) How do contracted or expected results of selected projects contribute to the achievement of programme objectives, in terms of programme indicators? .....	4853
(1.a) Is the use of funds, appropriate for the first three years of the programme, ensured? Is an automatic decommitment likely? .....	5662
(1.d) What are the specific factors hindering the effective use of TA funds, in terms of contribution to the programme implementation, including the mandatory use of PRAG rules? .....	5966
<b>2.3. Efficiency .....</b>	<b>6369</b>
(1.b) What are the proposed immediate recommended actions in terms of procedures and rules, for avoiding automatic decommitment for the remaining programming period? .....	6369
(1.c) Can project assessment, selection and contracting be accelerated? .....	6874
<b>2.4. Horizontal issues and Added Value .....</b>	<b>7783</b>
(3.a) Are the horizontal themes (equal opportunities –including gender equality and environmental sustainability) covered adequately and clearly within the Guidelines for applicants and programme monitoring arrangements? .....	7783
(3.b) How do the approved projects contribute to the horizontal themes, as they are mentioned in the programme? .....	8389
(3.c) What is the cross border added value of selected projects? .....	8692
<b>3. Conclusions and recommendations .....</b>	<b>94101</b>
<b>4. Annexes .....</b>	<b>104112</b>
4.1. Annex 1: Timing, sequence and duration of activities performed .....	105113
4.2. Annex 2: Evaluation framework .....	106114
4.3. Annex 3: IPA CBC RO-SE objectives tree .....	113121
4.4. Annex 4: Analysis of correlation between Programme / PA indicators and Horizontal Aspects .....	115122
4.5. Annex 5: List of major documents consulted .....	117124

4.6.	<b>Annex 6:</b> List of interviews .....	<a href="#">119126</a>
4.7.	<b>Annex 7:</b> Sampled projects .....	<a href="#">120127</a>
4.8.	<b>Annex 8:</b> Beneficiaries' suggestions for the improvement of the Programme .....	<a href="#">124131</a>
4.9.	<b>Annex 9:</b> Interview Guidelines .....	<a href="#">125132</a>
4.10.	<b>Annex 10:</b> Questionnaire templates .....	<a href="#">129137</a>
4.10.1.	Questionnaires for Successful applicants .....	<a href="#">129137</a>
4.10.2.	Questionnaires for Unsuccessful applicants .....	<a href="#">134143</a>
4.11.	<b>Annex 11:</b> Main statistical data 2004-2010 .....	<a href="#">136145</a>
4.12.	<b>Annex 12:</b> List of abbreviations .....	<a href="#">141150</a>

## Executive Summary

### Objectives and scope

The overall objective of the evaluation is to contribute to the successful implementation of the “Romania - Republic of Serbia IPA Cross-Border Cooperation Programme 2007-2013”, by identifying issues affecting performance and recommending solutions for improvement.

The evaluation exercise focuses on three broad evaluation issues:

- ▶ Implementation progress of the programme for all four Priority Axes and identification of improvement areas and means;
- ▶ Likelihood to achieve programme objectives based on current ways of implementation and formulate recommendations in this regard;
- ▶ Integration of horizontal themes and the cross-border added value.

The **scope of the evaluation** covers:

- ▶ The four Priority Axes of the Programme:
  - ▶ **Priority Axis 1** – Economic and Social Development
  - ▶ **Priority Axis 2** – Environment and Emergency Preparedness
  - ▶ **Priority Axis 3** – Promoting “people to people” exchanges
  - ▶ **Priority Axis 4** – Technical Assistance
- ▶ The evolution of the Programme until 1 December 2011;
- ▶ The Programme eligible area;
- ▶ The performance of Programme implementation (in terms of objectives, indicators, etc.) based on the projects already under implementation.

Clear and pragmatic recommendations are an essential element of the evaluation, in order to support decision-making on improvements of the Programme performance.

### Methodological approach

The Methodological Approach is based on an Evaluation Framework, which takes into consideration the 3 broad evaluation issues and 10 sub-questions included in the Terms of Reference, to which we have associated judgement criteria, types of analyses and sources of information to be used to answer to the questions.

With reference to the methodological approach adopted and delivered we note that:

- ▶ financial Progress of the Programme and the status of the applications submitted before the cut off date are updated on 1 December 2011.
- ▶ the financial progress is measured against the IPA Financial Allocations for 2007 – 2011;
- ▶ a sample of 20 projects was included in the analysis, composed of 12 successful applicants and 8 unsuccessful applicants;

Based on the request of the Managing Authority, the Executive Summary is structured according to the 3 evaluation issues, while in the Evaluation Report, the issues have been rearranged into 4 evaluation themes (Relevance, Effectiveness, Efficiency and Horizontal Issues and Added Value).

### Limitations

Some limitations were encountered in the data collection phase concerning respectively the extended availability of socio-economic data for the programme area (e.g. GDP in Serbia at district level), the availability of application files for the sampled projects, the quantification of the contribution of contracted projects to horizontal issues, the monitoring of the joint character of the projects at Programme level.

Consequently our analysis of the relevance of the Programme has relied on the available statistics and the answers on the questions on horizontal issues and added value are rich in qualitative aspects.

## Findings and recommendations

Hereinafter we present the main findings and recommendations of the evaluation exercise according to each Evaluation Theme and Question.

When no recommendation is associated to a finding, it means that either there is no issue in relation to the evidence collected, or that an applicable recommendation is provided under a different finding.

### What is the actual implementation progress of the programme up to September 1, 2011? What are the possible gaps between actual and planned performance?

(1.a) Is the use of funds, appropriated for the first three years of the programme, ensured? Is an automatic decommitment likely?

- ▶ **C.10, C12, C13, C14, C24:** the Programme has committed 56% of the financial allocation for 2007-2011 and is likely to contract the entire financial allocations for 2007-2013 until the end of 2012, but is lagging behind in terms of expenditure, with a spending capacity of 7%.

The total expenditure generated by the 46 contracted projects in a period of 8-13 months amounts to EUR 1,3 mn and at least EUR 7 mn of additional expenditure will need to be generated until June 2012 to avoid decommitment.

- ▶ **Recommendations for current period:** request updated forecasts of expenditure to beneficiaries to assess the actual risk of decommitment and identify projects with high potential to generate expenditure and critical projects, by updating the risk analysis at project level. Based on the results, adopt a mix of the following actions depending on the severity of the situation:
  - ▶ Provide further assistance to project beneficiaries, by strengthening JTS support or, in alternative, by means of outsourcing, focusing on issues where beneficiaries are facing problems, such as application of public procurement;
  - ▶ Continue performing the communication activities towards beneficiaries, aimed at raising awareness regarding the decommitment targets, and the importance of beneficiaries' contribution to the achievement of such targets;
  - ▶ Verify the legal grounds for a modification to the subsidy contract aimed at introducing rules for decommitment at project level and consider setting thresholds for revocation in the most critical cases if there is a pipeline of viable projects that could be financed.
- ▶ **Recommendations for future period:**
  - ▶ Consider introducing rules on decommitment in the initial contracting templates and raise awareness among beneficiaries about the issues already in the start-up phase of the Programme.

(1.b) What are the proposed immediate recommended actions, in terms of procedures and rules, for avoiding automatic decommitment for the remaining programming period?

- ▶ **C19, C20:** monitoring at project level is in place and has been further strengthened by increasing the number of on-site visits
  - ▶ **Recommendations for current period:** continue close monitoring of contracted projects and ensure the availability of additional human resources (through possible spending economies on the TA Priority Axis) in case the projects selected under the first call will kick-start before the existing ones are finalized.
- ▶ **C21, C22:** financial control procedures are in place and functional; efforts for improving efficiency have been made by reducing MA verifications from 100% to sample based, but there is still room for further enhancement.
  - ▶ **Recommendations for current period:**

- ▶ ensure continuity of the activities of the Serbian FLC Unit by assessing available resources under the TA Priority Axis;
  - ▶ consider reducing the time for FLC verifications, thus shortening the overall duration of the circuit for financial control (currently 5 months) which would generate also positive outfalls on project implementation schedules;
  - ▶ provide trainings and review working tools of the FLC in order to ensure further harmonization of work;
  - ▶ monitor and strengthen human resource capacity across the financial circuit in case that projects selected under the second call first will start before the contracted ones are closed;
  - ▶ review by means of consultations between the MA and NA the risk assessment methodology, used to identify the sample of projects subject to 100% expenditure verification on behalf of the MA, in order to detect critical situations in early stages. The number of risk factors applied in the methodology could be expanded by taking into consideration such aspects as type of beneficiary, type of project, grant size, number and value of irregularities.
- ▶ **Recommendations for future period:**
- ▶ Commence preparation activities for the introduction of simplified cost options.
- ▶ **C23:** beneficiaries are facing problems in the generation of expenditure, mainly being affected by the application of procurement with the average size of reimbursement claims amounting to 10% of the contracted IPA budget:
- ▶ **Recommendations for current period:**
    - ▶ Carry out further trainings and workshops on PRAG procurement rules in order to increase beneficiaries' capacity, and carry out information campaigns targeting potential bidders, in order to increase their awareness about PRAG requirements
    - ▶ Consider setting minimum thresholds for the value of reimbursement claims

**(1.c) Can project assessment, selection and contracting be accelerated?**

- ▶ **C25:** Procedures for project assessment, selection and contracting are in place and generally appreciated as transparent by beneficiaries.
  - ▶ **C26, C27, C28:** the assessment of the projects submitted under the first call has encountered some delays due to the late set up of the Joint Evaluation Committee and to bottlenecks in the technical and financial assessment attributable to the workload of assessors. The eligibility assessment is performed at the end of the process leading to potential inefficiencies in cases when projects are rejected due to non-compliance with eligibility criteria, although having undergone the previous evaluation stages.
    - ▶ **Recommendations for future period:**
      - ▶ ensure the availability of an adequate number of assessors prior to the submission deadline or procure global TA services in the start-up phase of the Programme;
      - ▶ consider performing the eligibility assessment and administrative verification jointly;
      - ▶ with additional experience being gained, the JEC/JTS could take over the responsibility for the approval of the assessment reports while the MA could retain a form of control through sample checks;
      - ▶ provide applicants with additional details related to the scoring assigned during the technical and financial assessment to increase the quality of future applications.
  - ▶ **C29:** project selection performed by the JMC follows timely the project selection process;
- C30, C31, C32:** the contracting procedure, structured in pre-contractual phase (including on-site visits) and contract sign-off has encountered some delays due to a number of reiterated communications between the JTS and MA concerning the contracting templates. In the pre-contractual phase recommendations are made in

relation to the financial aspect of projects, such as budget cuts, correction of arithmetical errors, which may cause delays in project kick-off.

Contract modifications by means of addenda have generally exceeded the planned duration and there is a limited number of situations in which notifications rather than addenda are applied.

▶ **Recommendations for current period:**

- ▶ revise the procedure for contract modifications, increasing the number of (non-material) situations when simple notifications can be applied.

▶ **Recommendations for future period:**

- ▶ the assessment and selection process should better prepare projects for contracting, avoiding the postponing of project revisions to contracting;
- ▶ with the gaining of additional experience the JTS should gradually take over the responsibility for contracting;

(1.d) What are the specific factors hindering the effective use of TA funds, in terms of contribution to the programme implementation, including the mandatory use of PRAG rules?

- ▶ **C15, C16, C17, C18:** TA commitments amount to 90% of the allocations for 2007-2011 while payments are below 30%. Effective use of resources has been affected by the existence of alternative sources of financing in the start-up phase of the Programme, application of PRAG rules, issues related to the eligibility of JTS salary costs and general reduction in the number and value of activities carried out vs. the planned ones. While 60% of the overall allocations for 2007-2013 may be absorbed to ensure the functioning of implementing structures, spending economies may arise for the remaining 40%.

▶ **Recommendation for current period:**

- ▶ Reassess TA requirements taking into account possible spending economies and new needs. For ensuring the availability of financial resources to the FLC Unit in Serbia, verify the necessary formal steps to be performed, in terms of modification of the Programme provisions and revision of the Technical Assistance Strategy.
- ▶ ;
- ▶ information campaigns targeting potential bidders can be used in order to increase their awareness about PRAG requirements

Will the progress of the programme lead to the achievement of the programme objectives?

(2.a) Are the objectives of the Programme still valid?

- ▶ **C1, C2, C3:** the Programme area has been characterized by strong economic growth between 2004 and 2008 (e.g. GDP, SME density, employment) halted by the economic and financial crisis in 2009, thus largely maintaining the validity of the assumptions presented in the initial SWOT analysis. For this reason the Programme's Strategy is still consistent with the socio-economic environment of the cross-border area and both the logic of intervention and needs remain valid. However both the focus of the strategy and the coordination with other IPA Programmes can be improved.

▶ **Recommendation for future period:**

- ▶ TA resources could be used to commission extensive socio-economic research or to set-up a permanent observatory of the cross-border Region;
- ▶ In the preparation for the new Programming period, enhanced and institutionalized coordination with the central administrative level in each country and with the MAs of other IPA Programmes of the area should be pursued to ensure further effectiveness in the use of IPA financial resources. European macro-regional strategies relevant to the cross-border area should also be taken into account from



the stage of Programming. Consider some best practices in implementing provisions in line with the principle of concentration of resources in terms of bottom-up approach for local development strategy definition and implementation.

(2.b) How do contracted or expected results of selected projects contribute to the achievement of Programme objectives, in terms of Programme indicators?

► **C9, C11:** the expected results of the projects contracted under the first call for proposals are overall adequate for the achievement of Programme objectives in terms of indicators. Despite cases in which the perspective achievement is affected by the setting of over-reaching targets, there are few objectives the achievement of which depends on the contribution of the projects that will be contracted under the second call:

- ▶ PA1: “Improvement of cross-border transport links and logistic capacity in the border area”;
- ▶ PA2: “improvement of knowledge on different environment-friendly approaches and applications in everyday life” and “Improvement in implementation of national and EU environmental legislative framework”;
- ▶ PA3: “Increasing cooperation between local and regional public authorities across the border for finding solutions to joint local problems in the border area”.
- ▶ PA4: Technical Assistance indicators are overall on track with the exception of the effective expenditure of the budget (30% for 2007-2011) and the number of events organized for the publicity and information of the Programme, the target of which may not be achieved due to the high effectiveness in contracting financial resources.

▶ **Recommendation for future period:**

- ▶ Schedule sequence and type of calls taking into account the progressive achievement of Programme objectives: a first call should be used in order to “test” the response of applicants and trends in terms of performing and underperforming KAls, geographic participation and type of applicants. Once these are known, corrective actions can be taken in the form of communication campaigns and targeted/thematic calls to increase demand for certain type of Measure that can ensure full achievement of indicators.

(2.c) What were the reasons for over/under application on different Priority Axes and future steps to be adopted?

► **C4, C5, C6, C7, C8:** the response to the first call for proposals showed substantial over application under all PAs with requests for IPA funds exceeding by seven times the financial envelope.

The main factors determining the high demand are intensive promotional activities, pre-existing relations among project partners, genuine interest for the CBC Programme.

Despite the overall strong demand there are Measures that have attracted lower interest and types of beneficiaries and territories that are less represented.

▶ **Recommendations for future period:**

- ▶ Targeted Calls and specific information activities can be used to increase demand for the Programme in under-represented areas.

**In terms of specific elements – such as horizontal themes and cross border added value, what is the actual status and what could be improved?**

(3.a) Are the horizontal themes (equal opportunities – including gender equality and environmental sustainability) covered adequately and clearly within the Guidelines for applicants and Programme monitoring arrangements?

► **C33, C34, C35, C36:** the Programme contains specific provisions for the treatment of horizontal themes within the Guidelines for Applicants and Programme monitoring arrangements which however are perfectible:

- ▶ the Applicant's Guide does not contain any specific definition of horizontal issues and there are no criteria for in Technical and Financial Evaluation Grid dedicated exclusively to their scoring.
- ▶ there is a system for monitoring horizontal issues at Programme at Project level with the indicators proposed adding-up to those established at Programme Level rather than providing their gender/environmental sustainability perspective.
- ▶ **Recommendations for future period:**
  - ▶ Programme and Priority Axis indicators could be revised in order to incorporate the indicators established for the monitoring of horizontal issues, thus allowing also the quantification and monitoring of targets at Programme Level. Further clarifying the description of the indicators and the expected outcomes and results, will facilitate their understanding on behalf of beneficiaries and their implementation at project level.

**(3.b) How do the approved projects contribute to the horizontal themes, as they are mentioned in the Programme?**

- ▶ **C37, C38:** the lack of aggregated data at Programme Level does not allow for a quantitative analysis of the contribution of contracted projects to horizontal issues. In qualitative terms, horizontal issues appear as being treated as a formality rather than being embedded in the project strategies.
  - ▶ **Recommendations for current period:**
    - ▶ Prepare the Reports on horizontal issues in occasion of the Annual Implementation Report for 2011 in order to assess the current level of contribution of contracted projects.
    - ▶ Carry out targeted campaigns or breakout session during other Programme events (e.g. workshops for beneficiaries), to raise awareness about the issues and how to correctly embed them in project applications, monitoring and implementation.

**(3.c) What is the cross border added value of selected projects?**

- ▶ **C39, C40:** CBC added value is not clearly defined in the Programming Document, but Programme provisions indirectly instrumentalize it at project level by means of eligibility and assessment criteria and provisions concerning the joint character of the projects.

At project level there is evidence of the added value of cross-border cooperation: partnerships generally understand the concept, have a track record of history in implementing joint projects and these are also creating the premises for new joint activities in an institutionalized or informal context, with or without the presence of EU assistance.

- ▶ **Recommendations for future period:**
  - ▶ structure a framework for the monitoring of the added value created by the Programme, taking into consideration such elements as appropriateness of the IPA CBC vs. alternative sources of financing to tackle issues in the Programme area, measurement of the degree of cooperation at project partnership level; institutionalization of the networks created; involvement of vulnerable groups, the degree of involvement of institutions and establishment of new regulatory procedures, as a result of the cross-border cooperation.

## 1. Context of the evaluation

### 1.1. Background

1. On 2 August 2011 the Romanian Ministry of Regional Development and Tourism launched the procurement for the “Romania – Republic of Serbia IPA CBC Programme Evaluation”. Following the selection process, the contract was awarded to Ernst&Young SRL as per communication n. AP-76838 of 14 October 2011 of the General Directorate for Public Procurement of the Ministry.
2. In compliance with Art. 4 of the Special Provisions of the Contract, project activities officially kicked-off on 8 December 2011 (date of signature of the Contract) and had an overall duration of 7 months.
3. The detailed Methodology and Workplan of the Evaluation were presented by the Evaluation Team with the occasion of the Kick-off Meeting of the Project, which took place in Bucharest on 8 December 2011.  
  
The first deliverable, the Inception Report was originally submitted (in draft form) on 23 December 2011 and approved on 30 January 2012, by communication DGCTE – 6623 dated 30 January 2012.
4. Field activities were carried out in accordance with the agreed methodology in the period between January and April 2012 and a debrief meeting presenting the preliminary findings of the Evaluation took place in Bucharest on 27 March 2012.
5. This document is the first draft of the Evaluation Report, being submitted for stakeholder review. Comments provided by the Evaluation Steering Committee will be taken into account in the preparation of the Final Evaluation Report, which will be submitted on 2 June 2012.
6. The Contracting Authority has been regularly updated on the Progress of project activities by means of Monthly Activity Reports, which have been all regularly approved. In addition a strong cooperative relation between the Programme stakeholders and the Evaluation Team has determined a smooth roll-out of the evaluation.
7. The timing, sequence and duration of activities performed is included in Annex 1.

### 1.2. Objectives and scope of the evaluation

#### 1.2.1. Objectives of the evaluation

8. The overall objective of the project is to evaluate the performance of the Romania – Republic of Serbia IPA CBC Programme, as well as its major developments until the cut-off date (1 December 2011<sup>1</sup>) in order to contribute to its successful implementation over the time period 2012-2013.
9. The Terms of Reference define three broad evaluation issues (and ten sub-questions) for the assignment:
  - ▶ Implementation progress of the 4 Priority Axes and identification of improvement areas and means;
  - ▶ Likelihood to achieve Programme objectives based on current implementation settings and formulation of recommendations;
  - ▶ Integration of horizontal themes and the cross-border added value in Programme implementation.
10. The formulation of clear and pragmatic recommendations is an essential element of the evaluation, in order to support decision-making on improvements of the Programme performance.

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<sup>1</sup> As agreed in occasion of the Kick-Off meeting

11. The involvement of Programme stakeholders was particularly important during the entire evaluation, ensuring that the analysis performed is useful to their needs and that the recommendations provided are relevant to the context and status of the Programme.

### 1.2.2. Scope of the evaluation

12. The evaluation covers:
- ▶ the four Priority Axes of the Programme:
    - ▶ Priority Axis 1 – Economic and Social Development
    - ▶ Priority Axis 2 – Environment and Emergency Preparedness
    - ▶ Priority Axis 3 – Promoting “people to people” exchanges
    - ▶ Priority Axis 4 – Technical Assistance
  - ▶ the evolution of the Programme until 1 December 2011;
  - ▶ the Programme eligible area;
  - ▶ the performance of Programme implementation (in terms of objectives, indicators, etc.) based on the projects already under implementation.
13. The 3 broad evaluation issues and the 10 sub-questions addressed in the ToR have been re-organized into 4 “Evaluation themes” as presented in the table below (evaluation question per evaluation theme):

Table 1: Evaluation themes and questions

1. RELEVANCE OF THE PROGRAMME	2. EFFECTIVENESS OF PROGRAMME IMPLEMENTATION
<p><b>(2.a)</b> Are the objectives of the Programme still valid?</p>	<p><b>(2.c)</b> What were the reasons for over/under application on different Priority Axes and future steps to be adopted?</p> <p><b>(2.b)</b> How do contracted or expected results of selected projects contribute to the achievement of Programme objectives, in terms of Programme indicators?</p> <p><b>(1.a)</b> Is the use of funds, appropriate for the first three years of the Programme, ensured? Is an automatic decommitment likely?</p> <p><b>(1.d)</b> What are the specific factors hindering the effective use of TA funds, in terms of contribution to the Programme implementation, including the mandatory use of PRAG rules?</p>
3. EFFICIENCY OF THE PROGRAMME IMPLEMENTATION SYSTEM	4. HORIZONTAL ISSUES AND ADDED VALUE
<p><b>(1.b)</b> What are the proposed immediate recommended actions in terms of procedures and rules, for avoiding automatic decommitment for the remaining programming period?</p> <p><b>(1.c)</b> Can project assessment, selection and contracting be accelerated?</p>	<p><b>(3.a)</b> Are the horizontal themes (equal opportunities – including gender equality and environmental sustainability) covered adequately and clearly within the Guidelines for applicants and Programme monitoring arrangements?</p> <p><b>(3.b)</b> How do the approved projects contribute to the horizontal themes, as they are mentioned in the Programme?</p> <p><b>(3.c)</b> What is the cross border added value of selected projects?</p>

14. The evaluation activities cover all the above questions and focus on the critical issues that were identified during the evaluation process. The following stakeholders were involved during the evaluation: Programme Implementation Structures, Certifying and Paying Authority and Audit Authority (see Annex 7 for a list), as well as a representative sample of beneficiaries and unsuccessful applicants.

### 1.3. Methodology

#### 1.3.1. Evaluation framework

15. The Evaluation has been carried out according to the plan presented in the Evaluation Framework included in Annex 2 and which has been agreed between Managing Authority and Evaluation Team upon approval of the Inception Report.
16. The Evaluation Framework consists of a comprehensive plan for the evaluation, which builds on the understanding of the evaluation themes and questions and that defines, for each question, an **evaluation grid** consisting of:
- ▶ Judgment Criteria;
  - ▶ Types of Analysis;
  - ▶ Sources of information, distinguished in:
    - ▶ **Primary Sources** of information (key reference actors and/or institutions);
    - ▶ **Secondary Sources** of information (key reference documents).
17. During the field phase, information from primary and secondary sources has been gathered and structured to feed our analysis and finally express a judgment according to the Evaluation Framework.
18. According to the Inception Report, a sample of 20 projects was included in the analysis and surveyed by means of a questionnaire submitted in electronic format. The initial sample composition was revised, due to the lack of response of the unsuccessful applicants, but modifications were operated so as to keep the structure identical with the original one.

#### 1.3.2. Limitations

19. In answering to the questions included in the ToR we have encountered the following limitations:
- ▶ Relevance: for Serbia there is lack of comprehensive and standardized statistical data-set at NUTS III level (Nomenclature of Units for Territorial Statistics), for this purpose also data at national and regional level have been taken into account;
  - ▶ Horizontal Issues: quantitative data concerning the contribution of contracted projects to horizontal issues as well as application files were not available, therefore our analyses are rich in qualitative aspects, based on the information provided by survey respondents and a sample of progress reports; Cross-Border Added Value: the joint character of the projects, defined as number of projects respecting the four criteria of joint development, joint staffing, joint implementation and joint financing is not fully captured by Programme indicators. The Programme Indicator, “Increased degree/intensity of Cooperation between public services/public authorities, municipalities”, measures in fact the “Number of projects between public authorities with joint development, joint implementation and joint financing”, providing a limited picture of cooperation in terms of the beneficiaries considered (only half of the projects financed under the First Call include Project Partners – Public Authorities) and because the four aspects are not « counted » separately. For this reason our analyses have been largely based on qualitative aspects, derived from the information provided by survey respondents and a sample of progress reports.

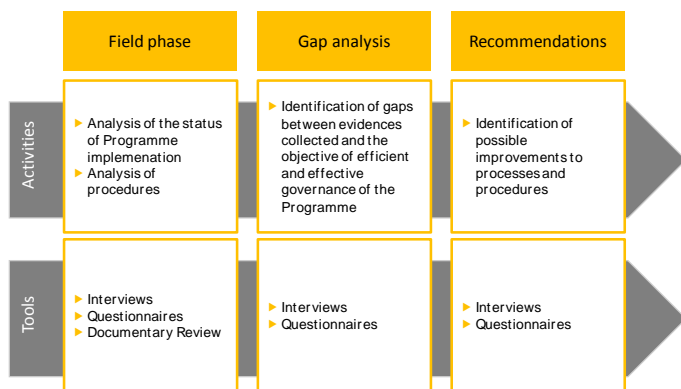
Despite the existing limitations, we have been able to answer to all the evaluation questions, feeding our judgements with the alternative available sources of information.

### 1.3.3. Structuring recommendations

#### Gap analysis

20. In order to structure our recommendations for the improvement of the Programme, we have analyzed the existence of possible gaps between the evidence collected during the field phase, and the objectives of an efficient and effective governance and implementation of the Programme, that accounts for the needs of the different stakeholders of the Programme (management, implementation structures and beneficiaries).
21. The approach has been functional to the identification of critical issues related to the Programme and propaedeutic for proposing possible improvements to the processes and procedures adopted up to date. The analysis was built upon the information collected from primary and secondary sources and ad-hoc elaborations enabling the comparison between evidences collected and expected results.

**Figure 1: Gap Analysis Approach**



#### Recommendations

22. Based on such findings, we have drawn conclusions on the areas of the Programme that can be subject to improvement in terms of reducing the gaps between planned objectives and current performance and we have provided recommendations to improve processes and procedures.

## 2. Evaluation results

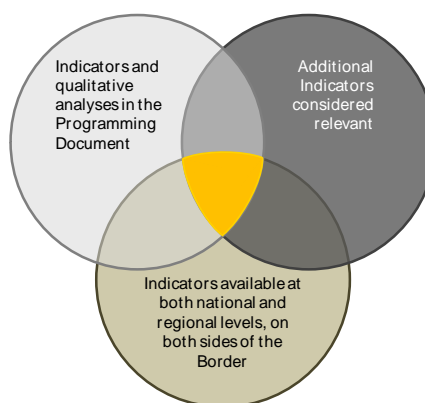
### 2.1. Relevance

#### (2.a) Are the objectives of the programme still valid?

##### Methodology used

1. This section comprises an analysis of the main socio-economic variables in the Programme area for the period 2005-2010, together with a “revalidation” of the SWOT analysis included in the Operational Programme of the IPA CBC “Romania – Republic of Serbia”. The relevant indicators used during the programming phase included in “Description and Analysis of the Programme Area” Section of the Programming Document (under Chapters 3.1 to 3.7), have been updated in order to compare the assumptions made during the Programming period (i.e. before 2005), with the current socio-economic context of the Programme area. Additional relevant indicators were also identified such as the density of SMEs, average wages of the population and tourism facilities in the Border Area, in all cases taking into account the availability of data on both sides of the border and the possibility of drawing comparisons against the respective national averages.

Figure 2: Identification of socio-economic Indicators



2. For the purpose of the analysis, multiple sources of information were used, the main ones being:
  - ▶ Romanian National Institute of Statistics (via the Tempo Online Database or through Monthly Statistical Bulletins, covering the period 2005-2011) for NUTS III level data, on the three Romanian counties Caraş-Severin, Mehedinţi and Timiş;
  - ▶ Institute of Statistics of the Republic of Serbia, used for acquiring statistical data referring to the Serbian districts located in the Programme area: North Banat, Central Banat, South Banat, Bor and Braničevo (main publications used were “Municipalities of Serbia” for the period 2005-2011);
  - ▶ Eurostat Database, for confirming the reliability of secondary data sources and of articles referred to within the section, and for acquiring data at national levels, both for Romania and Serbia.
3. Despite the approach adopted for updating the socio-economic analysis of the Programme area, a number of limitations had to be assumed:
  - ▶ Due to the fact that the Republic of Serbia is not a member state of the European Union, there is no comprehensive and standardized statistical data-set at NUTS III level (Nomenclature of Units for Territorial Statistics);
  - ▶ The Serbian equivalent of NUTS III regions is represented by the “district”; however statistical indicators are not always available at “district”-level (e.g. values regarding the Gross Domestic Product are only calculated at NUTS I-II equivalents, which represent national and regional levels).

**Testing of the assumptions of the Programme socio-economic analysis**

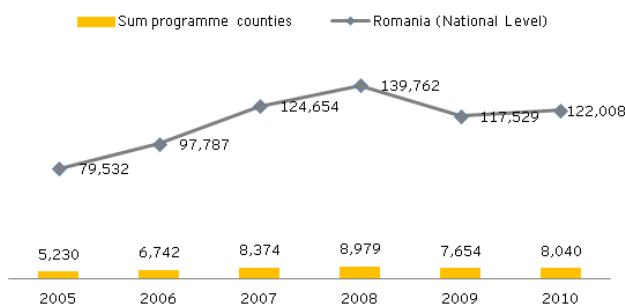
*Overview of developments between 2004 and 2010*

4. As expected, the Programme eligible area has not changed during the first years of implementation: it consists of the three Romanian border counties of Caraş-Severin, Mehedinţi and Timiș and the five Serbian districts of North Banat, Central Banat, South Banat, Bor and Braničevo.
5. In the years prior to Romania’s accession to the European Union, and until 2009, the country’s economy flourished, experiencing a period of unprecedented growth (the GDP more than doubling in the period 2004-2008). Serbia’s economy performed in a similar manner, experiencing a constant and significant growth, from 2004 to 2008 with the National Gross Domestic Product doubling between 2004 and 2008.
6. However, the 2009 economic and financial crisis brought negative effects on the private sector, public administration and citizens, not only at a national level, but also regionally for both countries as shown by the pattern of evolution of the main macro-economic and social indicators (see following sections), forcing the respective governments to adopt targeted measures in support of their economies.
7. At the same time Cross-Border initiatives aimed at maintaining and developing the cultural relationship between Romania and Serbia kept on being implemented in the Programme area, through the External Border Initiative Programme for Romania, and through the 2004-2006 Neighbourhood Programme (prior to the introduction of the Pre-Accession Instrument – IPA).

*Gross Domestic Product*

8. The comparison between the evolution of the Romanian and Serbian GDP in the eligible border areas has been limited by the lack of available data for Serbia at district-level. For this purpose the analysis performed covers GDP trends at county level for Romania and at national and regional level for Serbia.
- *Romanian border area<sup>2</sup>*
9. The GDP in the Romanian Programme counties has steadily increased over the period 2005- 2009, until when starting in 2009 it experienced a significant decrease, in line with the national GDP, with the first signs of recovery registered in 2010.

**Figure 3: Evolution of GDP in the Romanian Programme area (mn. EUR)**



Source: Elaboration of statistical data provided by the NIS of Romania

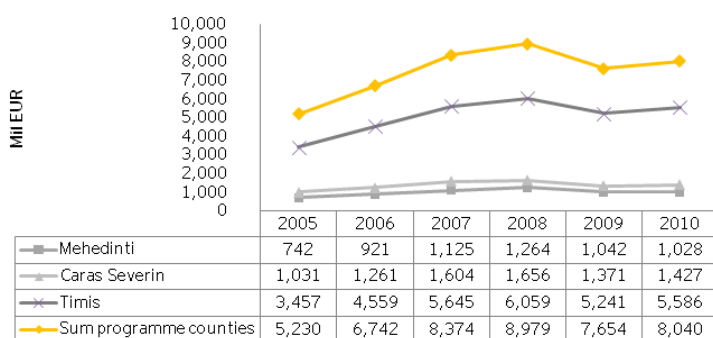
<sup>2</sup> National Forecast Committee, Analysis of main socio-economic indicators - Territorial Profile, March 2011



10. On a yearly basis the programme counties have accounted for approximately 7% of the national GDP (average of 7,503.16 Million Euro for the three eligible counties). The pattern of evolution for the three counties, compared to the national levels. An analysis at the level of county shows that the best performing of the Romanian border counties is Timiș , which in terms of GDP accounts for more than double of the sum of the GDPs of Caraș -Severin and Mehedinț i.

For Timiș , both the growth rate (pre-2009) and decrease (post-2009) have been more abrupt, when compared to the other two counties: for example, 43% increase in Timiș vs. 39% increase in Mehedinț i and Caraș -Severin, for the period 2005-2008):

**Figure 4: Evolution of GDP in the Romanian Programme area (by county)**

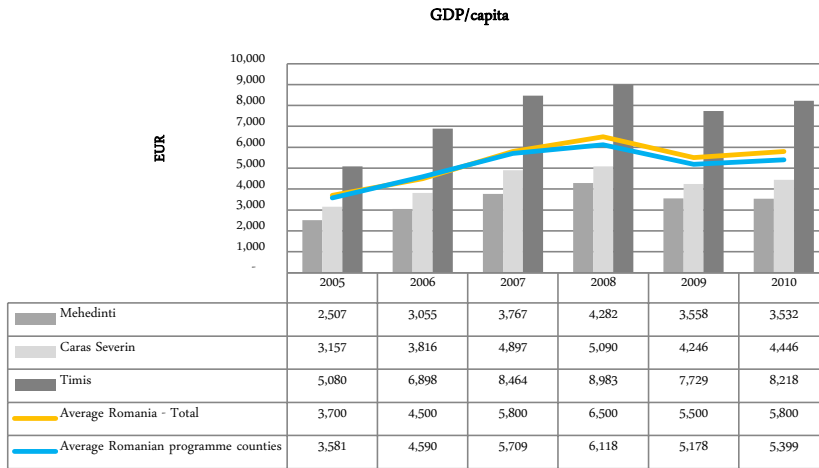


Source: Elaboration of statistical data provided by the NIS of Romania

11. The trends in GDP/capita evidence similar patterns, showing an increase in the pre-2008 period, followed by a sudden decrease in 2009 and stagnation/mild increase in 2010. In addition, although, the average GDP/capita for the Programme counties has increased in absolute terms, between 2005 and 2010, it is still significantly lower, both compared to the national and EU 27 average (16% of the EU average in 2005, to 22% in 2010)<sup>3</sup>:

<sup>3</sup> Eurostat, 2010

**Figure 5: GDP per Capita in the Romanian Programme Area**

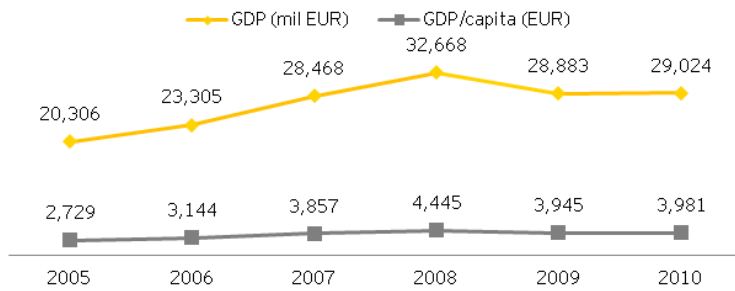


Source: Elaboration of statistical data provided by the NIS of Romania

► *Serbian border area<sup>4</sup>*

- Serbia's national GDP grew strongly and consistently through most of the last decade, from 12.8 billion Euros in 2001 to 32.7 billion Euros in 2008<sup>5</sup>, registering an overall 30% increase, until growth was halted by falling domestic and international demand, and lower inflows of foreign capital:

**Figure 6: GDP in Serbia in the period 2005-2010**



Source: Elaboration of statistical data provided by the NIS of Serbia (Statistical Yearbook 2011)

Despite the substantial growth recorded, the values of GDP/capita of the Republic of Serbia remain low, when compared to the EU27 average.<sup>6</sup>

<sup>4</sup> Statistical Yearbook of Serbia 2011

<sup>5</sup> Ministry of Finance of the Republic of Serbia, "Basic Indicators of Macroeconomic Trends" (August 2011)

<sup>6</sup> Eurostat, 2010

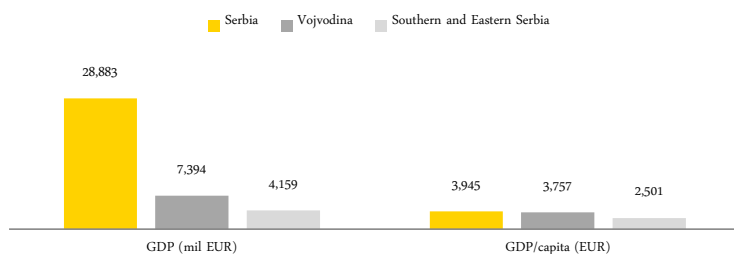
**Table 1: GDP per Capita in Serbia, as percentage of EU-27 average**

	2005	2006	2007	2008	2009	2010
GDP/capita (EUR)	2,729	3,144	3,857	4,445	3,945	3,981
EU 27 average	22,500	23,700	25,000	25,000	23,500	24,400
% of EU-27 average	12%	13%	15%	18%	17%	16%

Source: Eurostat

13. The GDP/capita has been further analyzed at local level, taking into account the available data<sup>7</sup> for 2009 for 2 Serbian Regions comprising the 5 districts included in the Programme, being respectively Vojvodina (covering North Banat, Central Banat and South Banat) and Southern and Eastern Serbia (covering Braničevo and Bor).

The analysis shows that the GDP per-capita in Vojvodina region is close to the national one, while in Southern and Eastern Serbia, it is about 63.3% compared to the national GDP/capita.

**Figure 7: GDP Disparity in Serbia at NUTS II level, in 2009**

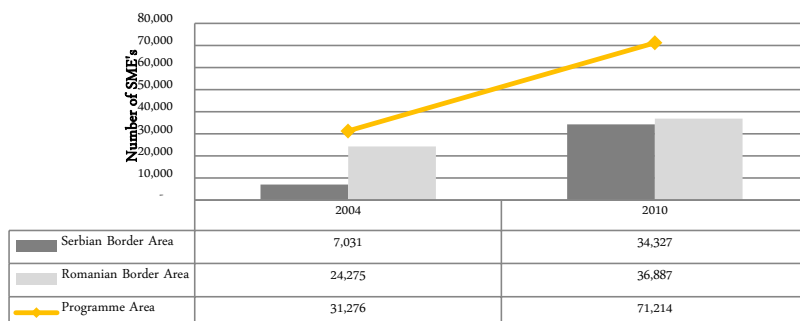
Source: Elaboration of statistical data provided by the NIS of Serbia

14. Overall, when comparing the GDP / Capita for the year 2009 between Serbian regions and Romanian eligible counties it results that the values on the Serbian side are only 56% of those for Romania, such discrepancy being even stronger than the discrepancy between the national GDPs / Capita (i.e. GDP / Capita in Serbia represents 71% of the one in Romania).

#### *Small and Medium-sized Enterprises*

15. The Programme area has been characterized by a substantial growth in the number of SMEs, which have more than doubled over the period 2004-2010. The increase has been largely driven by the Serbian side of the border where the number of SMEs increased from 7,031 in 2004 to 34,327 in 2010. A positive yet milder trend was registered also in Romania:

<sup>7</sup> "Regional GDP of the Republic of Serbia", website of the National Institute of Statistics, accessed on 31 January 2012: "[http://webzrs.stat.gov.rs/WebSite/userFiles/file/Nacionalni/Regional\\_GDP.pdf](http://webzrs.stat.gov.rs/WebSite/userFiles/file/Nacionalni/Regional_GDP.pdf)"

**Figure 8: Number of SMEs in the Programme Area**

Source: Elaboration of statistical data provided by NIS of Serbia and NIS of Romania

16. An analysis of the density<sup>8</sup> of SMEs operating in the Programme area in the period 2004<sup>9</sup> -2010<sup>10</sup> confirms the above trends, showing an increase from 4.99 to 36 companies per 1.000 inhabitants on the Serbian side of the border and from 16 to 29 on the Romanian one. The outlook on the density of SMEs in the Programme area in 2010 is presented:

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**Table 2: Density of SMEs in the Programme Area**

Programme Area	Number of SMEs	Population	Density
<b>Serbian National Level</b>	<b>282,259</b>	<b>7,306,677</b>	<b>39</b>
<b>Serbian Programme districts<sup>11</sup></b>	<b>34,327</b>	<b>959,311</b>	<b>36</b>
North Banat	4,811	151,982	32
Central Banat	5,681	191,031	30
South Banat	13,622	298,400	46
Braničevo	6,383	187,341	34
Bor	3,830	130,557	29
<b>Romanian National Level</b>	<b>523,501</b>	<b>21,462,186</b>	<b>24</b>
<b>Romanian Programme counties<sup>12</sup></b>	<b>36,887</b>	<b>1,293,086</b>	<b>29</b>
Caraş-Severin	5,574	322,060	17
Mehedinţi	4,289	292,231	15
Timiş	27,024	678,795	40
<b>All Programme Area</b>	<b>71,214</b>	<b>2,252,397</b>	<b>32</b>

Source: Elaboration of statistical data provided by NIS of Serbia and NIS of Romania

17. As it can be observed, the average density of SMEs in the Romanian area is above the national average, with a very diverse performance at Regional level: in Caraş -Severin and Mehedinţi i the density of SMEs is around half of the national one (15 and 17, compared to 30 at country level) as opposed to Timiş county, which is exceeding by approximately 30% the national average (40 SMEs/1000 inhabitants).

<sup>8</sup> Number of Small and Medium Enterprises per 1000 inhabitants

<sup>9</sup> Figure present in the Programming Document, Final English Version, p. 11

<sup>10</sup> For Serbian district figures: National Agency for Regional Development, Report on Small and Medium Sized enterprises and entrepreneurship 2010; for Serbian and Romanian National figures: EC SBA Factsheets -Serbia/Romania for 2010/2011; for Romanian county figures:

<sup>11</sup> National Agency for Regional Development, Report on Small and Medium Sized enterprises and entrepreneurship 2010

<sup>12</sup> National Council of SMEs in Romania, The White Charter of Romanian SMEs 2011

18. On the Serbian side of the border the average density of SMEs is slightly below the national average with, again, diverse performance at district level: in South Banat, the number of SMEs per 1000 inhabitants is larger than the national level; while the other four Serbian districts are below the national average.

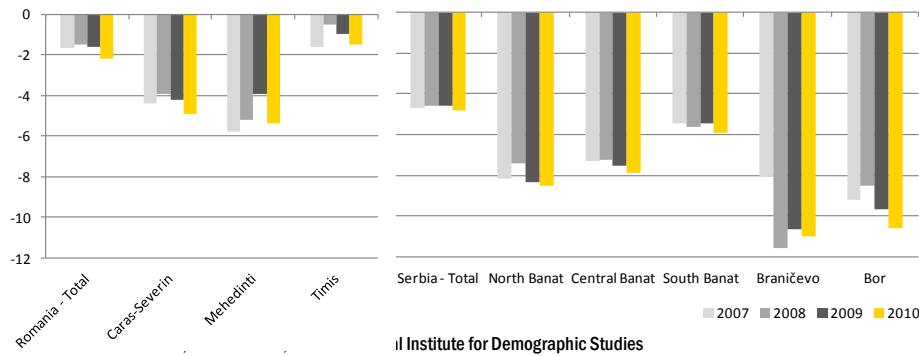
*Population Statistics*

19. As showcased by the analysis of demographic indicators performed in the following section, the demographic distribution of the Programme area did not change significantly during the analyzed period: negative natural increase, aging of the population and shrinking of the workforce still remain the main challenges.

► *Natural Increase in Population*

20. Over the period 2007-2010 the indicator “Natural Increase in population” for the Programme area registered a negative trend confirming the one already identified in the Programming Document for the period 2002-2003. The average decrease in population for the Serbian eligible area is -9‰ (compared to -5.8‰ in 2002<sup>13</sup>) nearly double than the one of the Romanian eligible area -4‰, while in both cases the decrease rate is above the respective national averages.

**Figure 9: Measured Natural Increase in Population, for the period 2007-2010 (Expressed as a rate per 1000 inhabitants)**

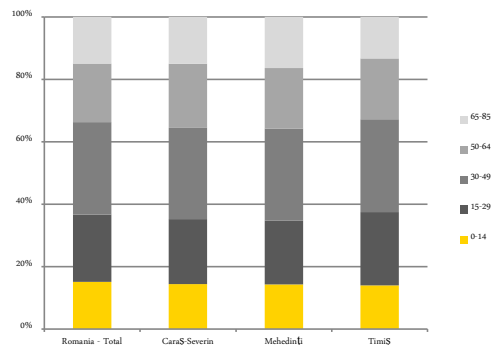


21. The above trends have not affected the total ratio of Serbian / Romanian population living in the border area, varying from 44% / 56%, in 2004, to approximately 43% / 57%, in 2010. Also the density of the population experienced a minor variation: in the Serbian border area decreasing from 60.59 inhabitants/km<sup>2</sup> in 2004 to 56 in 2010, while remaining almost constant in the Romanian eligible area: 59.1 in 2004 to 58.4 in 2010.

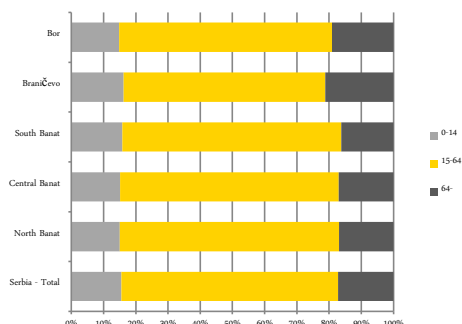
► *Average age of the population*

22. With regard to the average age of the population, no major changes occurred during the 2005-2010 period. For the Serbian eligible area, the average age of the population – 41 years, as the distribution per age groups remained constant and on the Romanian border area no significant changes in the structure of the population occurred during the 2005-2010 period.

**Figure 9: Age Distribution of the Population in the Serbian and Romanian eligible areas (Average of the 2005-2010 period)**



<sup>13</sup> Figure present in the Programming Document of the Romania



Source: NIS of Serbia, NIS of Romania

#### Labour Market in the Border Area

23. On both sides of the border employment trends manifest similar tendencies in terms of constant decrease in the number of employed persons, in line with the negative tendencies at national levels. In order to fundament our analysis we have used three different indicators for measuring the Labor Market status of the Programme area: number of employees, unemployment rate and average wage levels.
- *Number of employees*
24. This indicator computes all the persons who work for an income and whose work is usually done in one of the activities of the national economy, being defined as an economic or social activity, based on a work contract or a free-lance activity (self-employed) in order to get income such as salary, in kind payment, etc.
25. In line with the trends of the GDP, the number of employees on the Romanian border area has grown constantly over the period 2005-2008 and contracted starting from 2009 as a consequence of the economic downturn. In the three Romanian counties between 2008 and 2010, the number of employees reduced by 8% (i.e. almost 30,000 jobs were lost), slightly above the national average of 6%.
26. The Serbian districts experienced almost constant values of the number of employees for the period 2005-2008, with a mild downward trend registered only in the District of Bor. However, as in the case of the Romanian Border region, 2009 saw an abrupt decrease in the number of employees for the entire Serbian eligible area (13% on average). Similarly to the case of Romania, in Serbia the registered decrease in 2009 is higher in the border region, as compared to the national levels.

Table 3: Employment Rate of the Population, for the period 2005 - 2010

Programme Area	2005	2006	2007	2008	2009	2010
Serbia - Total	278	274	271	272	258	246
North Banat	233	229	231	234	223	215
Central Banat	218	215	215	216	207	203
South Banat	246	234	238	238	218	201

Programme Area	2005	2006	2007	2008	2009	2010
Braničevo	198	202	210	211	198	193
Bor	249	242	224	224	213	208
Romania – Total	211	216	227	234	222	214
Caraş-Severin	180	180	192	195	181	174
Mehedinţi	154	157	162	165	155	150
Timiş	288	302	315	322	300	287
All Programme Area	220.75	220.12	223.42	225.68	211.93	203.79

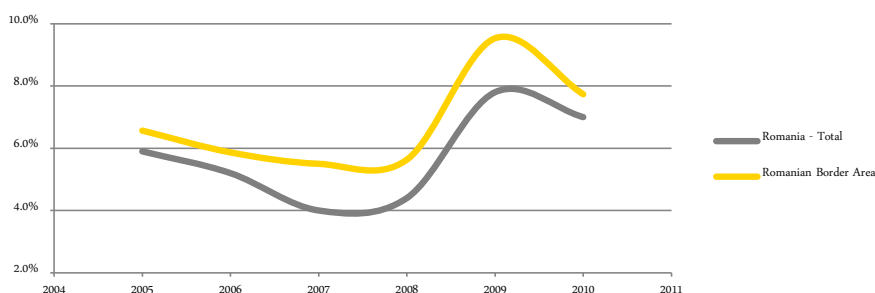
Source: NIS of Serbia, NIS of Romania

27. Through the entire analyzed period, Timiş County has been the best performing area of the cross-border region, showcasing an employment rate nearly double the one of Mehedinţi i.

► *Unemployment rate*

28. The unemployment rate represents the ratio between the number of unemployed people (registered at employment agencies) and civil economically active population (unemployed + civil employed, defined according to the methodology of labour force balance).
29. Boosted by the economic growth, the unemployment rate in the Romanian border regions registered a constant reduction over the period 2006-2008, followed by a considerable increase in 2009 while remaining for the whole period of analysis above the national average.

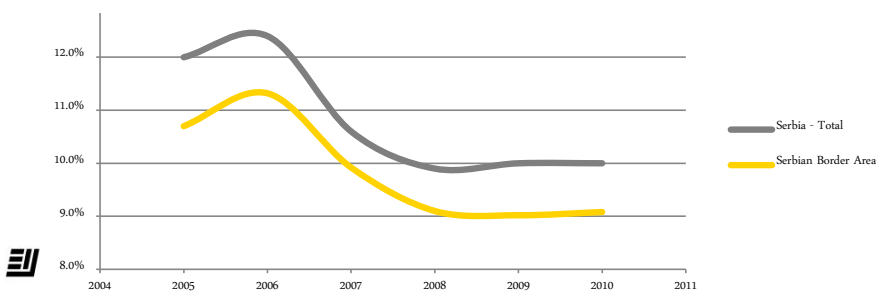
Figure 10: Variation of unemployment levels at national level / Programme Area for Romania



Source: NIS of Romania

30. In the three Romanian counties, the highest unemployment rate is registered in Mehedinţi (10.5% in 2010) and the lowest in Timiş (3.7% in 2010) which is the only unemployment rate below the Romanian national average.
31. On the Serbian side of the border, four out of the five districts exhibit an unemployment rate close to 10%, a value which is in line with the unemployment rate at national level (almost constant, at 10%, since 2007). The lowest is registered in 2010 in the district of Braničevo, amounting to 4.8%.

Figure 11: Variation of unemployment levels at national level / programme area for Serbia



Source: NIS of Serbia

According to the website of the Government of Serbia<sup>14</sup>, the strongpoint of the Braničevo's economy is the food-industry. This is mainly represented by the food giant *Agricultural-Industrial Combine Pozarevac*, which provides employment to a significant number of inhabitants.

32. A complete overview of the unemployment rates, during the period 2005-2010, at regional-national levels is to be observed in the table below:

**Table 4: Unemployed persons, for the period 2005 – 2010 (expressed as rate per 1000 inhabitants)**

Programme Area	2005	2006	2007	2008	2009	2010
Serbia – National Level	120	124	106	99	100	100
North Banat	112	113	97	101	97	94
Central Banat	137	147	132	105	102	103
South Banat	131	135	114	103	107	113
Braničevo	49	52	51	50	49	48
Bor	106	119	102	96	96	96
Romania – National Level	59	52	40	44	78	70
Caraş-Severin	79	64	68	60	102	90
Mehedinţi	95	92	81	93	139	105
Timiş	23	20	16	16	45	37
All Programme Area	91.50	92.75	82.63	78.00	92.13	85.75

Source: NIS of Romania, NIS of Serbia

33. It is also to be noted that the gender ratio of the unemployed persons is different in the two border regions: in the Republic of Serbia, women represent more than half, averaging 52% of the total number of unemployed persons (slightly below the national average of 53%), while in Romania the ratio is 43% (above the national ratio of 42%).

► *Average Wage Levels in national currencies*

34. Average wage levels represent the gross amounts directly paid to employees (direct expenditure) from salary fund (including bonuses and payment in kind) respectively, amounts paid for the work done (base salary, additions or indemnities as percentage or fixed amounts, other additions to base salary).
35. During the 2005-2010 interval, the wage levels in Romania encountered an unprecedented growth, nearly doubling from 968 Lei in 2005 to 1,910 Lei in 2010. The variation was however not constant, encountering a significant increase until 2008, followed by a more tempered growth for the rest of the period.
36. Wage levels in the Programme area have followed a similar behaviour as the national one, with a sudden increase in the 2008-2009 period, halted by the dawn of the economic crisis in 2009.

The situation is however quite diversified among the counties, the average wage in Timiş being the only one in line with the national average (even overcoming it in 2010) while the salary level for Caraş -Severin and Mehedinţi amount to respectively 75% and 90% of the of the average national gross salary.

<sup>14</sup> Website of the Serbian Government: "http://www.arhiva.serbia.gov.rs/cms/view.php?id=1157", accessed on January 30th, 2012





41. In fact the EUR has gained more than 30% in value against the Serbian dinar over the period 2007-2010, while the Romanian Leu, exhibited only minor fluctuations in the period 2008-2011, the Euro averaging only a 5% increase over the whole period.

**Table 5: Average gross salaries and wages in Romania and Serbia (expressed in Euro) and in the Programme area (expressed as percentage of the national amounts), for the period 2005-2010**

	2005	2006	2007	2008	2009	2010
<i>Average wages in Romania (EUR)</i>	<i>n/a</i>	<i>n/a</i>	<i>387</i>	<i>438</i>	<i>436</i>	<i>448</i>
Caras-Severin (%)	n/a	n/a	79	79	84	86
Mehedinți (%)	n/a	n/a	97	96	95	94
Timiș (%)	n/a	n/a	99	100	99	98
	2005	2006	2007	2008	2009	2010
<i>Average wages in Serbia (EUR)</i>	<i>298</i>	<i>402</i>	<i>488</i>	<i>515</i>	<i>460</i>	<i>449</i>
North Banat (%)	98	93	93	93	92	89
Central Banat (%)	97	95	93	95	95	95
South Banat (%)	106	104	104	105	100	104
Braničevo (%)	100	100	104	100	100	98
<i>Source: NIS of Serbia</i>	<i>77</i>	<i>84</i>	<i>95</i>	<i>91</i>	<i>92</i>	<i>96</i>

Source: NIS of Romania and NIS of Serbia

#### *Investments in tourism Infrastructure*

42. On the Romanian side of the border five national parks span over the counties of Mehedinți and Caras-Severin (“Semenic - Cheile Carașului”, “Cheile Nerei-Beușnița”, “Domogled-Valea Cernei”, “Porțile de Fier” and “Bucegi”) while on the Serbian eligible area the Đerdap National Park (listed under of UNESCO, World Heritage Centre) stretches along the right bank of the Danube, over an area of 640 square kilometers.
43. Grasping on such potential as a strong tourist destination for those seeking what is now considered “eco-tourism”, both the infrastructure and number of tourist accommodation facilities have improved, compared to the period in which the Programming Document was prepared.
- *Accommodation facilities and number of rooms*
44. In the period 2007-2011 the number of hotel rooms available in the five Serbian districts increased by 30% (from 3719 in 2007 to 4815 in 2011), mainly as a result of increases in the capacity of existing infrastructure rather than for the creation of new tourist facilities (the number of facilities increased by 10% in the same period, from 88, to 96).
45. The district of South Banat currently has the highest number of tourist facilities (28), with nearly three times the number of rooms, than the Central Banat district (13 accommodation facilities).

**Table 6: Number of accommodation facilities and number of rooms, in Serbia, 2007 – 2011**

Area	2007		2008		2009		2010		2011	
	No. of facilities	No. of rooms	No. of facilities	No. of rooms	No. of facilities	No. of rooms	No. of facilities	No. of rooms	No. of facilities	No. of rooms
<b>Serbia total</b>	<b>898</b>	<b>45,009</b>	<b>948</b>	<b>46,349</b>	<b>965</b>	<b>45,356</b>	<b>1,038</b>	<b>48,041</b>	<b>1,039</b>	<b>50,784</b>
<b>Avg. of Serbian Border Area</b>	<b>18</b>	<b>744</b>	<b>18</b>	<b>762</b>	<b>19</b>	<b>839</b>	<b>19</b>	<b>852</b>	<b>19</b>	<b>963</b>
Central Banat District	13	290	13	290	13	372	13	366	13	435
North Banat District	19	533	19	533	19	547	19	550	18	605
South Banat District	23	1,115	23	1,151	25	1,157	25	1,175	28	1,218
Braničevo District	16	850	16	885	18	984	19	998	17	1,259
Bor District	17	931	18	951	20	1,137	21	1,171	20	1,298

Source: NIS of Serbia

46. The tourist capacity in the Romanian eligible area constantly increased throughout the 2007-2010 period. However, great discrepancies exist between the three counties: Mehedinți exhibiting only 20% of the number of accommodation facilities of the other Romanian counties.

**Table 7: Number of accommodation facilities and number of bed-places, in Romania, 2007 – 2011**

Area	2007		2008		2009		2010		2011	
	No. of facilities	No. of bed-places	No. of facilities	No. Of bed-places	No. of facilities	No. of bed-places	No. of facilities	No. of bed-places	No. of facilities	No. of bed-places
<b>Romania total</b>	<b>4,694</b>	<b>283,701</b>	<b>4,884</b>	<b>294,210</b>	<b>5,079</b>	<b>302,755</b>	<b>5,222</b>	<b>311,698</b>	<b>5,003</b>	<b>278,503</b>
<b>Avg. of Romanian Border Area</b>	<b>80</b>	<b>4,672</b>	<b>95</b>	<b>4,924</b>	<b>96</b>	<b>5,331</b>	<b>97</b>	<b>5,173</b>	<b>140</b>	<b>7,272</b>
Caraș-Severin	118	7,015	118	7,214	144	7,906	143	7,139	149	7,071
Mehedinți	19	1,276	19	1,223	30	1,537	27	1,524	n/a	n/a
Timiș	102	5,724	148	6,335	115	6,550	122	6,857	131	7,472

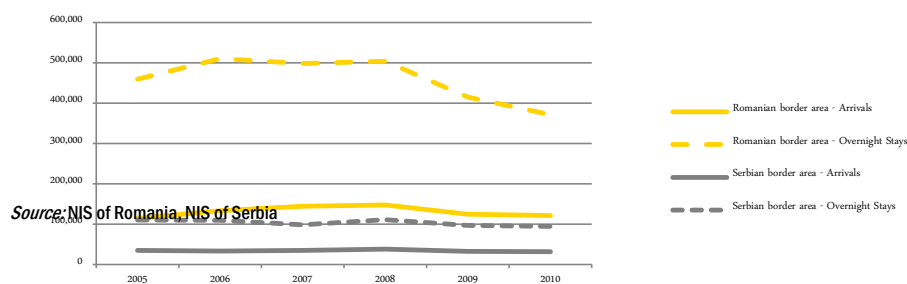
Source: NIS of Romania

► Arrivals and overnight Stays

47. With regard to arrivals and overnight stays in the tourist facilities in the Romanian border area over the 2005-2010 period, the evolution pattern shows an overall increase between 2005 and 2008 and an abrupt contraction in 2009 and 2010.

In Romania, at county level, Timiș registered the highest number of arrivals which is actually almost twice as large as the average of the Romanian border area (on average, 240,000 arrivals for the period 2005-2010) while Caraș-Severin County has the highest number of overnight stays, averaging at around 670,702 per year for the taken period (see tables in Annex 11).

**Figure 14: Number of arrivals and overnight stays in the Programme Area, in the period 2005-2010**



48. On the Serbian side of the border, both the number of overnight stays and arrivals remained relatively constant through the entire analyzed period (2005–2010). The highest number of arrivals were registered in Bor District, amounting to more than double of the arrivals registered in the other four districts.

Transport Infrastructure

► Pan-European Corridors

49. The Programme area finds itself in the path of two Pan-European corridors (IV and X), together with the Danube River Corridor VII, a fact which transforms the region in an important transport node for the future of the European road infrastructure development.

Figure 15: Pan-European Transport Corridors



Source: Market Intelligence for the Logistics and Transport Industry:  
"http://www.transportintelligence.com", accessed on 19 March 2012

50. In June 2010, according to a report of the Directorate General for Mobility and Transport of the European Commission, concerning the Implementation of the Priority Projects under the TEN-T Transport Corridors,<sup>15</sup> no significant investments had taken place in the Programme Area. Since that moment the following developments have occurred:

<sup>15</sup> "http://tentea.ec.europa.eu/download/publications/progress\_report\_superfinal\_web.pdf"

► Corridor IV (Road and Rail) - Romania

- ▶ Ongoing preparations and pre-feasibility studies for the modernization of 153km of railway, connecting Timiș oara with other major cities in the Romanian area<sup>16</sup>;
- ▶ Opening on 17 December 2011 of a segment of highway, spanning across 32 km, which connects Timiș oara and Arad (located northwards from the Programme eligible area. Works are undergoing for the completion of Timiș oara's bypass road, which is due to be finalized in late 2012;

► Corridor X (Road and Rail) - Serbia

- ▶ In October 2011, the northern branch of the road Corridor X was completed (Horgos – Novi Sad – Beska), this being in direct vicinity of the Serbian Programme Area.

► Corridor VII (Danube)

- ▶ The major ongoing project is the implementation of RIS - River Information Services on the Danube in Serbia. The RIS implementation project on the Danube in Serbia is financed by the EU via IPA funds, amounting to 10 Million Euro. The outcome of project implementation is an operational RIS system, consisting of ship locating and tracking subsystem, that is expected to be one of the most complex and comprehensive on the entire course of the Danube River;<sup>17</sup>

51. A new multi-modal Pan-European Transport Corridor (known as Corridor XI) connecting Arad-Timiș oara-Vršac-Belgrade-Podgorica-Bar-Bari, that will improve economic relations between Serbia, Romania, Italy and Montenegro, is currently under construction.<sup>18</sup> Works on the new corridor, in the Serbian Programme area started in September 2010, for the completion of the Vrsac City by-pass.

► Other transport infrastructure

52. With the purpose of comparing the state of development of the road infrastructure in the two border regions, we have used the indicator “density of roads”, which represents the number of kilometers of road, per one thousand square kilometers of land.
53. When analyzing the border area, it results that in Romania the number of kilometers of roads per one thousand square kilometers of land is 303, compared to the Serbian border area, which showcases a value of 285, with values veing below the respective national averages.
54. Caraș -Severin County in Romania and South Banat District in Serbia are the two regions with the lowest density of roads, exhibiting values which are significantly below the border area average, and national levels.

**Table 8: Length and Density of Roads in the Programme Area**

Region	Area (km <sup>2</sup> )	Length of roads (km)	Density of roads (Length / 1000 km <sup>2</sup> )
<b>Serbia - Total</b>	<b>88,361</b>	<b>43,258</b>	<b>490</b>
<b>Border Area - Total</b>	<b>17,192</b>	<b>4,898</b>	<b>285</b>
North Banat	2,331	607	260
Central Banat	3,256	736	226
South Banat	4,245	616	145
Braničevo	3,864	1,454	376
Bor	3,496	1,485	425
<b>Romania - Total</b>	<b>238,391</b>	<b>81,713</b>	<b>343</b>
<b>Border Area - Total</b>	<b>22,144</b>	<b>6,716</b>	<b>303</b>
Caraș -Severin	8,514	1,948	229

<sup>16</sup> Priority Projects – Railways - of the Romanian Ministry of Transports, published in December 2010, <http://www.mt.ro>

<sup>17</sup> Portal of the The EU Strategy for the Danube Region and Serbia, Projects in Progress, “<http://www.dunavskastrategija.rs/en/>”, accessed on 2 May 2012

<sup>18</sup> Government of the Republic of Serbia, Ministry of Infrastructure – Corridor X, Ongoing activities, presentation held in Bucharest on 4 February 2010, “<http://www.seetac.eu/media/7582/government%20of%20the%20republic%20of%20serbia%20ministry%20of%20infrastructure.pdf>, accessed on 2 May 2012”;

Region	Area (km <sup>2</sup> )	Length of roads (km)	Density of roads (Length / 1000 km <sup>2</sup> )
Mehedinți	4,933	1,857	376
Timiș	8,697	2,911	335

Source: Elaboration of data provided by NIS of Serbia and NIS of Romania

55. A similar approach has been applied, in order to analyze the status of the rail infrastructure in the area. However, data on the length of railways in the Serbian Programme Area was not available, therefore only national level values were taken into consideration for Serbia.
56. From data available at national levels, we can conclude that Romania has a density of railways per one thousand kilometers of land which is nearly equal to the one of Serbia – 46, compared to 43-49, both values being slightly below the European average of 50.1 km / 1000km<sup>2</sup>.
57. Regionally, in Romania, there are great discrepancies between the counties themselves: Timiș has the highest density (91 km / 1000 km<sup>2</sup>), while the lowest is in Mehedinți (25 km / 1000 km<sup>2</sup>).

**Table 9: Length and density of Railway Lines in the Programme Area**

Region	Area (km <sup>2</sup> )	Length of railway (km)	Density of railway (Length / 1000 km <sup>2</sup> )
<b>Serbia - Total</b>	<b>88,361</b>	<b>3,809<sup>19</sup></b>	<b>43<sup>20</sup> - 49<sup>21</sup></b>
<b>Romania - Total</b>	<b>238,391</b>	<b>20,210</b>	<b>46<sup>22</sup></b>
<b>Romanian Border Area</b>	<b>22,144</b>	<b>1,260</b>	<b>57</b>
Caraș -Severin	8,514	341	40
Mehedinți	4,933	124	25
Timiș	8,697	795	91

Source: Data on Romania: NIS of Romania, Data on Serbia – please refer to the footnote below

58. With regard to air transportation, the only large airport in the Programme area remains the “Traian Vuia” Timișoara International Airport, which in fact is the third largest airport in Romania (considering the number of passengers in transit per year), with a figure of nearly one million passengers per year.
59. Even though there is no major (international) airport in the five Serbian districts, the Belgrade International Airport is relatively close to the OP area; the most distant point of the five districts finds itself no further than 200km from Belgrade.

► *State of transport infrastructure and developments in the period 2005-2010*

60. According to data made available by the National Institutes for Statistics of both Serbia and Romania, with regard to the (kilometers of) roads built during the period 2005-2010, we can state that no significant investments took place. Additionally, the number kilometers of road with modernized road surface increased by no more than 5%, for both sides of the border, during the entire period.
61. The state of infrastructure (both road and rail) in the Programme area is below western standards, requiring massive investments in the future periods, facts which are confirmed by sources from both sides of the border:
  - **Republic of Serbia:** according to the General Master Plan for Transport in Serbia, the technical condition of roads is not satisfactory; more than half of local roads are not appropriate for needs of modern traffic,

<sup>19</sup> Needs of the Republic of Serbia for International Assistance in the Period 2011-2013, p. 90

<sup>20</sup> Calculations confirmed by database of United Nations Economic Commission for Europe, [http://w3.unece.org/pxweb/Dialog/varval.asp?ma=ZZZ\\_TRRWDensity\\_r&path=../database/STAT/40-TRTRANS/09-TRINFRA/&lang=1](http://w3.unece.org/pxweb/Dialog/varval.asp?ma=ZZZ_TRRWDensity_r&path=../database/STAT/40-TRTRANS/09-TRINFRA/&lang=1), accessed on 2 May 2012

<sup>21</sup> Needs of the Republic of Serbia for International Assistance in the Period 2011-2013, p. 90

<sup>22</sup> Annual Statistical Bulletin, National Institute of Statistics of Romania

32% of the main and regional roads are over 20 years old and only 14% were constructed less than 10 years ago<sup>23</sup>.

- ▶ **Romania:** according to a report prepared by the Ministry of Regional Development of Romania<sup>24</sup>, the high percentage of unmodernized county roads makes connections troublesome, mainly between the main cities in the area Deva - Reșița, Timișoara - Reșița și Timișoara – Deva. Root causes for this are : the lack of highways, increase of traffic on roads which deemed as inadequate for inter-regional and international transports.

▶ *Inter-connectivity between border regions*

62. Regarding the inter-connectivity of the region, the number of border crossings (both land - road/rail, as fluvial - ports) between Serbia and Romania can be considered as adequate since ten border crossing facilities exist, over the span of 546 km. This leads to an average of one road border-crossing, for every 110 km of border, and one railway-crossing, for every 270 km of border.
63. A inventory of all border-crossings between Romania and Serbia is presented in the below table :

**Table 10: Border Crossing Facilities between Romania – Republic of Serbia, by type of crossing**

Type of Crossing	Romanian Side	Serbian Side
Road	Jimbolia	Kikinda Crinja
Road	Naiăș	Kalugerovo
Road	Porțile de Fier I	Djerdap
Road	Porțile de Fier II	Djerdap II
Road	Stamora-Moravița	Varsac Vatin
Rail	Jimbolia	Kikinda Crinja
Rail	Stamora-Moravița	Varsac Vatin
Portuary	Moldova Veche	Gerdap
Portuary	Drobeta Turnu-Severin	-
Portuary	Orșova	-

Source: Website of the Romanian Border Police: "<http://www.politiadefrontiera.ro/>", accessed on January 30<sup>th</sup>, 2012

▶ *Future developments*

64. The 2009 "General Masterplan for Transport in Serbia"<sup>25</sup>, includes the following two priority projects, which shall impact the Programme Area:
- ▶ Rehabilitation / connexion of Belgrade to Pancevo (administrative centre of the South Banat District of Serbia), Vršac and Romanian Border, through a express-way
  - ▶ Construction of the "Banatska Magistrala", which will connect all the Serbian Programme districts with one another through a modernized road.<sup>26</sup>
65. Regarding the first of the above projects, the Romanian administration considers extending the proposed highway<sup>27</sup>, as to connect Belgrade to Timișoara (the capital of Timiș County, in the Romanian Programme Area). Accordingly, preliminary meetings between the Romanian and Serbian Prime-Ministers took place in November 2011.

**Economic changes and applicants**

<sup>23</sup> General Masterplan for Transport in Serbia

<sup>24</sup> According to a report of the Ministry of Regional Development of Romania, published on the Ministry's website: "[http://www.mdri.ro/\\_documente/regiuni/5.V\\_ro.pdf](http://www.mdri.ro/_documente/regiuni/5.V_ro.pdf)"

<sup>25</sup> General Master Plan for Transport in Serbia, Final Report, Annex I – Road Mode, October 2009, pg. 7

<sup>26</sup> *Ibid.*, pg.83

<sup>27</sup> Website of Timiș Online: "<http://www.tion.ro/>", accessed on January 30<sup>th</sup>, 2012

66. The survey performed on a sample of the Programme's beneficiaries outlined the fact that nearly half of the respondents were negatively influenced by the socio-economic conditions, this proving to be an initial limiting factor, with concern to the number/ size of the applications submitted.
67. However, the same sample of beneficiaries, when questioned regarding the link between the evolution of the socio-economic conditions and the projects currently unrolling, mentioned that it will not affect the achievement of current project objectives.

#### Revalidation of the SWOT Analysis

68. The revalidation of the SWOT analysis has been performed by questioning each of the points presented in the initial analysis, providing reference, where appropriate, to the relevant paragraph of the current report, or to secondary sources, such as local development strategies, statistical data and regional studies or articles.
- Due to the limitation concerning the availability of socio-economic data, this revalidation as well as the SWOT Analysis included in the Programming Document are rich in qualitative assessments and assumptions.
69. A judgement has been associated to each aspect presented in the initial SWOT in order to comment on the current status versus the one existing at the time of drafting of the Operational Programme.

#### Strengths

##### Maintained

- Strategic location near three major TEN corridors

*See above paragraph on "Transport Infrastructure"*

- Some aspects of transport infrastructure are developed, and different transport modes available (road, rail, water)

*Water transport represents the area with the highest development potential in the region. Although this was presented in the initial analysis, performed as part of the Programming Document for the current CBC Programme, it is reinforced constantly, and an illustrative example is the European Union Strategy for the Danube Region (released in December 2010). In this respect, one of the major pillars of the aforementioned strategy for the Danube Area, is to improve mobility and multimodality of Inland Waterways.*

- Major natural resources for tourism development: national and natural parks, thermal springs, forests and areas of outstanding natural beauty

*See above paragraph on "Investments in tourism Infrastructure"*

- Environmental protection is an important issue for both countries

*For Romania environmental protection issues are embedded in the Strategy of the Sector Operational Programme Environment 2007-2013 focused on the adoption of the *acquis communautaire*. Furthermore a great number of strategic documents, such as spatial and sector development strategies emphasize the importance of environmental quality for economic development and regional convergence<sup>28</sup>.*

*In Serbia, one third of all the regulations required to be adopted for the alignment with EU legislation, fall under the environmental sector. Furthermore, Serb citizens consider that the country has made major developments in the environmental area, which has also been confirmed by a research of the Serbian European Integration Office SEIO<sup>29</sup>.*

<sup>28</sup> Strategic Evaluation on Environment and Risk prevention under Structural and Cohesion Funds for the period 2007-2013, National Evaluation Report for Romania, [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/evalstrat\\_env/ro\\_main.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/evalstrat_env/ro_main.pdf), accessed on 8 February 2012

<sup>29</sup> Press Release of the Ministry of Environment, Mining and Spatial Planning, of Serbia, from 8 July 2011, accessed on-line, <http://www.ekoplan.gov.rs/en/Republic-of-Serbia-makes-the-largest-progress-in-the-environmental-sector-1268-c35-content.htm>, on 8 February 2012



**Low levels of industrial pollution in areas of scenic beauty**

*Despite a high level of pollution in industrially concentrated perimeters (e.g. SOx and NOx levels are significantly high in Bor district, due to the presence of the copper-mining infrastructure) both the Romanian and Serbian border areas are endowed with natural parks and protected areas that are being preserved from pollution.*

**Capacity in specific areas of higher education and research**

*In the Romanian eligible area there are 5 public universities: in Timiș County there are 4 public universities (Universitatea Politehnică din Timiș oara, Universitatea de Vest Timiș oara, Universitatea de Științe Agricole și Medicină Veterinară a Banatului Timiș oara, Universitatea de Medicină și Farmacie Victor Babeș Timiș oara), covering almost any speciality area; in Caraș -Severin County there is one public university (Universitatea Eftimie Murgu Reș ita). Only in Mehedinți, there is no higher education / research facility.*

*Even though in the Serbian districts there is no public higher education institution, the proximity of the 4 largest universities in Serbia, guarantees easy access to higher education (Universities of Belgrade, Niš, Kragujevac and Novi Sad).*

**Existence of success stories, poles of excellence (e.g. Timiș, Vršac) in area of RTD**

*In the Romanian Programme Area there are numerous Innovation Clusters, such as: “Automotivest” (Automotive), and “ICT Regional Cluster” (IT&C) and “ROSENC Cluster” (Green Energy) in Timiș County and “TURINN Cluster” in Mehedinți.*

*A relevant example of a success story is the Municipality of Vršac, which hosts one of the largest Centres for Support, Research and Development (CSR) in the region, endorsed by leading players in the ICT industry: Red Hat and IBM<sup>30</sup>.*

**Evidence of demand for local cross-border projects**

*See answer to Evaluation Question n. 2.*

**Weaknesses**

**Improved**

**Undeveloped SME sector and business services**

*See above paragraph “Small and Medium-sized Enterprises”*

**Limited number of institutions with experience in cross-border project development / implementation**

*Based on the survey of applicants and beneficiaries, a large number of project partnerships are based on pre-existing relations on the two sides of the border that were created within the framework of pre-accession assistance instruments. Additionally both according to stakeholders and to questionnaire respondents, there are no major difficulties in project implementation with the exception of public procurement.*

**Tourism capacity undeveloped**

*The tourism capacity has been extended, especially on the Serbian side of the border, remaining however partially unexploited due to the effects of the economic downturn.*

**Low level of cooperation between local/public authorities (public services) across the border**

*The Programme is contributing to the increase of cooperation: 21 of the 46 projects financed under the first call for proposals foresee “cooperation between public authorities with joint development, joint implementation and joint financing” (See Analysis of Indicator IR.1 “Increased degree/intensity of Cooperation between public services/public authorities, municipalities”).*

**Very low levels of investment in RTD/Innovation, and FDI**

<sup>30</sup> <http://www.europe.redhat.com/news/article/707.html>, accessed on 9 February 2012

*Foreign Direct Investments in Serbia followed an intuitive pattern in the period 2007-2010, peaking for the first two years and then decreasing with an average of over 20% in each of the two following years, because of the economic crisis<sup>31</sup>.*

*FDI figures for the NUTS II development regions<sup>32</sup> covering the Romanian Programme area show a steady growth of investments in the Western Region (which includes Timiș and Caraș - Severin) more than doubling over the course of the 2005-2010 period (from 1491 Million USD in 2005, to 3446 Million USD in 2010). In the South Western Development Region (which includes the county of Mehedinți), FDI peaked in 2007 and 2009, with values however well below the Western Development Region (2058 Million USD in 2009).*

#### **Maintained**

- Poor state of transport infrastructure**

*Please refer to section above regarding the transport infrastructure.*

- Service sector not well developed**

- High levels of unemployment in specific regions**

*The economic and financial crisis caused a sudden increase in unemployment levels throughout the border region. However, there are high disparities between individual districts / counties: the unemployment level in Braničevo District is generally half of the average of the other Serbian districts (50 / 100 unemployed persons per 1000 inhabitants), the same being valid for Timiș County (37 / 92 unemployed persons per 1000 inhabitants, in 2010).*

- Low capacity environmental infrastructure, particularly in relation to Waste and Waste Water Management**

*With regard to the Serbian border area, nearly 90% of wastewater being discharged by industrial plants is left untreated.<sup>33</sup> In Romania, the Sector Operational Programme Environment is allocating substantial resources for the financing of major projects in the Programme area in the field of wastewater management (PA1) and waste management (PA2).*

*These include wastewater management plants in Timiș (contracted) and Caraș-Severin (under preparation) and waste management facilities in Timiș (contracted) and Mehedinți (under preparation). All projects should be completed until the end of 2015.*

#### **Opportunities**

##### **Fulfilled**

- Improving economic ties between Romania and Republic of Serbia**

*A report of the Serbian Investment and Export Promotion Agency<sup>34</sup> places Romania as the 5<sup>th</sup> largest export partner for Serbia. The same report places Romania as the 6<sup>th</sup> largest trade partner, regarding imports to Serbia, with a total value of 449.5 Million EURO in 2010.*

*The figures above represent a major increase in the foreign trade exchange level, compared to the past years.*

- Resourceful society oriented towards economic development of both counties**

*A strong commitment to the socio-economic development of the Programme area is proved by the high number of applications submitted under the IPA Programme both under the first and second call for proposals and the overall good cooperation at partnership level confirmed by questionnaire respondents.*

- Great potential for environmental and eco-tourism in areas of natural beauty**

<sup>31</sup> International Business & Diplomatic Exchange – Country Report Serbia

<sup>32</sup> Annual Reports of the National Bank of Romania – Foreign Direct Investments in Romania for the years 2005-2010, consulted electronically through <http://www.bnro.ro>, accessed on 23 April 2012

<sup>33</sup> “Serbia Environmental and Climate Impact Analysis”, Environmental Economics Unit from within the School of Economics and Commercial Law of Göteborg University, Sweden, 2008

<sup>34</sup> Website of the Serbian Investment and Export Promotion Agency: [http://www.siepa.gov.rs/site/en/home/1/importing\\_from\\_serbia/foreign\\_trade\\_data/foreign\\_trade\\_by\\_countries/](http://www.siepa.gov.rs/site/en/home/1/importing_from_serbia/foreign_trade_data/foreign_trade_by_countries/)

*See above paragraph “Investments in Tourism Infrastructure”.*

- Preserving and protecting the integrity and biodiversity of national parks

*See above paragraph “Investments in Tourism Infrastructure”.*

- Potential for significant growth in SMEs to provide sustainable employment

*See above paragraph “Small and Medium-sized Enterprises”.*

- Re-training will re-orient redundant workers to new work opportunities

*The CBC Programme supports the statement above, through projects financed especially under PA 1 Economic and Social Development, more than 50% of the projects including training sessions and specific activities, which target the area’s population.*

- Opportunities for sharing cross border public services

- Opportunities for creating cross border networks to enhance education and research cooperation

*The creation of cross-border cooperation networks is an integral part of the CBC Programme, fact which is underlined by one of the Programme’s indicators, designed to measure the number of networks created.*

*The analysis of Cross-Border Added Value has shown that networks, of formal and informal type, exist or are being created through the support of the Programme.*

- Development of RTD/innovation performance on basis of research & Higher Education institutions/ linkage R&D / universities with private sector (technology transfer, innovation)

*Please refer to the statements above, regarding Innovation Clusters in the Romanian eligible area and the Centre for Support, Research and Development in the Serbian border area.*

- Use of poles of excellence and pilot projects as demonstration to promote balanced development

*Nearly one third of the projects financed following the first Call fall under Measure 3.3, supporting educational and cultural/ sport exchange programmes or activities to promote spread of good practice from “poles of excellence” to less developed areas in the border regions.*

*Illustrative examples are the following projects: “Centre for numerical simulation and digital/rapid prototyping”, “Learn best Agribusiness practices - Improve Banat Rural Prospects” and “Quality in education, college and universities, using innovative methods and new laboratories”.*

#### Missed or delayed

*Some of the opportunities identified in the SWOT analysis, present in the Programming document failed to materialize or will encounter delayed effects. This refers primarily to those opportunities that were affected most by the financial and economic crisis.*

*Therefore, almost all of the provisions regarding tourism (increase of the area’s attractiveness, employment and job creation in the tourism sector, etc.) failed to materialize. Furthermore, several high value infrastructure projects (or multi-modal transport systems) suffered from significant delays (e.g. Timiș oara-Arad Highway, in the Romanian border area) because of the troubled economic environment.*

- Further integration of road/rail/river transport systems
- Enhancing accessibility of the region via improved transport routes within region and to rest of Europe, and development of inter-modal transport systems
- Emphasising strong cultural and historical links will stimulate regional identity and favour tourism from neighbouring countries
- Repairing and rehabilitation of many historic sites will increase attraction of area to neighbouring, foreign tourists and nationals
- High tourism potential will stimulate employment and job creation
- Some improvements to road networks near border area will facilitate tourism and local activities

- New business sectors such as services, tourism will reduce unemployment
- Development of the capacity/potential of the tourism industry and tourism products (e.g. bookable products)

#### **Threats**

##### **Materialized**

- Effect of new regulatory/legislative framework on movement of people/labour after 2007
- High level of migration
- Continued-increased net population migration
- Lack of long-term work will encourage further emigration from region
- Lack of modern infrastructure will reduce competitiveness of local industries and reduce attractiveness of area to tourists
- High flooding and pollution risk

*The border regions continue to be subject to flood and pollution risks, not only as a result of their vicinity to the Danube, but also due to the various changes that have been made to the landscape throughout the years.*

- Lack of investment will delay growth and lead to stagnation of economy

*FDI increased over the period 2004-2008, followed by a sudden contraction, as consequence of the economic and financial crisis. Please refer to Annex 11.*

- Industrial pollution feeds into Danube

*No major investments recorded in the Programme area.*

##### **Diminished**

- Border as continuing and increasing dividing factor

*High number of projects submitted under the 2 calls of the Programme, provides for evidence of the decreasing dividing character of the border.*

- Visa requirements

*According to EC Regulation no. 539/2001, for travelling to Romania, Serbian citizens do not require a visa<sup>35</sup>.*

*For Romanian citizens travelling to Serbia, a visa is also not required, according to the "Visa regime that the Republic of Serbia applies to foreign citizens"<sup>36</sup>*

- Potential negative impact on Programme implementation linked to the timetable of accession negotiations for Republic of Serbia

70. Based on the above, it can be concluded that the SWOT Analysis included in the Programming Document of the IPA CBC Programme is still largely valid and relevant. The recent changes in the socio-economic environment caused by the economic and financial crisis, only managed to delay, and in the worst case, stop the strong development present in most of the areas, maintaining the relevance of the initial strategy.

#### **Logic of intervention and validity of the Programme's objectives**

71. The recreation of the intervention logic of the Programme helps evaluate the degree of correlation between the Programme's strategy, general and specific objectives and structure, as defined in terms of Priority Axis and Measures, and the types of operations financed.

<sup>35</sup> "Annex 2 - List of countries whose nationals, owners of simple passports, are exempt from the requirement of a Romanian visa" - drafted according to the provisions of EC Regulation no. 539/2001 – Ministry of Foreign Affairs of Romania

<sup>36</sup> Website of the Serbian Ministry of Foreign Affairs: [http://www.mfa.gov.rs/Visas/to\\_serbia.pdf](http://www.mfa.gov.rs/Visas/to_serbia.pdf), accessed on 10 February 2012

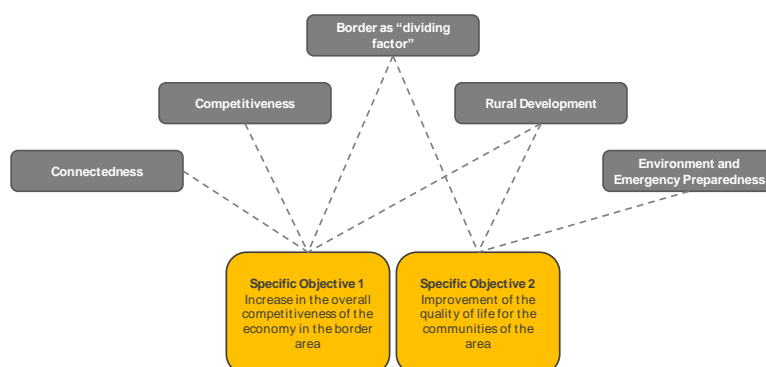
According to the Programming Document, the strategy of the Programme is focused on addressing the following key challenges characteristic the Border Area:

- ▶ Specific issues related to the *connectedness* of the region;
- ▶ Lack of *competitiveness*, in terms of low levels of entrepreneurship and business activity, innovation, and investment;
- ▶ Rural development, in relation to key areas, such as agriculture, rural tourism and labour market;
- ▶ Environment and Emergency preparedness;
- ▶ The general challenge of the border as a “dividing factor”.

72. In order to tackle the above challenges (which were also confirmed by the original and updated SWOT analyses), the Programme’s stakeholders have set-up the following Strategic Goal (General Objective) “to achieve on the basis of joint cross-border projects and common actions by Romanian and Serbian stakeholders a more balanced and sustainable socio-economic development of the Romanian-Serbian border area”, which is further broken down into two specific objectives:

- ▶ No. 1: Increase in the overall competitiveness of the economy in the border area;
- ▶ No. 2: Improvement of the quality of life for the communities of the area.

The challenges of the Programme Area are addressed by the general and specific objectives of the Programme as highlighted in the diagramme below:



73. Despite the existing links between the identified challenges and Programme Strategy, the programme Stakeholders consider it as too broadly defined, lacking of focus on specific development priorities for the area. One of the main causes identified by Stakeholders, was the lack of detailed statistical data concerning the eligible area, that limited the level of detail of the socio-economic analysis resulting in broadly defined objectives and a high number of types of eligible interventions.
74. Programme Stakeholders also pointed out that further coordination with the central administrative level in each country and with the MAs of other IPA Programmes covering overlapping eligible regions (Romania – Serbia, Hungary – Serbia and Bulgaria – Serbia) should have been further pursued during the programming phase, adding also that in the preparation for the 2014-2020 Operational Programmes, European macro-regional strategies relevant to the cross-border area should be taken into account.

75. The two specific objectives contribute to overcoming barriers, building trust and achieving a joint development of an integrated and sustainable socio-economic cross-border area, with a higher quality of life for the area's communities. Together, the two specific objectives are contributing to the achievement of the strategic objective.
76. The specific objectives of the Programme are addressed through 3 thematic Priority Axes:
- ▶ PA 1 "Economic and Social Development" is directly linked to Specific Objective 1;
  - ▶ PA 2 "Environment and Emergency Preparedness" is directly linked to Specific Objective 2;
  - ▶ PA 3 "Promoting People to People Exchanges" linked to both Specific Objectives, since increasing the level of exchange between cross-border communities is considered as a pre-condition for implementing more targeted initiatives tackling the specific objectives.
77. For each PA a number of objectives is also established, which are correlated to the Measures foreseen in the Operational Programme and the types of intervention financed, establishing causal link at all levels of intervention, from project to programme level (see Annex 4).
78. Overall, as shown above, the programme objectives have maintained relevance in the new economic context and the logic of intervention preserved its validity.

### Conclusions

#### (2.a) Are the objectives of the programme still valid?

- C1.** The Programme area has been characterized by strong economic growth between 2004 and 2008 as proved by the positive trends of the main macro-economic and demographic indicators (GDP, SME density, employment). However, as acknowledged also by Programme stakeholders, starting from 2009 the economic and financial crisis has either put at halt or slowed down the positive trends, keeping also the general economic performance of the cross-border area below the respective Romanian and Serbian averages.
- C2.** The Programme's Strategy is still consistent with the socio-economic environment of the cross-border area and both the logic of intervention and needs remain valid. Since the programming period, the assumptions of the SWOT analysis have largely remained the same, marked by the economic downturn.
- C3.** The SWOT carried out at the time of Programming identified the needs of the area which are addressed by the Programme's overall strategy and objectives. Priority Axes of intervention are correctly interlinked to Programme objectives and measures to sub-objectives. However, the Programme's Strategy is broadly defined, missing a specific focus, mainly due to the lack of sufficient data on the specificity of Cross-Border Area, at the time of drafting of the Operational Programme and does not take into account synergies with other IPA Programmes of the area.

## 2.2. Effectiveness

### (2.c) What were the reasons for over/under application on different Priority Axes and future steps to be adopted?

#### Methodological approach

79. In answering to this question we have analyzed the start up-up phase of the Programme and the schedule of launching of calls for proposals. Deeper analyses have then been performed in relation to the applications submitted and contracted under the first call for proposals and reasons determining such trends by taking into account Programme documentation, stakeholders' opinions and survey responses. According to the discussions in the Kick-off Meeting, the financial progress is measured against the financial allocations for 2007-2011.

#### Outline of the Programme Start-up Phase

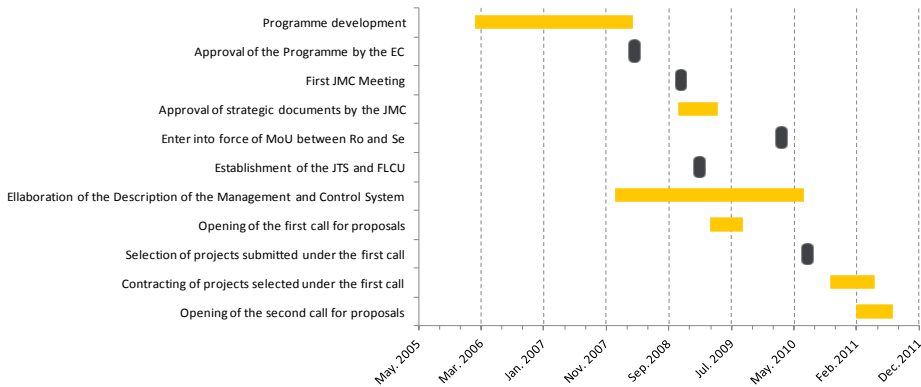
80. **The IPA Programme CBC Romania-Serbia was officially approved by the European Commission on 27 March 2008 under the Decision C (2008) no. 1076 and the first Joint Monitoring Committee meeting was held on 5 November 2008.**
81. **Between November 2008 and the first quarter of 2009 the JMC approved a number of strategic documents related to Programme's implementation, including the Technical Assistance Strategy, the Application Package for the First Call, communication plans and rules of procedure.**

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Source: Various RO-SE IPA CBC Programme Documents

Figure 16: Diagramm of major milestones in the RO-SE IPA CBC Lifecycle



82. In February 2009 an implementation agreement was signed between MDRT and the Regional Office for Cross Border Cooperation Timiș oara, which hosts the Joint Technical Secretariat (JTS) and the First Level Control Unit (FLCU) for Romanian Partners.
83. A first draft description of the management and control systems, together with the operational procedures of the Programme were elaborated between 2008 and 2009, and submitted to the Audit Authority for verification, however the unqualified opinion could be issued only in August 2010, following the entry into force of the Memorandum of Understanding between Romania and the Republic of Serbia (March 2010). The EC communicated the acceptance of the document on 22 of September 2010.

#### Overview of calls for proposals

84. The sequence of launching of the calls is represented in the table below:

**Table 11: Summarizing of major events related to the calls for proposals**

Call for proposals	Opening	Submission deadline	Number of projects		
			Submitted	Selected	Contracted
First call	April 2009	July 2009	164	46	46
Second call	March 2011	July 2011	195	45	In contracting
Total			359	91	46

Source: Elaboration of various Programme Documents

85. The **First Call for Proposals**, open for all PAs for both “soft” and “hard” projects, was launched on 30 April 2009 with submission deadline on 29 July 2009. The IPA funds allocated under the first call amounted to 10.4 Million Euro, equivalent to 70% of the financial allocation available for the thematic PAs for the period 2007-2009.
- However, due to the strong response of applicants, the JMC decided to supplement the initial allocation with additional 6.44 Million Euro, from the residual allocations for 2007-2009 and additional ones from the IPA installments for 2010-2011.
86. Following this decision, the total IPA funds made available through the first call amounted to 17.1 Million Euro, equivalent to 53% of the financial allocation available for the three thematic PAs for the period 2007-2011. The projects were selected on occasion of the JMC meeting on 5 July 2010 and contracted between November 2010 and April 2011.
87. A **Second Call for Proposals** was launched on 25 March 2011 with submission deadline on 27 July 2011, with the future trends of the Programme largely defined in terms of perspective results of the contracted projects. The call, launched with an IPA Allocation of EUR 15.3 Million was open for submission under all PAs, for both “soft” and “hard” projects and included a thematic call related to EU Strategy for the Danube Region, under Priority Axis 2.
88. With the launching of the second call for proposals, the whole financial allocation available for the period 2007-2011, amounting to EUR 36 mn. for the three thematic PAs had been launched:

**Table 12: Initial IPA Allocations and total of the funds launched**

Priority Axis	IPA funds	IPA allocation first call (launched and contracted)		IPA allocation Second call (launched)		Total funds launched	
	2007-2011	Value (EUR)	% of IPA Funds 2007-2013	Value (EUR)	% of IPA Funds 2007-2013	Value (EUR)	% of IPA Funds 2007-2011
PA 1	18,002,843	10,087,204	56%	7,915,639	44%	18,002,843	100%
PA 2	9,361,478	4,294,338	46%	5,067,139	54%	9,361,477	100%
PA 3	5,040,796	2,722,955	54%	2,318,595	46%	5,041,550	100%
Total	32,405,117	17,104,497	52.78%	15,301,373	47.22%	32,405,870	100%

Source: Elaboration of various Programme Documents

89. **Out of the 195 projects submitted under the second call, a total of 45 were selected under the in occasion of the JMC meeting held on 26 March 2012. Given the quality of the project proposals evaluated, it was decided to integrate the initial budget of the call with the financial allocations for the period 2010-2013, with the total value of selected projects amounting to EUR 30.1 Million Euro in terms of IPA allocations.**
90. **In case the selected projects will progress to contracting, the entire financial allocations of the Programme for 2007-2013 will be committed and no additional calls will be launched.**

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Analysis of the first call for proposals

► Submitted applications

91. A total of 164 applications were submitted under the first call, with an equivalent demand of IPA funds of EUR 50 mn, exceeding by seven times the initial available financial allocation:

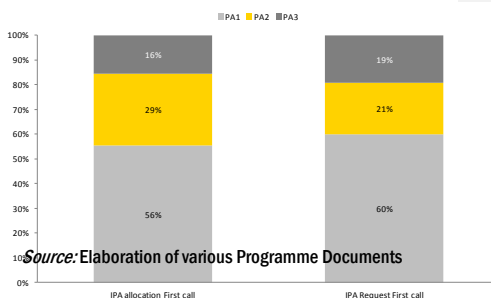
Table 13: Requested amounts vs. IPA Financial Allocations

PA / KAI	IPA Funds first call		Total submitted		Romanian LP		Serbian LP	
	IPA allocation	N.	IPA request	IPA request / allocation	N.	Value	N.	Value
<b>PA 1 - Economic &amp; Social Development</b>	<b>5,788,407</b>	<b>57</b>	<b>30,054,274</b>	<b>519%</b>	<b>36</b>	<b>20,172,425</b>	<b>21</b>	<b>9,881,849</b>
1.1 Support for local/ regional economic and social infrastructure		13	8,435,061	28%	7	4,966,382	6	3,468,679
1.2 Develop the tourism sector, including the strengthening of the regional identity of the border region as a tourist destination		17	9,737,107	32%	9	5,681,723	8	4,055,384
1.3 Promote SME development		12	5,111,215	17%	8	3,962,089	4	1,149,126
1.4 Support increased levels of R&D and innovation in the border region		15	6,770,891	23%	12	5,562,232	3	1,208,659
<b>PA 2 - Environment &amp; Emergency Preparedness</b>	<b>3,009,971</b>	<b>20</b>	<b>10,396,010</b>	<b>345%</b>	<b>11</b>	<b>6,230,403</b>	<b>9</b>	<b>4,165,607</b>
2.1 Improve systems and approaches to address cross-border environmental challenges, protection and management		9	3,870,136	37%	1	331,500	8	3,538,636
2.2 Develop and implement effective strategies for waste and waste water management		3	1,696,439	16%	3	1,696,439		
2.3 More effective systems and approaches to emergency preparedness		8	4,829,436	46%	7	4,202,464	1	626,971
<b>PA 3 - Promoting "people to people" exchanges</b>	<b>1,620,754</b>	<b>87</b>	<b>9,596,576</b>	<b>592%</b>	<b>64</b>	<b>7,387,840</b>	<b>23</b>	<b>2,208,936</b>
3.1 Support the development of civil society and local communities		14	1,539,889	16%	10	1,175,842	4	364,046
3.2 Improve local governance in relation to the provision of local services to communities in the border areas		8	892,249	9%	5	592,539	3	299,710
3.3 Increase educational, social cultural and sporting exchanges		59	6,595,205	69%	46	5,276,403	13	1,318,803
3.4 ☐ Enhance social and cultural integration of border areas		6	569,234	6%	3	342,857	3	226,377
<b>Grand Total</b>	<b>10,419,132</b>	<b>164</b>	<b>50,046,860</b>	<b>480%</b>	<b>111</b>	<b>33,790,468</b>	<b>53</b>	<b>16,256,391</b>

Source: Elaboration of various Programme Documents

92. When considering the popularity at PA level, the figures reveal that PA3 “Promoting people to people exchanges” (IPA grants between 30.000 and 200.000 Euro) has received the highest number of applications (87), followed by PA 1 “Economic & Social Development” (IPA grants between 250.000 and 1.000.000 Euro) with 57 applications and PA 2 “Environment & Emergency Preparedness” (IPA grants between 250.000 and 1.000.000 Euro) with 20 applications.
93. In financial terms, the distribution of the request of IPA funds by PA (although overall 7 times higher than the planned allocation) respected substantially the distribution of the financial envelope of the first call, with approximately 60% of the IPA requests submitted under PA 1 and approximately 20% respectively under PA 2 and PA3.
94. The highest value of requests in terms of IPA funds have been submitted under Measures 1.2, 1.1 and

Figure 17: IPA Allocations vs Requests for the first call



Source: Elaboration of various Programme Documents

1.4, while the lowest level has been submitted under Measures 3.2 and 3.4:

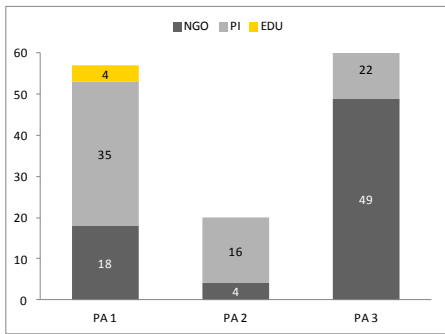
**Table 14: Amounts requested per each Measure, as percent of total IPA requests**

Higher demand			Lower demand		
Measure	IPA requests	% on total IPA requests	Measure	IPA requests	% on total IPA requests
1.2	9,737,107	19%	2.1	3,870,136	8%
1.1	8,435,061	17%	2.2	1,696,439	3%
1.4	6,770,891	14%	3.1	1,539,889	3%
3.3	6,595,205	13%	3.2	892,249	2%
1.3	5,111,215	10%	3.4	569,234	1%
2.3	4,829,436	10%			

Source: Elaboration of various Programme Documents

- 95. According to stakeholders and as confirmed by the below statistics, the lower popularity of PA 2 “Environment & Emergency Preparedness”, is caused by the fact that the main beneficiaries for projects in the field of Environment and Emergency Preparedness are due to the nature of the interventions financed, public authorities (although eligible applicants include NGOs). Overall however Public Institutions retain the highest number of applications submitted, followed by Non Governmental Organizations and Educational Institutions
- 96. An analysis of the country of origin of the Lead Partners shows a greater participation of Romanian applicants, doubling both numerically and financially the Serbian side.

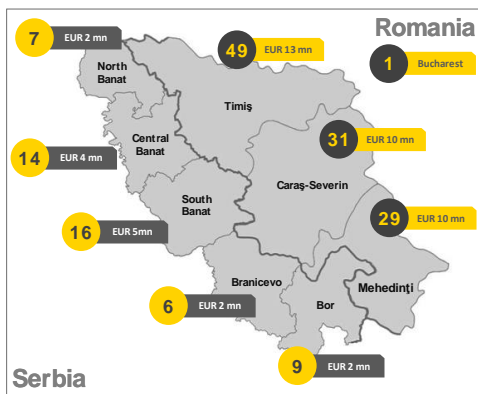
**Figure 18: Types of beneficiaries, split per Priority Axis**



Source: Elaboration of various Programme Documents

Further investigation at county/district level shows that on the Romanian side, the most active counties in terms of number and value of applications submitted have been Timiș and Caraș-Severin, while on the Serbian side the most active districts have been respectively South and Central Banat:

**Figure 19: Number and value of applications submitted in each district/county**



► *Promotional activities*

97. The launching of the Call for Proposals was accompanied by a promotional campaign, taking place from the opening on 30 April 2009 until the deadline for submission of projects, on 29 of July 2009. A wide number of diversified activities were deployed in the period:

- Official kick-off conference for the first call for proposals both in Timișoara and Vrșac
- Seminars and workshops: JTS held information seminars and workshops with the beneficiaries in order to promote the Programme, ensuring media coverage of these events with the local media in Timiș , Caraș -Severin and Mehedinț i counties.
- Press releases and announcements: promotion through local mass-media and press conferences and an advertising campaign were organized in the eligible area of the programme in both Romania and Republic of Serbia.

Source: Elaboration of various Programme Documents  
 ► Web based communication, through the website of the Programme, operational since 2007.

98. Both beneficiaries and unsuccessful applicants have confirmed the usefulness of the website of the Regional Office for Cross-Border Cooperation and the Programme's own website for gathering information about the Programme. Additionally, more than half of the respondents took part in the Information Days event.

► *Contracted projects*

A total of 46 projects were contracted under the first call, for a total value of IPA commitments amounting to EUR 17,1 mn:

**Figure 20: Number and value of projects contracted under the first call (split by LP country)**

PA / KAI	Total Contracted			Romanian LP		Serbian LP	
	N.	IPA request	IPA request / allocation	N.	Value	N.	Value
<b>PA 1 - Economic &amp; Social Development</b>	<b>17</b>	<b>10,087,204</b>	<b>100%</b>	<b>7</b>	<b>5,101,246</b>	<b>10</b>	<b>4,985,958</b>
1.1 Support for local/ regional economic and social infrastructure	4	3,092,739	31%	3	2,116,725	1	976,014
1.2 Develop the tourism sector, including the strengthening of the regional identity of the border region as a tourist destination	6	3,947,810	39%	2	1,811,701	4	2,136,110
1.3 Promote SME development	3	884,866	9%			3	884,866
1.4 Support increased levels of R&D and innovation in the border region	4	2,161,788	21%	2	1,172,820	2	988,968
<b>PA 2 - Environment &amp; Emergency Preparedness</b>	<b>7</b>	<b>4,294,338</b>	<b>100%</b>	<b>3</b>	<b>2,350,100</b>	<b>4</b>	<b>1,944,238</b>
2.1 Improve systems and approaches to address cross-border environmental challenges, protection and management	4	1,944,238	45%			4	1,944,238
2.2 Develop and implement effective strategies for waste and waste water management	1	572,529	13%	1	572,529		
2.3 More effective systems and approaches to emergency preparedness	2	1,777,571	41%	2	1,777,571		
<b>PA 3 - Promoting "people to people" exchanges</b>	<b>22</b>	<b>2,722,955</b>	<b>100%</b>	<b>19</b>	<b>2,488,295</b>	<b>3</b>	<b>234,660</b>
3.1 Support the development of civil society and local communities	1	51,791	2%	1	51,791		
3.2 Improve local governance in relation to the provision of local services to communities in the border areas	4	528,454	19%	4	528,454		
3.3 Increase educational, social cultural and sporting exchanges	14	1,824,928	67%	12	1,649,683	2	175,245

PA / KAI	Total Contracted		Romanian LP			Serbian LP	
	N.	IPA request	IPA request / allocation	N.	Value	N.	Value
3.4 ☐ Enhance social and cultural integration of border areas	3	317,782	12%	2	258,367	1	59,415
<b>Grand Total</b>	<b>46</b>	<b>17,104,497</b>	<b>100%</b>	<b>29</b>	<b>9,939,641</b>	<b>17</b>	<b>7,164,856</b>

Source: Elaboration of various Programme Documents

- 99. The highest number of contracts has been signed under PA3, followed by PA1 and PA2. For two measures a single application was contracted, respectively Measure 2.2 “Develop and implement effective strategies for waste and waste water management” and 3.1 “Support the development of civil society and local communities”.
- 100. In financial terms, the distribution contracted IPA funds by PA respected substantially the distribution of the requests, with approximately 60% of the funds contracted under PA 1 and 20% respectively under PA 2 and PA3.
- 101. At the level of Measure, the highest IPA amounts have been contracted under 1.2, 1.1 and 1.4, while the lowest level are registered under 3.4 and 3.1:

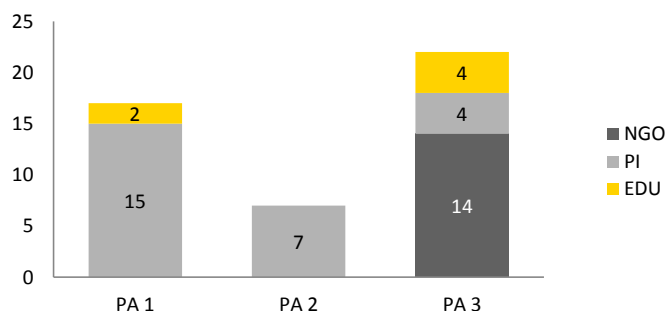
**Table 15: Contracted amounts by Measure (as absolute values and percent of IPA allocations)**

High demand			Low demand		
Measure	IPA contracted	% of IPA Contracted on total	Measure	IPA contracted	% of IPA Contracted on total
1.2	3,947,810	23%	1.3	884,866	5%
1.1	3,092,739	18%	2.2	572,529	3%
1.4	2,161,788	13%	3.2	528,454	3%
2.1	1,944,238	11%	3.4	317,782	2%
3.3	1,824,928	11%	3.1	51,791	0.3%
2.3	1,777,571	10%			

Source: Elaboration of various Programme Documents

- 102. The highest number of contracts has been submitted by Public Institutions, followed by Non Governmental Organizations and Educational Institutions. Public Institutions have been the most active in project submission under PA 1 and PA2, while NGOs on PA3.

**Figure 21: Number of projects contracted, by type of beneficiary**



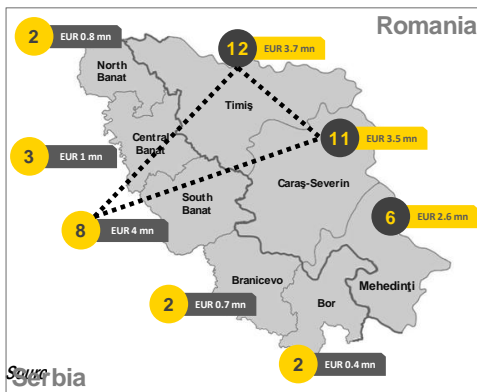
Source: Elaboration of various Programme Documents

- 103. An analysis at the level of country of origin of the Lead Partners shows that 63% of the contracts have been signed with Romanian Lead Partners and 37% with Serbian Lead Partners.

Further investigation at the level of county of origin of the Lead Partner, shows that the 67% of the projects and of the IPA assistance have been contracted in 3 regions, respectively the Romanian counties of Timis and Caras-Severin and the Serbian district of South Banat.

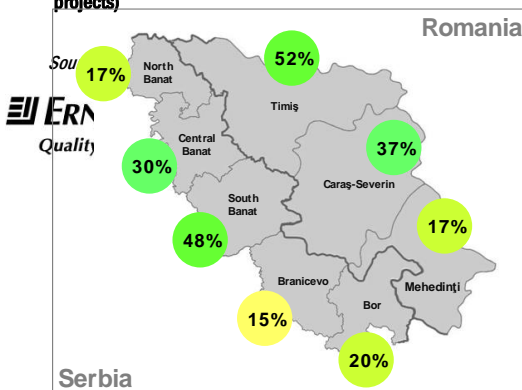
104. South Banat and Caraş -Severin are in fact the two counties with the highest success rate measured in terms of number of projects contracted against number of projects submitted while the worst performing is county of Mehedinţi in Romania:

Figure 22: Number of contracts signed (and total value), by county/district



105. The participation of each Region to the Programme has been further analyzed in consideration of the number of contracted projects implemented in the respective Region either by a Lead Partner or Project Partners. The “degree of participation” of a Region is calculated as a ratio between the number of projects located in the Region and the total number of contracted projects. Therefore, where a project involves more than one Region, the project is accounted in the computation of the percentage of participation of both Regions.
106. As it may be seen from the figure below, all the Regions have actively engaged in the Programme with the most active being Timis and Caras-Severin on the Romanian side of the border and Central and South Banat on the Serbian side.

Figure 23: Participation of each Region to the Programme (number of projects implemented in the region / total number of contracted projects)



Source: Elaboration of various Programme Documents

► *Other factors affecting demand*

107. The survey of beneficiaries, highlighted the existence of two main factors affecting the number of applications submitted under the Programme, respectively the socio-economic crisis and the pre-existing relations with cross-border partners.
108. As mentioned under Q1, nearly half of the respondents were negatively influenced by the socio-economic conditions, this proving to be an initial limiting factor, with concern to the number/size of the applications submitted.
109. On the other hand 5 of the 12 surveyed beneficiaries, confirmed that their project partnership was developed based on existing relations from previous projects. The existence of “traditional” cross-border relation as a factor favouring project generation has been highlighted also by key Programme stakeholders.
110. Finally the existence of alternative sources of financing at least on the Romanian side of the border in 2009 under the Convergence objective, including ones allowing for transnational initiatives like the SOP HRD, did not reduce the demand for the Programme. In Serbia the situation is different, due to the limited availability of financial tools in support of cooperation activities in the border area.

► *Extension of the Programme eligible area*

111. The considerable demand expressed from the territory induces most stakeholders to consider that an extension of the Programme area is not necessary, given the fact that it would lead to an additional dispersion of the (limited) IPA assistance available under the Programme.
112. Furthermore the second call for proposals allowed (under PA 2) organizations with headquarters outside the Programme area to participate in to the Programme, provided that they had a local unit in the cross-border regions.
113. Out of the sample of beneficiaries that was questioned if the extension of the Programme’s eligible area would be purposeful, more than half considered that the eligible area should not be extended, as the Programme should specifically focus on the issues of the border area.

*Conclusions*

**(2.c) What were the reasons for over/under application on different Priority Axes and future steps to be adopted?**

**C4.** The response to the first call for proposals showed a substantial over application under all PAs, with the demand in terms of IPA funds exceeding by seven times the available financial allocation of the first call for proposals.

The main identified reasons determining the high level of demand are the intensive promotional activities carried out by the JTS in the period of launching of the call, pre-existing relations among project partners facilitating project generation and a genuine interest for the CBC Programme, that was not reduced by the existence of alternative sources of financing available at least on the Romanian side of the border. A high demand for financing through the CBC Programme originating from the Serbian side, may be related to the limited availability of financial tools in support of cooperation activities in the border area.

**C5.** PA 3 has attracted the highest number of applications and PA 1 the highest value of requests for IPA funds with Measure 1.2 and 1.1 accounting for 36% of the total IPA requests while Measures 3.2 and 3.4 account for only 3% of the total requests.

**C6.** Priority Axis 2 proved to be the less attractive compared PA1 and PA3, due primarily to the fact that the main beneficiaries for projects in the field of Environment and Emergency Preparedness are mostly (due to the nature of the interventions financed), public authorities. The highest number of applications has been submitted by Public Institutions, followed by Non Governmental Organizations and Educational Institutions. Geographically, the most active counties in terms of number and value of applications submitted have been Timiș , Caraș-Severin, South and Central Banat.

**C7.** The trends in submission of applications have been confirmed also in terms of contracting.

The highest number of contracts has been signed under PA3 (22) while in financial terms the highest amounts of IPA allocations have been contracted under PA1 (60%), followed by PA2 and PA3 (20% each). At the level of Measure, the highest IPA amounts have been contracted under Measure 1.2, 1.1 (41% in total) while the lowest levels were contracted under Measure 3.4 and 3.1 (2.3% in total).

The highest number of applications has been contracted with Public Institutions, followed by Non Governmental Organizations and Educational Institutions. Geographically, 63% of the contracts were signed with Romanian Lead Partners while the 67% of the projects and of the IPA assistance have been contracted in 3 regions, respectively the Romanian counties of Timiș and Caraș-Severin and the Serbian district of South Banat.

**C8.** Overall, considering the contracted projects under the first call and those in contracting under the second call there is high likelihood that the full commitment of the financial allocations for the three thematic PAs for 2007-2013 will be achieved until the end of 2012. Therefore at the current stage of implementation there are no additional steps that should be taken either to increase the demand from the territory or in terms of financial reallocation among thematic Priority Axis, since there is a high likelihood of full commitment. For this reason both beneficiaries and stakeholders do not consider necessary an extension of the Programme area.

## (2.b) How do contracted or expected results of selected projects contribute to the achievement of programme objectives, in terms of programme indicators?

### Methodological approach

114. The likelihood of achievement of Programme objectives has been analyzed by comparing the aggregated target values of result indicators indicated by contracted projects under the first call in their application forms, against target values established within the Programming document. The ratio between the two numbers represents the “perspective degree of coverage” of the result indicator.

The analysis is presented by means of five radar-like charts, referring respectively to the Programme and to each PA, where the “tips” of the radars are associated to a result indicator and a degree of coverage of 100% means that if the contracted projects will achieve their targets, then Programme targets will also be achieved.

115. Additionally, the distribution by Priority Axis and Measure of the projects selected under the second call for proposals have also been analyzed in order to anticipate possible trends in the achievement of Programme objectives.
116. The views of Programme stakeholders concerning the progress of projects and those of surveyed beneficiaries concerning the achievement of project objectives and indicators have also been taken into account.

### Programme indicators

117. At Programme level, Result Indicators are designed in order to reflect the joint, cooperative nature of the Programme, thus focusing on the number cross-border contacts, quality of life and improvement of living conditions and overall competitiveness of the border area.

The Programme level indicators in place are the following:

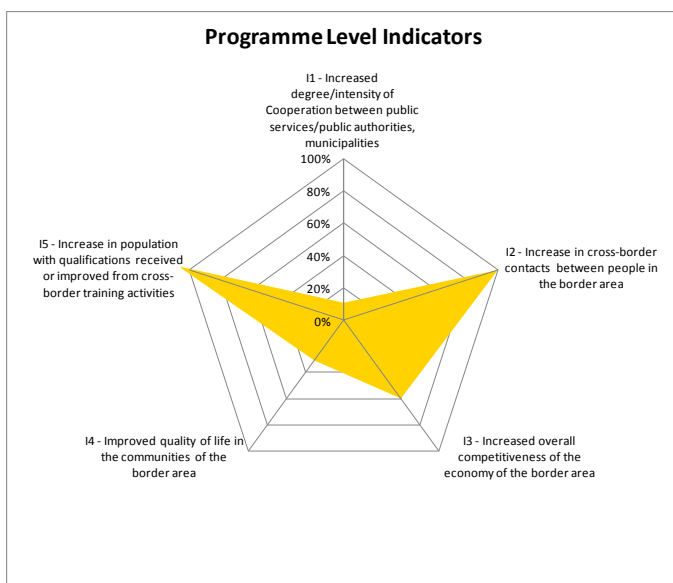
- ▶ I1 - Increased degree/intensity of Cooperation between public services/public authorities, municipalities;
- ▶ I2 - Increase in cross-border contacts between people in the border area;
- ▶ I3 - Increased overall competitiveness of the economy of the border area;
- ▶ I4 - Improved quality of life in the communities of the border area;
- ▶ I5 - Increase in population with qualifications received or improved from cross-border training activities.

118. The analysis shows an uneven performance of the Programme indicators:
- ▶ **Strong performance:** Indicator I5 - “Increase in population with qualifications received or improved from cross-border training activities” and indicator I2 - “Increase in cross-border contacts between people in the border area” denote a 100% fulfillment rate, while I3 - “Increased overall competitiveness of the economy of the border area” is in line with the financial progress of the Programme (60%).



- ▶ **Reduced performance:** Indicators I4 – “Improved quality of life in the communities of the border area” and I1 – “Increased degree/intensity of Cooperation between public services/public authorities, municipalities, municipalities” are significantly below the planned targets, with 31% and 11% fulfilment rate.

**Figure 24: Degree of achievement of targets for Programme Level Indicators**



119. For Indicator I1, the cause for the low fulfilment rate, lies in the measurement unit adopted “number of projects between public authorities with joint development, joint implementation and joint financing” and in the target value set at 197 projects, which appears to have been overestimated considering that until the cut-off date, only 46 projects were contracted and that the number will probably raise until a maximum of 91 projects.

On the other hand, considering that 45% of the contracted projects (21 out of 46) contribute to this indicator, the Programme’s contribution to the enhancement of cooperation between local authorities is more than positive.

120. Similar considerations apply for indicator I4 “Improved quality of life in the communities of the border area”, measured by the “number of projects focusing on improving the living conditions in the border area” for which the target value was set at 113 projects.

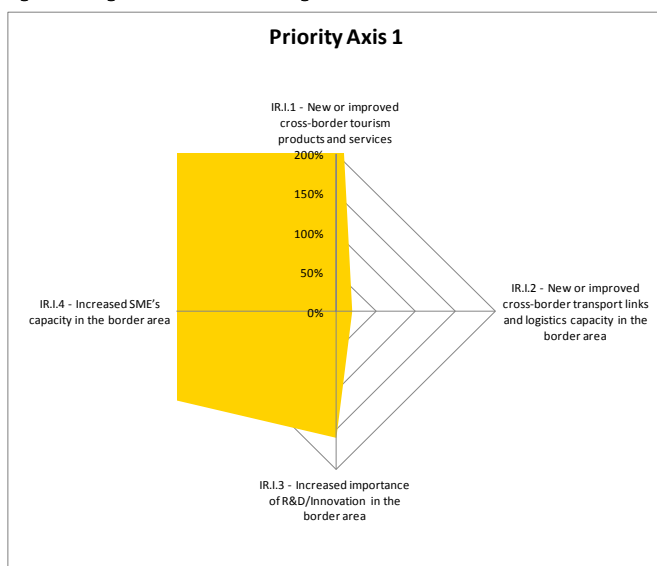
Considering that 75% of the contracted projects (35 out of 46) contribute to this indicator, the Programme contribution to the improvement of conditions in the border area is substantial.

**Priority Axis 1 indicators**

121. At the level of PA 1, out of the four Result Indicators, three significantly over-perform: IRI.4 – “Increased SME’s capacity in the border area” (680%), IR.1.1 – “New or improved cross-border tourism products and services” (386%) and IR.1.3 – “Increased importance of R&D/Innovation in the border area” (160%).

122. The considerable over performance of these indicators as provided by the 16 projects financed under PA 1 is influenced by the apparent low level of the targets set in the Programming document. For example IR.I.1 - “New or improved cross-border tourism products and services”, measured in terms of “Number of activities, actions, initiatives focusing on promoting tourism in the border area” foresees a target value of 7 initiatives and a single project contributes to the 100% fulfillment rate of the indicator, encompassing exactly 7 activities.

**Figure 25: Degree of achievement of targets for PA 1 Indicators**



123. Despite the quantitative analysis, a more qualitative approach shows that IPA financing is being directed towards key sectors for increasing the competitiveness of the border area (tourism, SME development and R&D) consistently with the needs of the Programme area as identified in the updated SWOT analysis.
124. The only underperforming result indicator for PA1 is IR.I.2 – “New or improved cross-border transport links and logistics capacity in the border area”, which is measured in terms of “number of activities, actions, initiatives creating new or improving existing transport links or tackling logistics capacity”, having a target of 10 such activities. Out of the 16 projects financed on PA1, following the first call, only 2 continued to this indicator.
125. Following the second Call for Proposals, a total of 5 projects shall be financed under Priority Axis 1, Measure 1.1. These projects have the potential to contribute to the successful achievement of the target values of the Result Indicator IR.I.2.

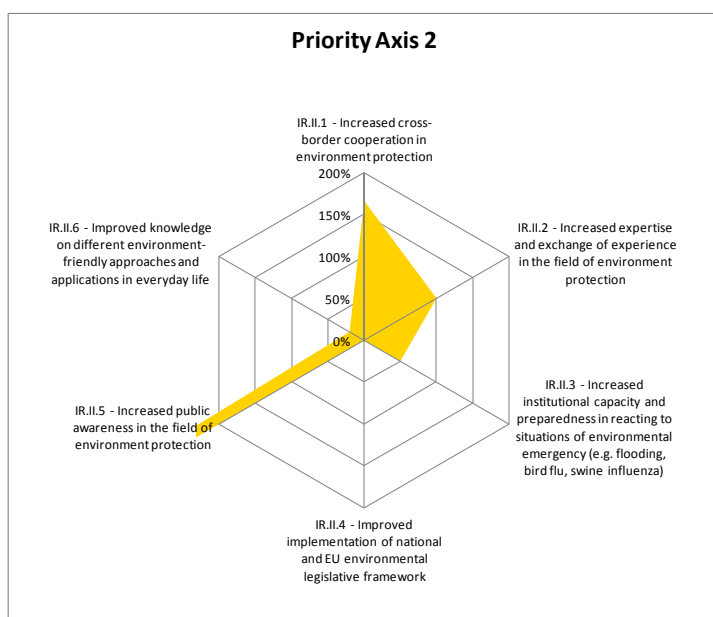
**Priority Axis 2 indicators**

- ▶ The system of indicators in place, for the measurement of the performance of PA 2, denotes varying levels of achievement:
- ▶ **Strong performance:** all the indicators related to interventions in the field of environment protection, either in terms of public awareness (IR.II.5), cross-border cooperation (IR.II.1), exchange of experience (IR.II.2) show a strong performance and a perspective achievement of at least 100%, followed by the indicators IR.II.3 “Increased institutional capacity and preparedness in reacting to situations of environmental emergency” that presents a perspective degree of achievement of 50%.

- ▶ **Reduced performance:** the lowest levels of performance is registered by indicators IR.II.6 “Improved knowledge on different environment-friendly approaches and applications in everyday life” (20%) and indicator IR.II.4 – “Improved implementation of national and EU environmental legislative framework” (0%).

126. Following the second Call for Proposals, a total of 5 projects shall be financed under Priority Axis 2; projects which have the potential to contribute to the successful achievement of the target values of the underperforming indicators IR.II.4 and IR.II.6.

**Figure 26: Degree of achievement of targets for PA 2 Indicators**



Source: Monitoring Tool for Indicators

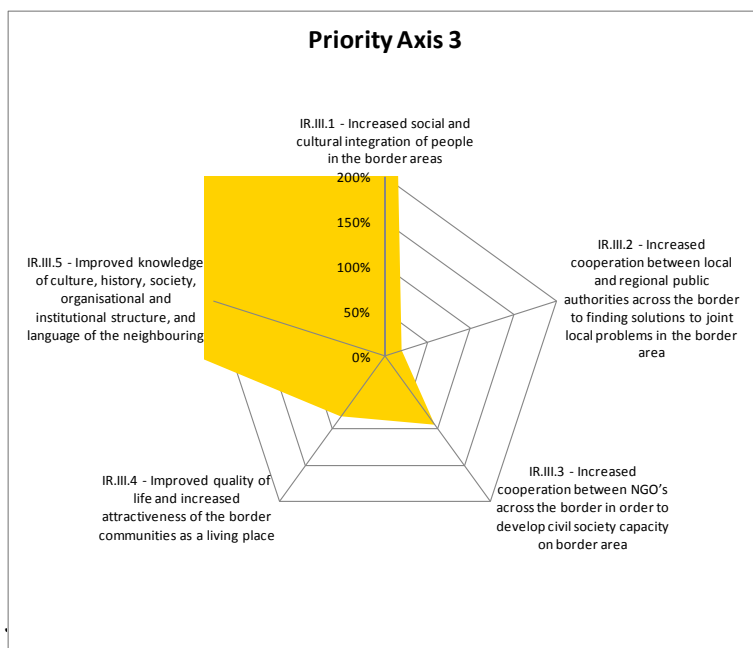
### Priority Axis 3 Indicators

127. The evolution of the indicators, set for measuring the performance of Priority Axis 3 reflect different levels achievement:

- ▶ **Strong performance:** two of the indicators, IR.III.1 “Increased social and cultural integration of people in the border areas” and IR.III.5 “Improved knowledge of culture, history, society, organisational and institutional structure, and language of the neighbouring” over-perform, reaching values 10 times higher than the ones targeted while another pair, IR.III.3 “Increased cooperation between NGO’s across the border in order to develop civil society capacity on border area” and IR.III.4 “Improved quality of life and increased attractiveness of the border communities as a living place” average at about 90% compared to the targets.

- **Reduced performance:** the Indicator IR.III.2 – “Increased cooperation between local and regional public authorities across the border to finding solutions to joint local problems in the border area” is the only one under performing, with a degree of coverage of 20%.

**Figure 27: Degree of achievement of targets for PA 3 Indicators**



128. Indicators IR.III.1 and IR.III.5 are measured in terms of “number of participants” taking part or gaining knowledge in a particular field, with a target value set in the Programming Document of 200 participants.

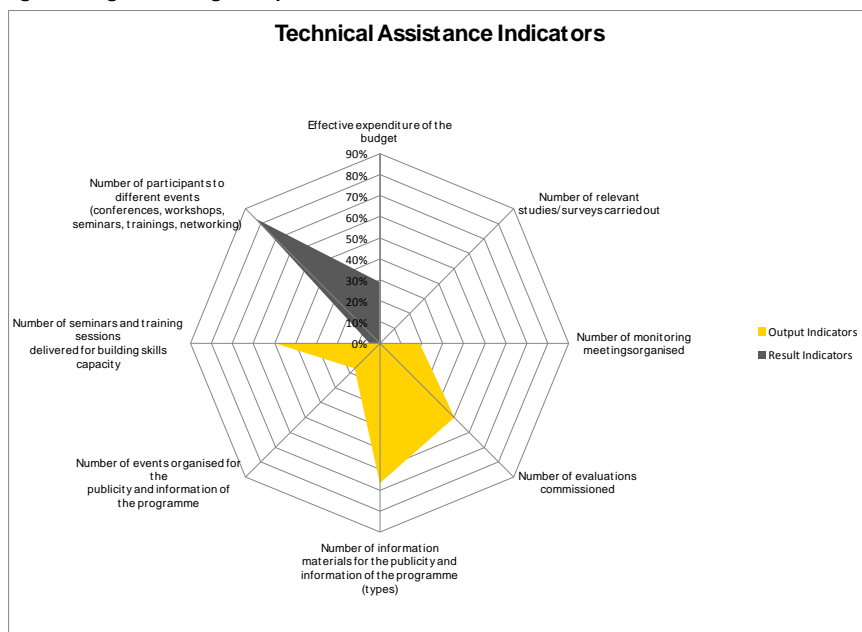
When analyzing the contribution of contracted projects to the indicators, the overperformance is explained by the existence of “high impact projects”, i.e. a single project financed under Measure 3.3 – “Enhance social and cultural integration of border areas”, contributing to the perspective coverage of the two indicators of 500% for IR.III.1 and 250% for IR.III.5. In addition, of the 20 projects financed through PA3, approximately half impact the two indicators.

129. Indicator IR.III.2 – “Increased cooperation between local and regional public authorities across the border to finding solutions to joint local problems in the border area” is measured in terms of “number of activities, actions, initiatives between local and regional public authorities in tackling joint problems, improving local service provision etc.” and encompasses a target value of 25 such activities, while only 5 activities of this type are currently under implementation (4 of them being implemented under the same project).
130. Following the second Call for Proposals, a total of 8 projects shall be financed under Priority Axis 3, Measures 3.1 and 3.2. All projects financed under the two measures have the potential to contribute to the successful achievement of the target values of the PA3 Result Indicator IR.III.2.

**Priority Axis 4 indicators**

131. The progress against the TA indicators foreseen at Programme level shows an overall good degree of achievement in terms of output and result indicators<sup>37</sup>.

**Figure 28: Degree of coverage of output and result indicators for PA4**



Source: Monitoring Tool for Indicators

132. In relation to the indicator “Effective expenditure of the TA budget”, the current payment rate is approximately 30% of the financial allocations for 2007-2011 which is above the thematic PA average but yet delayed. Further considerations on the causes for the low level of performance are included under Evaluation Question (1.d).

Concerning the output Indicator “Number of events organised for the publicity and information of the programme” there is a low likelihood of achievement of the target of 100 events, considering the current level of achievement (17 events) and taking into account the status of implementation of the Programme.

On the other hand the targets set for the indicator “Number of relevant studies / surveys carried out” could be achieved in the view of upcoming preparations for the new programming period (5).

133. Nevertheless, for a further understanding of the use of TA resources and their contribution to the overall achievement of Programme objectives, it should be considered that these have ensured the correct functioning of the Programme Structures (JTS, MA, NA, FLC) contributing to the achievement of the following outcomes:

**Table 16: TA contribution to Programme achievements**

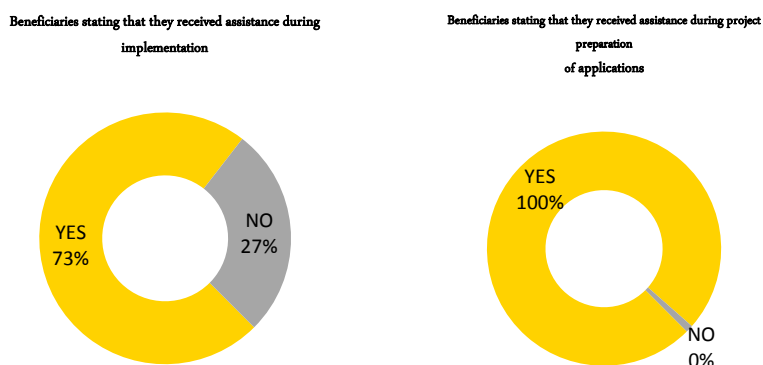
Indicator	Value
Description of management and control systems approved by EC	1
Number of calls for proposals launched	2
Number of Applications assessed	359
Number of Projects selected	91

<sup>37</sup> Data was not available in relation to the indicator “Percentage of people from the target groups reached by the publicity and information measures and activities”

Indicator	Value
Number of Contracts signed	46

Source: Elaboration of monitoring data

134. The level of the assistance provided by the JTS and the implementing structures of the Programme was also confirmed by the beneficiaries, both during the preparation of the applications for funding and during implementation, as shown by the below charts:



Source: Survey Responses of Grant Beneficiaries

#### Progress at Project Level

135. The achievement of Programme objectives will be determined by the capacity of project partnerships to achieve the planned outcomes and results within the timeframe described in the application form or in its subsequent amendment.
136. According to the information provided by Programme stakeholders all projects financed under the first call are expected to be completed until July 2012 (some of them having already submitted the final reports for verification), which in financial terms means that approximately EUR 15 mn. of expenditure will need to be generated until such date, considering the overall contracted value of these projects and the level of certified expenditure at the end of 2011.
137. 64% of the surveyed beneficiaries indicated the existence of delays in project implementation compared to the initial planning, confirming on the other hand that the delays will not jeopardize the planned outcomes, with approximately only 10% of the respondents in need of a 3 months extension of the contract duration.
138. An analysis of the the degree of completion of the targets regarding output and results indicators shows a diversified progress:
- ▶ **Output indicators:** one project achieved 8% of the targets, a second 82% and a third over-achieved the initial targets, showcasing a value of 200%.
  - ▶ **Result indicators:** the degree in which the targets of these indicators are fulfilled is on average 32% - with five projects showcasing a 0% fulfillment of the targets and one of them overachieving them by 133%.
139. However, all respondents to the questionnaire stated that the target values of the indicators will be achieved at the closure dates of their respective projects, deeming the implementation period as being sufficient.

#### Conclusions

**(2.b) How do contracted or expected results of selected projects contribute to the achievement of programme objectives, in terms of programme indicators?**

**C9.** The expected results of the projects contracted under the first call for proposals are overall adequate for the achievement of the Programme objectives as defined in terms of indicators with the following exceptions:

- ▶ **Programme level:** Indicators I4 – “Improved quality of life in the communities of the border area” and I1 – “Increased degree/intensity of Cooperation between public services/public authorities, municipalities” due to overarching targets set in the Programming document. Nevertheless the number of initiatives financed by the Programme in the respective areas is considerable, accounting respectively for 45% and 75% of the total contracted projects.
- ▶ **Priority Axis 1:** IR.I.2 “New or improved cross-border transport links and logistics capacity in the border area” the achievement of which will depend upon the contribution of projects selected under the second call for proposals.
- ▶ **Priority Axis 2:** IR.II.6 “Improved knowledge on different environment-friendly approaches and applications in everyday life” and indicator IR.II.4 – “Improved implementation of national and EU environmental legislative framework”, the achievement of which will depend upon the contribution of projects selected under the second call for proposals.
- ▶ **Priority Axis 3:** IR.III.2 – “Increased cooperation between local and regional public authorities across the border to finding solutions to joint local problems in the border area”, the achievement of which will depend upon the contribution of projects selected under the second call for proposals.

**C10.** The actual achievement of the target values will depend upon the capacity of projects to implement the planned activities and outcomes. According to Programme stakeholders and surveyed beneficiaries the projects contracted under the first call are expected to conclude in July 2012 and there is general consensus among beneficiaries that the planned indicators will be achieved. Nevertheless the current level of financial implementation and of achievement of indicators at the end of 2011 highlights the need for substantial acceleration in the pace of implementation.

**C11. Priority Axis4 – Technical Assistance:** overall the Technical Assistance resources allocated to the Programme stakeholders have ensured the effective implementation of the Programme. In terms of achievement of both output and result indicators the progress is generally good with the following exceptions:

- ▶ Effective Expenditure of the budget (output): currently amounting to 30% of the available financial allocation for 2007-2011;
- ▶ Number of events organised for the publicity and information of the programme (output): given the current status of implementation, there is a low likelihood of the need of strong Programme promotion, if not for the purpose of the dissemination of results;
- ▶ Number of relevant studies (output): that may be achieved in view of the preparations for the new Programming period.

### (1.a) Is the use of funds, appropriate for the first three years of the programme, ensured? Is an automatic decommitment likely?

#### Methodological approach

140. The appropriate use of funds has been analyzed in terms of commitments and payments registered to the cut-off date of the evaluation against the financial allocations earmarked to the CBC Programme for the years 2007-2011.

An analysis of the risk of decommitment has also been performed taking into account IPA Council Regulation 718/2007.

#### Analysis of financial Progress

141. The financial progress of the Programme, measured in relation to the 46 contracted projects, shows a “Commitment Capacity” of 56%, calculated as ratio between committed and available IPA allocations for the period 2007-2011 while the spending capacity, measured as a ratio between IPA claimed by beneficiaries and IPA allocations amounts to 7%:

**Table 17: Financial Progress per Priority Axis and Measure**

Priority Axis	IPA financial plan 2007-2011	Contracted projects	IPA Committed	IPA Committed / Available	IPA Claimed by beneficiaries	IPA claimed / IPA Available
	(a) (EUR)	(b) N.	(c) (EUR)	(d) = (c) / (a) %	(e) (EUR)	(f) = (e) / (a) %
<b>PA 1 - Economic &amp; Social Development</b>	<b>18,002,943</b>	<b>17</b>	<b>10,087,204</b>	<b>56%</b>	<b>671,963</b>	<b>4%</b>
1.1 Support for local/ regional economic and social infrastructure		4	3,092,739	31%	67,653	10%
1.2 Develop the tourism sector, including the strengthening of the regional identity of the border region as a tourist destination		6	3,947,810	39%	243,839	36%
1.3 Promote SME development		3	884,866	9%	96,518	14%
1.4 Support increased levels of R&D and innovation in the border region		4	2,161,788	21%	263,953	39%
<b>PA 2 - Environment &amp; Emergency Preparedness</b>	<b>9,361,478</b>	<b>7</b>	<b>4,294,338</b>	<b>46%</b>	<b>144,866</b>	<b>2%</b>
2.1 Improve systems and approaches to address cross-border environmental challenges, protection and management		4	1,944,238	45%	63,545	44%
2.2 Develop and implement effective strategies for waste and waste water management		1	572,529	13%	40,080	28%
2.3 More effective systems and approaches to emergency preparedness		2	1,777,571	41%	41,231	28%
<b>PA 3 - Promoting "people to people" exchanges</b>	<b>5,040,796</b>	<b>22</b>	<b>2,722,955</b>	<b>54%</b>	<b>488,618</b>	<b>10%</b>
3.1 Support the development of civil society and local communities		1	51,791	2%	22,271	5%
3.2 Improve local governance in relation to the provision of local services to communities in the border areas		4	528,454	19%	93,123	19%
3.3 Increase educational, social cultural and sporting exchanges		14	1,824,928	67%	323,832	66%
3.4 Enhance social and cultural integration of border areas		3	317,782	12%	49,392	10%
<b>PA 4 - Technical Assistance</b>	<b>3,600,568</b>		<b>3,227,936</b>	<b>90%</b>	<b>1,043,292</b>	<b>29%</b>
4.1 Support for the implementation, overall management and evaluation of the Programme						
4.2 Support for the publicity and information activities of the Programme						
<b>Total</b>	<b>36,005,685</b>	<b>46</b>	<b>20,332,433</b>	<b>56%</b>	<b>2,348,729</b>	<b>7%</b>

142. Given the current status of Programme documents, that foresees a high likelihood of full contracting of the whole financial allocations for 2007-2013 until the end of 2012, the critical aspect is represented by the level of expenditure.



143. Taking into account only the three thematic PAs and the 46 projects contracted between November 2010 and April 2011, the expenditure generated over a period of 8 – 13 months amounts to approximately EUR 1,3 mn.
- Considering that the projects are expected to be finalized until July 2007, the amount of expenditure to be generated in 7 months amounts to over EUR 15 mn.

#### Analysis of decommitment

144. According to Council Regulation 718/2007 Article 137, automatic and final de-commitment of any portion of the budgetary commitment for a cross-border programme shall follow the rules laid down in paragraph 3 of Article 166 of Regulation (EC, Euratom) No 1605/2002: “any portion of a budget commitment for such a multi-annual programme shall be automatically decommitted where, by 31 December of the third year following year n being the one in which the budget commitment was made: i. it has not been used for the purpose of pre-financing; or ii. it has not been used for making intermediate payments; or iii. no declaration of expenditure has been presented in relation to it”.
145. Taking into account the EUR 9,7 mn received as pre-financing, the expenditure target to avoid decommitment in 2012 is EUR 7 mn:

**Table 18: Decommitment Analysis**

Year	Financial Plan Original	Financial Plan for decomm. (based on AIR)	Prefinancing	Cumulated target of expenditure	Cumulated certified expenditure	Cumulated amount at risk of decommitment
	EUR	EUR	EUR	EUR	EUR	EUR
2007	4,274,252					
2008	7,302,563					
2009	7,982,247					
2010	8,141,892		9,779,531			
2011	8,304,731	11,576,815		1,797,284	2,000,231	202,947
2012		7,982,247		9,779,531	2,000,231	(7,779,300)
2013		8,141,892		17,921,423	2,000,231	(15,821,192)
2014		8,304,731		36,005,685	2,000,231	(34,005,454)
<b>Total</b>	<b>36,005,685</b>	<b>36,005,685</b>	<b>9,779,531</b>	<b>65,503,923</b>		

	Decommitment target exceeded, no amounts at risk
	Amount at risk of decommitment

Source: Elaboration of various Programme Documents

146. In 2012, the achievement of the expenditure target will be strongly linked to the performance of the 46 contracted projects, that will need to produce at least EUR 7 mn out of the EUR 15 mn that are expected. Furthermore, considering the average duration for the processing of the reimbursement claims until the certification of expenditure (5 months as presented under Evaluation Question n. (1.b) ), the target should be reached until June 2012.

*Conclusions*

**(1.a) Is the use of funds, appropriate for the first three years of the programme, ensured? Is an automatic decommitment likely?**

- C13.** The Programme shows a strong performance in terms of commitments with 56% of the financial allocation for 2007-2011 already contracted and a high likelihood of contracting the whole financial allocations for 2007-2013 until the end of 2012.
- C14.** The Programme is lagging behind in terms of expenditure, with a spending capacity of 7% equivalent to a total of EUR 1,3 mn generated by 46 projects in a period of 8-13 months.
- C15.** In order to avoid the risk of decommitment in 2012, at least EUR 7 mn. of additional expenditure must be generated by the 46 contracted projects until June 2012. Taking into account the average duration for processing of reimbursement claims (5 months), this will allow the submission of payment claim to the EC until the end of the year.

**(1.d) What are the specific factors hindering the effective use of TA funds, in terms of contribution to the programme implementation, including the mandatory use of PRAG rules?**

**Methodological approach**

147. For the purpose of identifying the factors hindering the use of TA funds, we have analyzed the Programme documentation related to the planning of TA resources (MTAS and TAS 2011), the physical and financial progress and taken into account Programme stakeholder views.

**Technical Assistance Strategy**

148. The TA Priority Axis of the Programme makes available financial resources for preparatory, management, monitoring, evaluation, information, control and auditing activities which are necessary for the effective implementation and management of the Programme.

The PA comprises two measures, the first regarding support for the Programme implementation, overall management and evaluation (4.1) and the second ensuring information and publicity activities of the Programme (4.2).

149. The use of the TA resources is further detailed in a Multiannual Technical Assistance Strategy (MTAS)<sup>38</sup> prepared by the MA and approved by the JMC. This framework document details the activities that shall be deployed in order to reach the MTAS objective, the actors involved in the strategy implementation, the eligible operations, general methodology, allocated resources and action plan.
150. The eligible beneficiaries of TA resources are all the institutional stakeholders involved in Programme implementation (MA, Serbian NA, JTS and Antenna of the JTS, Romanian FLCU and Audit Authority), with the exception of the Serbian FLC Unit, located within the Serbian Ministry of Finance. This could be of relevance in view of the expressed difficulties and budgetary restrictions faced by the Serbian FLCU whose activity is currently being financed through a grant<sup>39</sup> made available by the EC Delegation in Serbia which is to be completed during 2012.
151. The MTAS is further detailed in terms of activities and allocated budget on an annual basis in an Annual Technical Assistance Strategy<sup>40</sup> approved by the JMC. The TA needs reflected in the annual documents consider the contents of the following operational documents:
- ▶ Annual Communication Plan;
  - ▶ Annual Work Plans of TA beneficiaries;
  - ▶ Annual Training Plan of TA beneficiaries;
  - ▶ Annual Employment plan of JTS/Antenna of the JTS and First Level Control Unit;
  - ▶ Other annual plans to be developed by the MA (evaluation plan, etc.)

**Financial Progress**

152. The TA allocation for 2007-2011 amounts EUR 4.235 mn. of which EUR 3.6 mn. represent IPA funding. In terms of financial progress, the commitment rate is substantially in line with the amounts allocated under the financial allocations for 2007-2011, while the payment rate is approximately 30%:

<sup>38</sup> Version of March 2009 and first revision of April 2010

<sup>39</sup> 2008/020-406 - Establishment of first level control and support for the implementation of Cross-border-cooperation (CBC) programmes

<sup>40</sup> TAS for 2011 was provided

**Table 19: Financial Progress against allocations for 2007-2010**

PA 4	IPA allocation 2007-2011	IPA Contracted	IPA contracted / IPA Allocation	IPA Reimbursement requests	IPA Reimbursement requests / IPA Allocation
	3,600,568	3,227,936	90%	1,043,292	29%

Source: Elaboration of monitoring data

In analyzing the commitments it should be taken into account that the majority of the amounts represent mainly global financing decisions for the activities that are planned by Programme stakeholders such as JTS, MA and NA.

When such activities foresee the purchase of services (e.g. external expertise) or goods (e.g. IT equipments) PRAG procurement need to be respected by the above mentioned TA beneficiaries.

#### Factors affecting absorption

153. According to information included in the Annual Implementation Reports of 2009 and 2010, some of the initial TA activities, especially those related to communication and information initiatives and the capacity building of the structures involved in the Programme, have been **funded through alternative sources** (such as Phare and state budget), a fact that hindered the use of TA resources in the start-up phase of the Programme.
154. Furthermore, according to the above documents, one of the main factors hindering the use of TA resources consists in the difficulties faced in the **application of PRAG rules** (and particularly art. 19 of Council Regulation 1085/2006 regarding the rule of origin) for the award of external expertise and supply of goods.

This factor was confirmed during the interviews with the two main beneficiaries of the TA funds, respectively JTS and MA and in analyzing the execution of the JTS Annual Technical Assistance budget for 2011, evidence was found of at least one case when a public procurement contract could not be awarded due to impossibility of bidders to take part in tendering procedure.

155. Furthermore, the analysis of the **JTS budget for the year 2011-2012** includes an assessment of the level of budgetary execution of the financial resources in terms of planned vs actual expenditure for 2011 and an estimation of the budgetary allocations for 2012. Overall the budgetary execution for the year 2011 is in the range of 40% (EUR 531.477 executed vs EUR 1.320.653 budgeted).

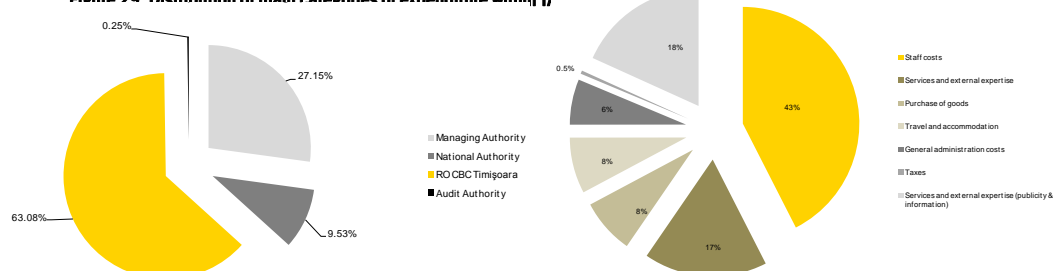
From the available information it appears that there are several reasons explaining the gap, i.e. activities that have not been carried out since no longer relevant, activities carried out at lower cost than planned or in reduced number, including lower staff costs than those expected.

156. Based on the interviews with Programme stakeholders it resulted that between 2011 and 2012 some **blockages in the financial circuit** occurred in relation to the eligibility of increased staff costs of the JTS with consequent impact on the level of authorized expenditure.

However, at the date of writing of this report, it results that the issues has been solved and that the occurred expenditure will be considered eligible and included in the next declarations of expenditure submitted to the EC.

#### Future perspectives

157. An analysis of the distribution of the main categories of expenditure within the TA Strategy for 2011, shows that 60% of the planned budget is allocated to the functioning of the management structures of the Programme (e.g staff costs, travel and accommodation, general administration cost, etc), i.e. the JTS, MA, NA:

**Figure 20: Distribution of main categories of expenditure within JTS**

158. Assuming that the distribution of the main categories of TA expenditures as provided in the 2011 TAS is representative of the whole period, it can be expected that over 60% of the financial allocation of the PA shall be allocated to the functioning of the management structures of the Programme (staff costs, travel and accommodation, general administration cost, etc) both for the allocation 2007-2011 and for the 2012-2013 annualities.

Given the fact that this type of expenditure is not subject to procurement, there is a certain degree that these resources will be absorbed, considering that the issues related to staff costs of the JTS have already been solved.

159. The remaining 40% of the resources are expected to cover the needs of the Programme in relation to the procurement of goods and services and in particular of information and publicity type of activities. Considering the budgetary execution for the year 2011 at JTS level, the current implementation status of the Programme and the availability of additional allocations for the year 2012 and 2013, possible spending economies may occur.

### Conclusions

#### (1.d) What are the specific factors hindering the effective use of TA funds, in terms of contribution to the programme implementation, including the mandatory use of PRAG rules?

- C15.** There exists a clear strategy for the use of TA resources formalized at Programme level and further detailed in a Multi-Annual Technical Assistance Strategy and Annual TA Strategy approved by the JMC.
- C16.** The level of commitments of TA allocations for the period 2007-2011 is satisfactory and amounts to 90% while payments are below 30%. Contracting is mainly based on global financing decisions with Programme stakeholders while TA projects are subsequently implemented by means of public procurement according to PRAG rules.
- C17.** The use of TA resources has been affected by the existence of alternative sources of financing in the start-up phase of the Programme, by problems in the application of PRAG procurement rules, issues in the eligibility of JTS salary costs and general reduction in the number and value of activities carried out vs. the planned ones.
- C18.** Having solved the issues related to the eligibility of JTS salaries, it can be expected that a substantial amount of the TA budget (60%) will be absorbed by the functioning of Programme structures while for the remaining 40% are expected to cover the needs of the Programme in relation to the procurement of goods and services and in particular of information and publicity type of activities. Considering the budgetary execution for the year 2011 at JTS level, the current implementation status of the Programme and the availability of additional allocations for the year 2012 and 2013, possible spending economies may occur.

## 2.3. Efficiency

### (1.b) What are the proposed immediate recommended actions in terms of procedures and rules, for avoiding automatic decommitment for the remaining programming period?

#### Methodological approach

160. With 46 projects under implementation and an equivalent number about to be contracted, the existence of clear and effective implementation rules are the necessary prerequisite for ensuring absorption. For this purpose we have analyzed the procedures in place for project monitoring and financial control as well as stakeholder views and responses of surveyed beneficiaries.

#### Project monitoring

161. Project monitoring is aimed at keeping track of how the projects progress in terms of expenditure, resource use, implementation of activities, delivery of results and management of risks. The key structures involved in project monitoring is the JTS, performing desk based verifications of the Progress Reports prepared by beneficiaries and on the spot visits:

- ▶ *Progress Reports:* Lead Partners report on a quarterly basis to the JTS on progress of activities by means of a Progress Report template structured in a technical and financial section. Programme Stakeholders consider that the progress reports submitted by beneficiaries are clear and provide all the required data.
- ▶ *On the spot visits:* according to the procedures in place only one site visit is supposed to be performed each year, however in order to ensure better monitoring of the progress of activities, one monitoring visit is currently performed every quarter in order to solve in a cooperative manner all issues affecting implementation and keep the project on track. During the visit recommendations are issued and followed-up.

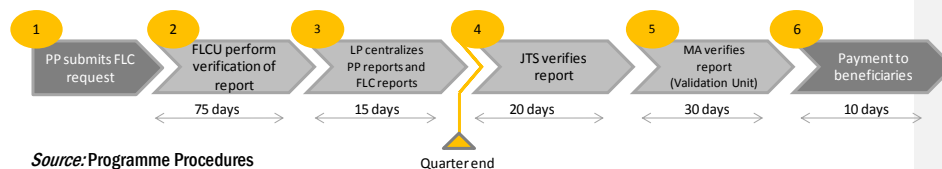
Sampled beneficiaries have received an average of 2-3 visits, with a maximum of five, the majority of them considering site-visits as a useful instrument to keep projects on track, verifying the progress of indicators and identifying in a collaborative manner problems encountered and possible solutions.

162. In addition to the site-visits performed by the JTS, visits are also performed by the Managing Authority – Programme Implementation Directorate – on a 10% project sample selected on the basis of a risk analysis performed by the JTS. Additional visits can also be performed on projects registering substantial delays in implementation and on infrastructure projects.

#### Financial Control

163. In case expenses are incurred in a certain period, a reimbursement claim, containing expenditure validated by First Level Controllers, is submitted together with a Progress Report.
164. The monitoring procedure is therefore strictly correlated to the process of verification of expenses as represented in the diagram below:

Figure 30: Financial Circuit of the Programme



165. The financial verification process is characterized by the existence of three levels of control performed respectively by the First Level Control (100% expenditure verification), the JTS (Administrative and on-site verifications) and MA - General Directorate Programmes Authorization and Payments (administrative and sample checks).

In terms of timing, the full process of verification of expenditure has a planned duration of approximately 5 months (150 calendar days), out of which approximately half is absorbed by the First Level Control.

► *FLC Verifications*

166. FLC verifications are performed by two separate units operating on each side of the border, which are located respectively for Romania within the Regional Office for Cross-Border Cooperation Timișoara and for Serbia within the Ministry of Finance - Sector for Contracting and Financing of EU Funded Projects.

167. The total duration of FLC verifications is 75 days:

- The FLC performs an *administrative verification* of the expenditure to validate whether the project expenditure reported is compliant with the project activities, the Programme provisions and the national and EU legal framework. Also, the FLC conducts a technical verification of the services, works and goods delivered to validate compliance with tender documentation.
- *On-site visits* may also be performed in order to check the delivery of products/services in strict compliance with the terms and conditions of the subsidy contracts, the progress of the project and the observance of the rules regarding the publicity, public procurement procedures, gender equality and equal opportunities, sustainable development and environment protection. On-site visits are required to be performed at least once during projects' lifetime or anytime the controllers deem it necessary.

168. According to the procedural provisions, the controllers should complete the expenditure validation within 75 calendar days from the submission of the validation request, a time frame that is currently being respected by FLC, according to which the average time for validation of expenditure is around 60 calendar days.

169. Based on the feedback of Programme stakeholders, FLC Units have established a cooperative approach aimed at ensuring a common application of verification procedures. Nevertheless differences still exist both in terms of frequency of controls and in depth of the verifications. In particular while the Romanian FLC Unit performs on-site visits in occasion of each request of verification, the Serbian FLC Unit targets 2 site visits during the whole lifetime of a project.

The Serbian FLC Units considers also that the procedural manuals could be improved in terms of clarity, taking as an example those used under other IPA Programmes such as those with Hungarian Managing Authorities.

170. A potential issue has been raised in occasion of the interviews with Programme stakeholders concerning the functioning of the Serbian FLC Unit. The salary costs of the controllers are currently supported through an IPA funded Technical Assistance Programme that is expected to be finalized until the end of 2012. Given the fact that Serbian FLC Unit costs are not currently eligible under the Technical Assistance Priority Axis, there is a potential issue concerning the continuity of its activities.

► *JTS Verifications*

171. Following the verification of the partner's report, the Lead Partner has to prepare the Request for payment and consolidated progress report within 15 days and submit it to the JTS.



172. The JTS verifies the documentation within 10 days, according to the checklists for progress report and reimbursement claim verification (without verifying expenditure). If necessary, the JTS may request clarifications from the LP and also from FLC and may schedule on-site visits.

173. According to the projects status provided by the JTS, it appears that most projects had 1 on-site visit and 33% had two one-site visits. It has to be noted that according to the procedure in place the JTS is not reperforming a verification of expenditure.

After the completion of the verifications, a copy of the progress reports and reimbursement claims are submitted to the MA for verification and approval.

► *MA verifications*

174. Following the receipt of documentation from the JTS, the MA General Directorate Programmes Authorization and Payments – Authorizing Service for Territorial Cooperation Programmes - performs administrative verifications over the reimbursement claims by means of a simplified check-list (aimed at checking the completeness of the documentation received) and a public procurement verification check-list.

175. In addition to the above checks, the MA performs verifications on project expenditure on a sample of projects identified through a risk assessment performed by the JTS.

The sample based verifications have been introduced as an effort towards procedural simplification, since 100% verification on expenditure were performed on all projects contracted under the first call for proposals for the first 3-4 reporting periods. The General Directorate Programmes Authorization and Payments has recently put forward a proposal for the revision of the risk assessment methodology aimed at identifying projects that will be subject to 100% expense verification. According to the Directorate, the methodology is taking into account a limited number of risk factors, respectively the type of procurement procedure applied, the existence of delays in project implementation and the number of contract modifications with financial impact, which fail to identify projects facing real risks in implementation. Furthermore, the same stakeholder considers that the number of risk factors could be extended, taking into account the risk assessment methodologies adopted under other European Territorial Cooperation Programmes.

176. According to the Description of the Management and Control System, the period between the submission of a reimbursement claim to the JTS and the actual reimbursement amounts to approximately 60 days: the analysis of 78 paid reimbursement claims revealed that the average time amounts to 53 days, therefore below the planned deadline.

**Generation of expenditure at beneficiary level**

177. At the end of December 2011, Programme expenditure for the three thematic PAs amounted to approximately EUR 1.3 mn., equivalent to 7% of the contracted amounts, hinting to the existence of possible bottlenecks in the generation of the expenditure at project level, given that the process of verification of expenditure results substantially in line with the planned duration.

Based on survey responses provided by beneficiaries specific delays in project implementation are mainly due to difficulties with public procurement, modification of project partners, incorrect budgeting of eligible expenditure, delayed contracting, which has led to the postponing of project activities and delays in the processing of reimbursement claims.

178. Programme stakeholders have confirmed that secondary public procurement based on PRAG rules is affecting project implementation due to the difficulties of bidders in submitting offers compliant to PRAG procedures and in English language. A reduced number of respondents has also evidenced lack of clarity in the existing templates and incompatibility of PRAG rules (application of English language) to the internal rules of their organization.

179. Over 80% of the questionnaire respondents, have actually confirmed that the application of Public procurement procedures, is one of the topics on which they have sought and received assistance from the JTS and the JTS antenna and over 60% of them confirm that further assistance would be required on this issue.
180. On the other hand, based on questionnaire responses, there appear to be no major problems in terms of cooperation with the cross-border partners, since the vast majority of respondents have appreciated as good to excellent the cooperation with the project partners.
- Only two beneficiaries evidenced difficulties, related respectively to the reduced financial capacity of a (Serbian) partner and a partner change due to socio-political reasons.
181. Considering that the procedures in place do not foresee any minimum ceilings to the value of reimbursement claims, we have investigated the average number and size of the claims submitted to date, in order to understand whether bottlenecks in the verification process could be caused by the submission of claims of non material amount.
182. In the period March 2011 – February 2012, a total of 123 reimbursement claims were submitted. The value of the claims ranges between EUR 1.056 (mainly in occasion of the first reimbursement claims) to EUR 330.000 with an average value of EUR 43.000:

**Figure 31: Analysis of submitted Reimbursement Claims**

Minimum value of RC validated by the FLC	Maximum value of RC validated by the FLC	Average value of RC validated by the FLC
EUR 1.056	EUR 330.015	EUR 43.218

*Source:* Elaboration of Programme Monitoring Data

When compared to the average size of the contracted projects (approximately EUR 370.000), the amount of the reimbursement requests equals to approximately 11% of the granted IPA assistance. No issue has been raised in respect of the size of submitted grants by Programme Stakeholders.

*Conclusions*

**(1.b) What are the proposed immediate recommended actions in terms of procedures and rules, for avoiding automatic decommitment for the remaining programming period?**

**C19.** The procedures for monitoring and financial control are in place and functioning.

**C20.** Monitoring has been reinforced by increasing the number of on-site verifications which are appreciated by beneficiaries as a useful tool for keeping projects on track.

**C21.** The financial control is characterized by the existence of three levels of control, performed respectively by the First Level Control Units (100% expenditure verification), the JTS (administrative verifications) and MA verifications (administrative and sample checks).

The overall duration from submission of a payment claim to the reimbursement expenditure is of 5 months in line with the planned duration. FLC verifications have duration of 75 days, accounting for half of the whole duration.

Efficiency in the financial circuit has been already improved by reducing MA verifications from 100% to sample based verifications, but there is room for improvement in the risk assessment methodology used to identify the projects facing problems in implementation that shall be subject to 100% expense verification. This could be achieved by extending the number of risk factors applied taking into account the methodologies applied under other ETC Programmes.

**C22.** FLC Units have made efforts for ensuring the common application of procedures on both sides of the border; nevertheless control activities appear to be still stricter for Romanian project partners than for Serbian ones and further efforts should be made for their homogenization.

There is a possible issue concerning the continuity of the activities of the Serbian FLC Unit, currently funded through an IPA grant and not eligible under the TA Priority Axis. The issue should be discussed among stakeholders and possible solutions identified, considering for example reallocations from Measure 4.2 to 4.1.

Overall staff capacity of the FLC and of the structures involved in the financial circuit should be monitored in the scenario in which the projects submitted under the first call for proposals will not end until those selected under the second call will kick-start.

**C23.** Beneficiaries are facing problems in the generation of payment claims (the average size of which amounts to 10% of the contracted IPA budget), mainly being affected by the application of PRAG public procurement rules and consider that the overall duration of expenditure reimbursement is negatively affecting implementation while relations at project partnership level are positively appreciated.

**C24.** In consideration of the target of expenditure for the current year an assessment of the actual risk of decommitment should be carried out by requesting updated forecasts of expenditure to beneficiaries in order to identify the number and type of critical projects. Based on the results the MA should consider adopting a mix of actions ranging from reinforcement of awareness raising activities to beneficiaries to stress the importance of the contribution of each project for the achievement of targets of expenditure at Programme level, strengthening of assistance to project partners or introduction of rules concerning decommitment at project level.

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## (1.c) Can project assessment, selection and contracting be accelerated?

### Methodological approach

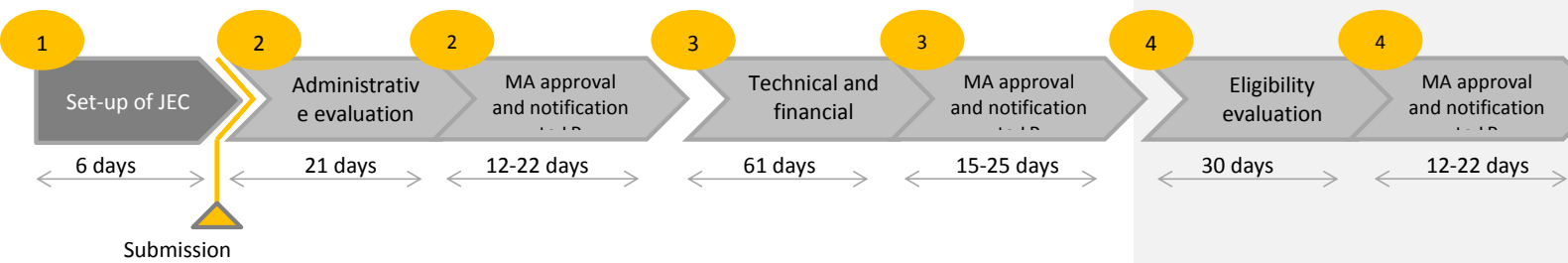
- 183. In order to evaluate the efficiency of the assessment, selection and contracting procedure, we conducted an analysis of the procedural framework in place and compared the duration of activities as stipulated in the procedures with actual duration resulting from monitoring Reports, and additional information made available by Programme stakeholders.
- 184. The purpose of the comparison was to identify variances between planned and actual timing of activities which would point out the bottlenecks in the process. Stakeholder interviews and applicants' survey have been used to complement the understandings of the main issues encountered and for identifying possible improvements.
- 185. The procedural analysis implied the review and comparison of information included in the Description of Management and Control Systems, Applicant's Guide and assessment, selection and contracting procedure. Given that some discrepancies in the duration of activities were noticed, when comparing the documents, the durations have been calculated based on the Procedure for Assessment, Selection and Contracting as approved in February 2011.

### Overview of the assessment and selection system

- 186. The system for the selection of projects adopted by the Programme consists of two main phases, respectively project assessment and project selection, which are extensively described in terms of activities in the above mentioned documents and procedures.

Based on the procedural provisions, the estimated duration of the assessment and selection process is of approximately 150 (working) days, starting with the set-up of a Joint Evaluation Committee and concluding with the decision issued by the JMC regarding the selection of projects:

Figure 32: Project assessment procedure



Source: Evaluation, Selection and Contracting Procedure

In determining the overall planned duration of the assessment and selection process, we have used the following assumptions based on the understanding of the procedures in place: 1) that the MA approval and notifications to LP after each evaluation phase can be carried out in parallel with the next evaluation stage, therefore the overall number of days estimated does not include activities 2b and 3b; 2) the interval between phases was not taken into account.

- 187. Based on the data included in the AIR 2010, the overall duration has been of approximately 9 months against a planned duration of 7.5:

**Table 20: Analysis of the duration the Evaluation Process**

Call for proposals	Submission deadline	Evaluation of proposals	JMC Decision	Average duration of assessment and selection in months	Average deviation from estimated duration (7.5 months)
First Call	July 2009	Oct 2009 – June 2010	05-Jul-10	9	1.5

Source: Annual Implementation Report 2010

In comparing the planned duration of the process with the actual one, we can observe that the Evaluation process has started 2 months after the submission deadline and that the duration of the process has exceeded the procedure deadlines. It has to be mentioned therefore that the total duration from submission deadline to JMC decision was of 11 months due to the lead time between submission deadline and start of evaluation as specified in AIR.

188. The following paragraphs include a detailed analysis of each phase of the assessment and selection process aimed at further investigating the causes of delays and possible solutions for improvement in the future.

**Project assessment**

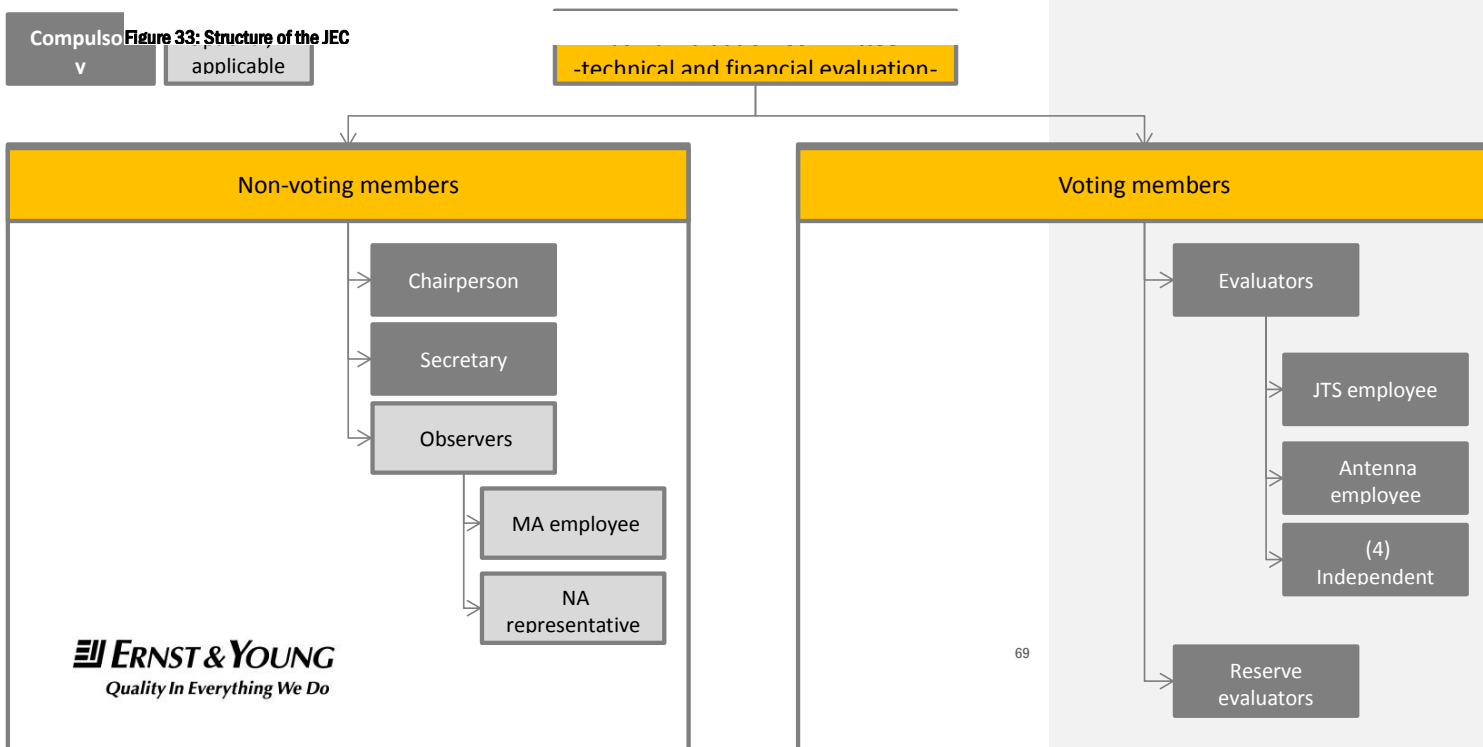
189. The project assessment is structured in 4 activities, respectively the set-up of the Joint Evaluation Committee, administrative assessment, technical and financial assessment, eligibility assessment.

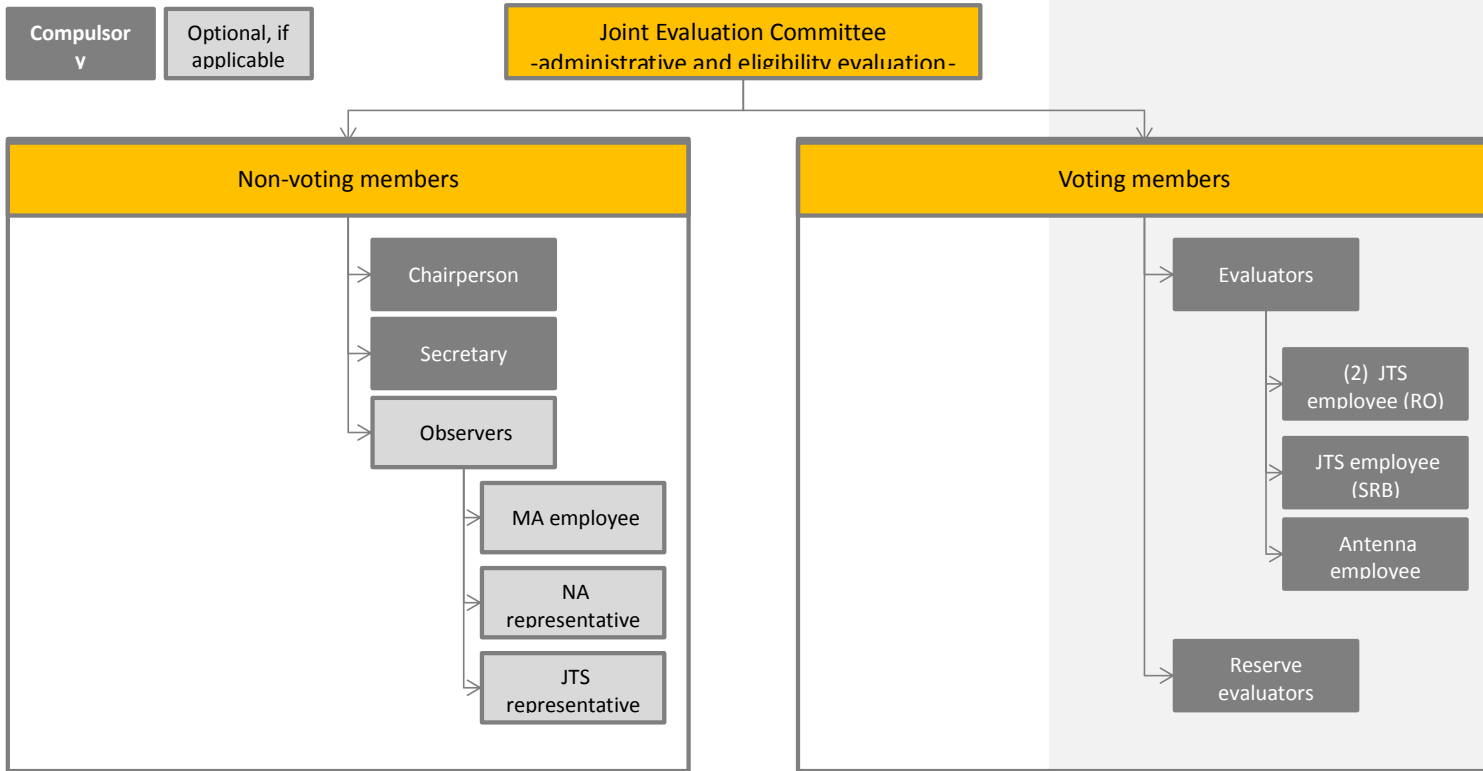
► *The set-up of the JEC*

190. The existing procedure foresees that a Joint Evaluation Committee (JEC) is set-up based on a proposal of the JTS subject to the approval of the MA, with the responsibility for carrying out the administrative, technical and financial and eligibility assessments. The JEC has to be set-up before the submission deadline of each call.

191. The JEC is composed of voting and non-voting members, where voting members are both employees of the JTS and external experts (for the technical and financial assessment), with each application being assigned to a team of two evaluators which are maintained constant throughout the evaluation process. According to the procedures in place, the cross-border character of the assessment process is ensured by the mixed composition of the JEC in terms of Romanian and Serbian nationals.

192. The structure of the JEC, applicable to a number of 100 projects submitted within the call for proposals, is presented





in the table below:

- 193. According to the procedure, in case the number of the project proposals submitted exceeds 150, reserve evaluators may be invited to take part in the evaluation process, or more evaluators may be involved in order to comply with the deadlines.
- 194. In occasion of the first call, the eligibility assessment was carried out by 4 evaluators while the technical and financial assessment by 10 (8 external and 2 from JTS):

**Table 21: Analysis of Eligibility Assessment / Technical and Financial Assessment, for the first call for proposals**

Call for proposals	Administrative and eligibility check			Technical and financial assessment		
	Applications	Evaluators	Applications / evaluator team	Applications	Evaluators	Applications / evaluator team
	N.	N.	N.	N.	N.	N.
First call standard projects	164	4	82	164	10	33
Minimum number of applications per assessor team as by procedures			50			25

Source: Elaboration of various Programme Documents

- 195. Comparing the number of applications assessed by evaluator team both in the administrative ad eligibility check and in the technical and financial assessment, it results that the workload assigned was greater than the minimum planned one according to the procedures in force, determining one of the possible causes of delay.

► *Administrative evaluation*

196. In the administrative phase each application is checked for completeness and it is also verified that all documents follow the standard templates included in the Application Package. According to the Procedure the administrative verification performed by the JEC may last between 8 working days (if no clarifications are filed) and 21 working days (if the clarifications request was necessary), with such timing being set for a number of 100 applications.
197. The administrative check is completed with the elaboration of the administrative compliance report, in which the decision to accept or reject the Application form is detailed with arguments. The report is submitted to the MA for approval which has to be given within 9 working days from receipt, following an administrative verification and eventual clarifications to the JEC. The results of the assessment are communicated at the end of the phase to rejected applicants.

► *Technical and financial assessment*

198. Within the technical and financial assessment the projects that have passed the administrative check are ranked by the JEC according on the basis of the 17 scoring criteria included in the Guidelines for Applicants:

**Table 22: Categories of scoring criteria for the technical and financial assessment of projects**

Category of criteria	Number of sub-criteria	Max. score	Weight
Consistency with the Programme and other strategic documents	5	29	29%
Project Methodology	9	54	54%
Value for money	3	17	17%
<b>Total</b>	<b>17</b>	<b>100</b>	<b>100%</b>

Source: Evaluation, Selection and Contracting Procedure

199. In order to ensure the quality of the projects selected, a minimum number of points has to be achieved under each of the categories (56-66% of the maximum points available) with projects not reaching the minimum score being rejected by the JEC.
200. For the first call for proposals, the technical and financial assessment was performed with the support of 8 external assessors selected through a competitive negotiated procedure.
- Stakeholders have expressed general satisfaction over the quality of the work performed by the evaluators, fact that is confirmed by the reduced number of re-evaluations that needed to be carried out due to discrepancies in the scoring assigned by evaluators.
201. It must be also mentioned that the evaluators have been equipped with adequate tools to perform their duties, both in terms of an internal assessment grid, aimed at providing guidance in applying uniform interpretation to scoring criteria and training sessions organized before the beginning of each assessment phase.
- The only problem mentioned, consisted in an initial tendency of the evaluators in requesting clarifications aimed at improving the quality of the applications, a principle that is compatible with calls for proposals with rolling submission (experts familiar with ROP procedures) and not with calls with closed deadline.
- According to the sample of surveyed applicants, most of the requests of clarification received, concerned technical aspects of the investments, in particular details related to the equipment purchased.
202. The technical and financial assessment is completed with the elaboration of the technical and financial compliance report, in which the decision to accept or reject the Application forms is detailed with arguments. The report is submitted to the MA for approval which has to be given within 12 working days from receipt, following an administrative verification and eventual clarifications to the JEC. The results of the assessment are communicated at the end of the phase to all applicants.

► *Eligibility assessment*

- 203. The eligibility assessment refers to the eligibility of partners, activities and expenditure. Despite the fact that an important part of the assessment is carried out only as a third step, according to the information provided by stakeholders, there have been only few cases of projects rejected under in this phase, since the eligibility requirements were clearly presented to applicants on behalf of the JTS during the application phase.
- 204. The eligibility assessment is completed with the elaboration of the eligibility compliance report, in which the decision to accept or reject the Application form is detailed with arguments. The report is submitted to the MA for approval which has to be given within 9 working days from receipt, following an administrative verification and eventual clarifications to the JEC. The results of the assessment are communicated at the end of the phase to all applicants.

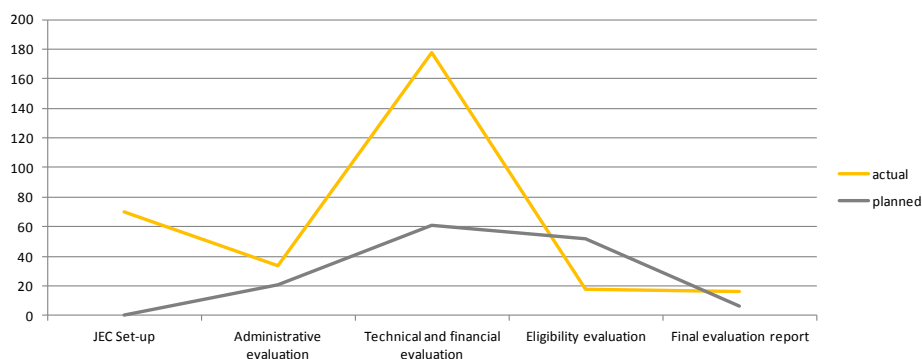
► *Final Evaluation assessment*

- 205. Following the completion of the above steps a Final Assessment Report is prepared by the JEC, including a synthesis of the evaluation phases. The Report is transmitted to the MA for approval.

► *Actual and planned duration of the assessment procedure*

- 206. When comparing the actual duration of the different phases of the selection procedure with the planned one, it results that the overall delays can be attributed to the duration of the technical and financial assessment, which exceeded the planned duration:

**Figure 34: Comparison between actual and planned duration of the Evaluation Process**



Source: Elaboration of various Programme Documents

- 207. The administrative evaluation and the eligibility evaluation were performed in line with the timing foreseen by procedures. Additional delays have been caused by the late set-up of the JEC, which took place only 2 months after the closure of the submission deadline.

► *Feedback of beneficiaries on the assessment process*

- 208. When taking into account the view of beneficiaries concerning the quality of the project assessment process the overall judgement is positive, since 70% of survey respondents considers it to be fair and 30% rate it as good, while the judgement of non-successful applicants is rather in the range of poor to good.
- 209. In terms of transparency 80% of the beneficiaries rates the assessment process as transparent/quite transparent, while only 20% considers it to be not very transparent. The answers provided by non-successful applicants diverge, as the assessment process is judged from not-at all transparent to quite transparent.



Some suggestions for improvement of transparency are also provided in terms of: publishing the progress in the assessment process on the Programme website or by other means of communication and communication of details of the technical and financial scoring achieved by the project in order to improve the quality of the applications in the following rounds of calls.

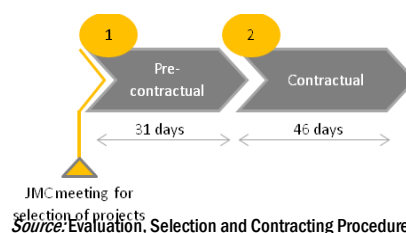
**Project selection**

- 210. Following the approval of the final evaluation report, the JTS prepares the list of projects proposed for financing, which shall be approved at the first JMC meeting organized following the completion of the evaluation and selection process, or by written procedure. Subsequently, all LPs receive notification of the approval/rejection of their projects.
- 211. For the first call for proposals, the JMC Meeting took place on 5 July 2010, less than 10 days following the submission of the final evaluation report to the MA. Its Decision is final and mandatory for all applicants and is followed by the pre-contractual stage and the sign-off of contracts. At this stage, the applications are approved, according to the requested budget, with eventual adjustment, postponed to the pre-contracting phase.
- 212. As for the quality of the selection process, 82% of the surveyed beneficiaries consider the selection process to be of fair/good quality and 18% consider it to be excellent.

**Contracting procedure**

- 213. The contracting procedure is structured in the two main stages, respectively the pre-contracting stage which includes on-site visits and contract sign-off stage, with an overall planned (estimated) duration of 77 days.

**Figure 35: Contracting Procedure**



► *Pre-contractual stage*

- 214. Within 3 days from the JMC decision concerning project approval, successful applicants are notified the results of the assessment and selection process and additional documentation is requested for the scheduling of on-site visits and contracting. The purpose of the on-the-spot visits is to ensure that the actual state of fact at the beneficiary's premises is in accordance with the application form and therefore avoid contracting errors or frauds.
- 215. Pre-contracting site-visits are carried out by JTS staff and are concluded with the elaboration of a Report signed by the JTS experts, the beneficiary representative and the MA and NA Observers, when they take part in the visit.
- 216. Prior to the on-site visits, the JEC can make recommendations for necessary changes such as budget cuts, correction or arithmetical errors. The beneficiary has the responsibility to provide the JTS with the modified documents during the on-site visits.
- 217. For the projects selected in the 1<sup>st</sup> call, the on-site visits took place over a period of 2 months, (between July to August 2010), therefore in line with the planned timing foreseen in the procedures.

► *Contractual stage*

- 218. In case of positive outcome of the pre-contracting visit, the JTS submits the contracting documentation for the verification of the MA within 20 days from completion of the on-site visits. Following several internal controls and authorizations, the contract is signed by the MA and submitted for sign-off to the beneficiary. According to the procedure, 46 days are necessary to obtain the appropriate contract endorsement and sign-off, from the time the on-site visit is completed.
- 219. In the case of the 46 projects that were contracted, the necessary documentation was sent to the MA by September 2010 and the contracts were signed in the period between 1 November 2010 – 15 April 2011.

In particular, according to the data included in the AIR for 2010, 20% of the selected projects contracted within the estimated timeframe (November 2010), while an additional 70% were contracted with slight delay (December 2010). However, stakeholders have mentioned a number of reiterated communications between JTS and MA concerning contents of the contracts that have caused additional workload.

220. An additional number of contracts were signed in February and April due to the decision of four LP to withdraw from the contract during the pre-contractual stage and the need to contract additional projects from the reserve list. There was also a situation in which one of the selected projects was re-evaluated due to a proposed change in the location of implementation due to flooding, leading to contracting only in April 2011.
221. The feedback of beneficiaries concerning the quality of the contracting process is positive, since 36% of the survey respondents rate the quality of the contracting process as very good to excellent, 55% as good and only 9% as Fair. As for the contracting templates used, 64% of the respondents consider them of being of high quality, 27% of medium quality and only 9% of low quality.

► *Contract modifications*

222. According to the Manual for Evaluation, Selection and Contracting and to the contracting template for the first call for proposals, modifications to the initial subsidy contract can be implemented by means of three different procedures: 1) simple notification; 2) MA approval; 3) JMC approval:

- *Notification:* applicable to changes inside or between budget line or lines, in the limit of 10% of the total budget and changes in the in the “Schedule for reimbursement claims” are made with previous notification of the MA through the JTS;
- *MA Approval:* changes in the budget including component budgets over the limit of 10% (but under 50.000 Euro), extension of the project duration, are subject to approval of the MA and JTS and No-objection letter from NA and as long as the maximum amount of funding awarded remains unchanged and the major goals of the operation are not affected. These changes are operated by an addendum to the contract.
- *JMC Approval:* any other changes than the above are subject to the JMC approval (changes of partners, changes between partner budgets, changes in budget lines over 50.000 Euro, etc.). These changes are operated by an addendum to the contract.

223. Contract modifications can be initiated either on behalf of the LP, with the agreement of all PP or on initiative of the MA, in which case the MA has the obligation to notify the LP directly or through the JTS of the decision to modify the contract.

When the modification is initiated by the LP and approved by the MA, the procedures in force foresee a number of approximately 29 days from the submission of the addendum to JTS to approval of the addendum. If the JMC needs to approve the contract modification, the process lasts for approximately 37 days due to additional time necessary for the JMC review.

224. From the data provided by the JTS, we observed that 45 of the total 46 contracted projects had at least 1 addendum, and in some cases even 3. Related to the 59 addendums to the contracts an average of 44 working days were recorded from submission to approval, exceeding the planned duration.

**Figure 36: Addenda to the contracts of beneficiaries**

Call for proposals	N. of addenda approved until 03.02.2012	Min. N. of days from submission to JTS or MA to signing	Max. N. of days from submission to JTS or MA to signing	Average number of days from submission to JTS or MA to signing
First call	59	13	137	44

Source: Elaboration of various Programme Documents

225. An analysis of the type of modifications performed, revealed that 34% of the modifications were related to changes in the project implementation team, 34% to changes in project activities and in 32% changes in the project budget, fact that is confirmed also by survey respondents according to which the most recurrent modifications concerned extensions of the project duration and budget reallocations.

► *Assessment, selection and contracting*

226. For the 46 contracted projects, we calculated an average of 364 working days from submission deadline to contracting. In this respect, 8 survey respondents appreciated that the long lead times in the assessment, selection and contracting, affected their projects.

The most common consequence mentioned were the shortening of the implementation period (compared to the initial foreseen durations) and postponements of start of planned activities, as well as difficulties in ensuring necessary cash-flows and co-financing

### Conclusions

#### (1.c) Can project assessment, selection and contracting be accelerated?

- C25.** The procedures for project assessment, selection and contracting are in place.
- C26.** **The assessment of the projects** submitted under the first call has lasted 11 months against a planned duration of 7.5. A delay of two months was caused by the late set-up of the Joint Evaluation Committee and a delay 1.5 months was cumulated during the actual assessment.
- C27.** The assessment is structured in 3 phases: administrative check, technical and financial assessment and eligibility assessment. The major delays were encountered during the technical and financial assessment but the performance of the eligibility check in the last phase may lead to potential inefficiencies in the process in cases when projects are rejected due to non-compliance with eligibility criteria, although having undergone the previous evaluation stages.
- The duration of the technical and financial assessment (performed with the support of external experts) has been affected by the workload of applications assigned per team of assessor which was above the one provided by the procedures in force.
- C28.** The structures involved in the assessment process are the Joint Evaluation Committee and the MA in such a manner that the MA approves the assessment reports prepared by the JEC under each phase. Although the MA approval after each phase does not affect the start of the following one, this can create additional workloads for all the structures involved. Overall beneficiaries consider the assessment process to be transparent with slight room for improvement.
- C29.** **The Project selection** performed by the Joint Monitoring Committee has followed timely the project selection process, however the projects at this stage are approved according to the initial request in the application form and modifications are postponed to the contracting phase.
- C30.** **The contracting procedure** is structured in two phases, respectively pre-contracting and contracting, with an overall planned duration of approximately 80 days. For the projects submitted under the first call, the pre-contracting stage which includes the execution of site-visits was carried out by the JTS as by the planned duration. The contracting phase on the other hand encountered slight delays and additional workloads due to the reiterated communications between the JTS and MA concerning the contracting templates.
- C31.** In the pre-contractual phase the JEC can make recommendations related to the financial aspect of the projects, such as budget cuts, correction of arithmetical errors, etc. This may cause inefficiencies in the

contracting system, considering that the projects have passed the financial and technical evaluation in order to be selected.

**C32. Amendments to the initial subsidy contract** can be made by means of three different procedures: simple notification, MA approval or JMC approval, the latest two taking the form of addendum to the subsidy contract.

Simple notifications are limited to changes inside or between budget lines in the limit of 10% and changes in the schedule for reimbursement claims while all other modifications require an addendum. The planned duration for the processing of contract amendments has generally been exceeded.

## 2.4. Horizontal issues and Added Value

**(3.a) Are the horizontal themes (equal opportunities—including gender equality and environmental sustainability) covered adequately and clearly within the Guidelines for applicants and programme monitoring arrangements?**

### Methodological approach

227. In answering to this question, we have analyzed the treatment of horizontal issues within the Programme, the Application Package (Guidelines for Applicants, Application Template, Evaluation Grid) and the monitoring arrangements in place as detailed in the Procedure for Programme and Project monitoring. Stakeholder and beneficiary views have also been taken into account.

### Programming Document

228. According to the Programming Document, convergence with the Horizontal Themes - gender equality, equal opportunities and sustainable development – is a strategic objective of the Operational Programme and as such, the three themes are embedded in all the Priority Axes and made compulsory for each project financed through the Programme.
229. The Programming Document specifies the following aspects, regarding equal opportunities and gender equality:

“The Cross-Border Cooperation Programme is committed to the promotion of equal opportunities in all its activities. It is expected that projects will enhance equal opportunities for all and not only regarding equality of opportunity for men and women.

The Programme recognizes that people with disabilities, ethnic minority groups and others who may be disadvantaged need help and support to integrate in the economic and social life.”

and with regard to sustainable development:

“It is expected that projects will contribute to the sustainable development of the border region. (...) Achieving this requires that economic growth supports social progress and respects the environment, that social policy underpins economic performance, and that environmental policy is cost-effective.

Socio-economic development and integration of the border regions are to be conducted in such a way that adequate environmental sustainability is ensured”

230. According to the Programming Document it was decided not to include any specific measure to address horizontal issues, but rather that these are taken into consideration in a strong and effective manner across the Programme as a whole.<sup>41</sup>
231. The text of the Operational Programme, also specifies that Priority Axis 1 (Economic and Social Development), Priority Axis 3 (Promoting people-to-people exchanges), and Priority Axis 4 (Technical Assistance) demonstrate both a direct and indirect impact on promotion of equal opportunities, whilst Priority Axis 2 has only an indirect positive or neutral effect.

<sup>41</sup> “Romania – Republic of Serbia IPA Cross Border Cooperation Programme”, Final English Version, Programming Document, Chapter 3.6 Gender equality and equal opportunities

232. Furthermore, the Programming Document contains provisions aimed at ensuring that Horizontal Issues are taken into account during the project assessment and selection phase and for their monitoring at Programme and Project level:

- ▶ *Project selection criteria:* “each PA must include references to promoting projects that demonstrate measures to:
  - ▶ increase the participation of socially excluded and disadvantaged groups,
  - ▶ provide outreach to marginalised groups in relation to the labour market,
  - ▶ address the impact of social issues on the internal market, and,
  - ▶ promote access to and management of projects taken on by NGOs, active in areas of equal opportunity”;
- ▶ *Monitoring:* “relevant and specific indicators were set for each PA, in order to ensure that performance in relation to achieving equal opportunity targets is monitored and evaluated across the CBC Programme and that the indicators highlight actions that are aimed at issues of equal opportunity”.

**Guidelines for applicants and application template**

233. The Application Package for the first call for proposal was composed of an Applicant’s Guide for each Priority Axis, Application Form templates, evaluation grids and other templates such as Partnership agreement, Contract Template and relevant EU and National Legislation.

▶ *Applicant’s Guide*

234. The Applicant’s Guide, which contains instructions on how to fill-in the Application Form templates, contains specific reference to all three Horizontal Principles, without providing however any specific definition of the horizontal issues: *Chapter 3.10 “Project coherence with horizontal themes”*, of the Applicant’s Guide, specifies the following:

“Explain how your project will contribute towards the promotion of the three horizontal themes (gender equality and equal opportunities, sustainable development). Under some measures it might be expected that there should be a significant and positive contribution under a particular horizontal theme. If a negative impact is envisaged, for any reason, then it should be clearly explained how such effects will be minimized or otherwise offset.”

▶ *Application form*

235. In the Application Form, applicants are required to explain the coherence of their project with each of the horizontal themes of Gender Equality, Equal Opportunities and Sustainable Development, by using a maximum of 3500 characters for each field.

236. The Application Form template does not contain any mandatory indicator for quantifying and monitoring the relevance of the project to each of the themes and neither is the possibility mentioned to include specific indicators for the measurement of horizontal aspects, within the set of project indicators that the Applicant can select.

237. The survey carried out on a relevant sample of successful applicants, included a section dedicated to horizontal issues. Queried about the quality of the explanation/ description of requirements regarding horizontal issues (as they were listed in the Guidelines for Applicants), approximately 90% of the sample considered the respective section as being of good or excellent quality, while only 10% consider it as being fair, describing in this case the explanations were defined as “interpretable and poor”.

▶ *Evaluation Grid*

238. The Application Form contains three evaluation grids, related to the respective phases of the project assessment and selection process: administrative compliance, technical and financial evaluation and eligibility.

239. Only the Technical and Financial Evaluation Grid refers to horizontal issues, namely under the scoring criteria n. 5 of the Section “Consistency with the Programme and other strategic documents”, with the horizontal issues however being scored together with other aspects of the project:

The project contains specific elements of added value for the cross-border area as a whole, such as the proposal of innovative approaches, models of good practice, promotion of equal opportunities, sustainable development and information and publicity.

*4 points – the project is innovative and addresses all the aforementioned issues*

*0 points – the project does not contain elements of added value for the area*

#### Monitoring arrangements

##### ► Programme indicators

240. As mentioned above, according to the Programming Document, relevant and specific indicators were set for each PA, in order to ensure that performance in relation to equal opportunity targets is monitored and evaluated.
241. While taking into account the above statement, we have performed an analysis of the system of output and result indicators established at Programme and thematic PA level, in order to seek the connection between the set of indicators and each of the Horizontal Issues.
242. The analysis (see Annex 4) evidenced that both at Priority Axis and Programme Level, there is no specific indicator for measurement for Gender Equality (such as, number of women, taking part in events) and Equal Opportunities (such as, number of people, part of an ethnic minority group, benefiting from training sessions), while – due to the specific nature of Priority Axis 2 (Environment and Emergency Preparedness) – Sustainability related indicators are in place.

##### ► Programme and Project monitoring procedure

243. According to the Programme and Project Monitoring Procedure, the JTS submits to the MA on a yearly basis, a Monitoring Report on Horizontal Priorities. This Report is consolidated by taking into account status reports prepared at project level. The Annual Monitoring Report on Horizontal Priorities is divided into two parts dedicated respectively to Equal Opportunities and Impact on Environment.
244. The Monitoring Reports prepared by the JTS are subject to a further refining, being integrated in to the Annual Implementation Report. Furthermore at the end of the Implementation Period of the Programme, the MA shall produce a Summarizing Report, which will include information extracted from all Annual Implementation Reports – including progress on Horizontal Themes.
245. The Report on the “Programme’s impact on the principle of Equal Opportunities” (Annex 9 of the Programme and Project Monitoring Procedure) is composed of a set of indicators collected at project level by means of a reporting template annexed to the Quarterly Progress Reports, that take into account the participation of women, men, vulnerable groups and ethnic minorities within the financed projects.
246. When analyzing the existence of links between these indicators and those the set at Programme and PA level it results that the Equal Opportunities indicators add-up to those described in the Programme, rather than providing their breakdown in a gender perspective:

**Table 23: Correspondence between Equal Opportunities Indicators and Indicators at Programme / PA level**

Indicator Description	OP Indicator
Number of women / men having access to IT&C instruments	-
Number of women / men using IT&C instruments	-

Indicator Description	OP Indicator
Number of women / men benefiting from awareness activities on environmental protection	<b>Result:</b> ▶ Increased public awareness in the field of environment protection
Number of women / men informed on employment opportunities	-
Number of jobs created for women / men	-
Number of women / men that have completed professional training courses	<b>Output:</b> ▶ People in labour force with qualifications received/improved from joint training activities
Number of women / men taking part in "people-to-people" actions	<b>Output:</b> ▶ Increased people-to-people exchange in the fields of education, culture and sports <b>Result:</b> ▶ Increased social and cultural integration of people in the border areas ▶ Improved knowledge of culture, history, society, organizational and institutional structure, and language of the neighbouring country
Number of activities undertaken, specifically targeting people with disabilities	-
Number of activities undertaken, specifically targeting members of ethnic minorities	-
Number of activities undertaken, specifically targeting people over 65	-

Source: Elaboration of various Programme Documents

247. The Report on the "Programme's impact on the environment" (Annex 7 of the Programme and Project Monitoring Procedure) is composed of a set of 10 indicators collected from Programme beneficiaries by means of a reporting template annexed to the Quarterly Progress Reports, covering different aspects related to Sustainable Development.
248. When analyzing the existence of links between these indicators and the set of Programme and PA level indicators it results that there is in many cases a link, with few indicators having additional character:

**Table 24: Correspondence between Indicators set to measure the Projects' impact on the environment and Indicators at Programme / PA level**

Indicator Description	Link to OP/PA Indicator
Number of projects that tackle environment emergency issues	<b>Output:</b> ▶ Increased qualification of human resources in reacting to situations of environmental emergency ▶ Increased joint technical preparedness to situations of environmental emergency <b>Result:</b> ▶ Increased institutional capacity and preparedness in reacting to situations of environmental emergency (e.g. flooding, bird flu, swine influenza)
Number of implemented management plans	-
Number of projects that strive to improve air quality, water quality or wastewater management	<b>Output:</b> ▶ Improved physical infrastructure of waste and wastewater treatment in the border area
Number of projects that influence the "cultural heritage"	-
Number of projects having a positive impact on landscapes, national and natural parks, natural protected areas and thermal springs	-
Number of projects having a negative impact on landscapes, national and natural parks, natural protected areas and thermal springs	-



Indicator Description	Link to OP/PA Indicator
Number of projects focused on the transport infrastructure	<p><b>Output:</b></p> <ul style="list-style-type: none"> <li>▶ Improved physical infrastructure in the border area</li> </ul> <p><b>Result:</b></p> <ul style="list-style-type: none"> <li>▶ New or improved cross-border transport links and logistics capacity in the border area</li> </ul>
Reduction in greenhouse gas emissions (CO <sub>2</sub> and equivalents, measured in kt)	-
Number of projects focused on tourism	<p><b>Result:</b></p> <ul style="list-style-type: none"> <li>▶ New or improved cross-border tourism products and services</li> </ul>
Number of projects focused on preventing floods	-

Source: Elaboration of various Programme Documents

249. At the time of writing of this Evaluation report, it results that the information are collected on a quarterly basis at the project level but that no annual consolidated reports have been produced.

### Conclusions

**(3.a) Are the horizontal themes (equal opportunities – including gender equality and environmental sustainability) covered adequately and clearly within the Guidelines for applicants and programme monitoring arrangements?**

- C33.** The Operational Programme contains specific provision for the treatment of horizontal themes within the Guidelines for Applicants and Programme monitoring arrangements.
- C34.** The Applicant's Guide contains instructions on how to fill-in the Application Form template section related to Horizontal Issues however no specific definition of horizontal issues is provided and the Application Form does not contain any requirement in terms of indicators for the monitoring of horizontal issues.
- C35.** The Technical and Financial Evaluation Grid contains criteria covering the horizontal issues however these are scored together with other aspects of the project.
- C36.** The Programme and PA level monitoring indicators are not specifically designed for monitoring Gender Equality and Equal Opportunities issues while they are adequate to capture Sustainable Development Aspects.

There is a procedure in place for monitoring horizontal issues at Programme and Project level: indicators are collected on a quarterly basis at project level and used to prepare Annual reports on the "Programme's impact on the principle of Equal Opportunities" and the "Programme's impact on the environment". The indicators proposed have to a large extent additional character, rather than providing a gender/environmental perspective of the existing set included in the Programme.

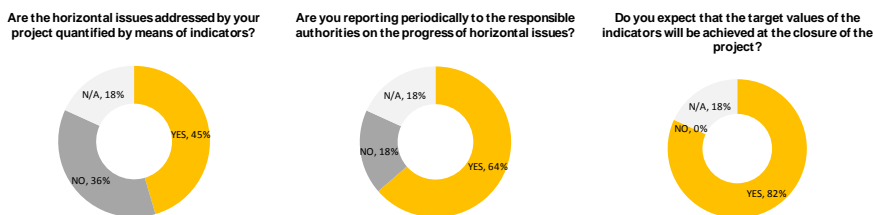
### (3.b) How do the approved projects contribute to the horizontal themes, as they are mentioned in the programme?

#### Methodological approach

250. Given the non-existence of Annual Reports concerning the “Programme’s impact on the principle of Equal Opportunities” and the “Programme’s impact on the environment” and the MA decision not to provide the Application Forms for the selected sample of successful Applicants, our analysis has focused on qualitative aspects derived from the survey responses in relation to horizontal issues and to the analysis of an example of progress report for each of the sampled projects. Programme stakeholder views have also been taken into account in the analysis.

#### Responses of surveyed beneficiaries

251. The majority of sampled beneficiaries considers that their projects are adequately addressing horizontal issues and more specifically:
- ▶ **Equal opportunities and gender equality:** 50% of the respondents consider that their projects are thoroughly covering these aspects which are integrated both at the level of project team (balanced involvement of men and women) and in relation to the target groups involved (e.g. no distinction being made on the basis of gender, political, sexual or religious orientation, reduction of discrimination).
  - ▶ **Sustainable development:** 70% of beneficiaries consider that their projects are addressing sustainable development issues, taking into account both environmental, social and economic dimensions. According to the explanations provided, the positive impact on sustainable development will be achieved by increasing the low attractiveness/socio-economic conditions of the border region, through the creation of new jobs, introduction/promotion of new tourism facilities and supporting the development of SMEs by performing trainings and awareness activities. Two projects address directly the challenges of climate change, one contributing to the increase of afforestation of the border area and the second to the detection of pollutants affecting the region, while a third provides indirect contribution by implementing activities targeted at raising awareness on the improvement of the quality of the environment and necessity of its preservation.
252. The sample of beneficiaries was also questioned regarding the use of indicators in order to monitor their contribution to horizontal issues, the fulfillment of periodic reporting requirement concerning horizontal issues and the likelihood of achievement of the target values set for horizontal issues:



Source: Survey of Grant Beneficiaries

253. The majority of the respondent beneficiaries confirmed that horizontal issues are monitored by means of indicators and that data on progress are reported periodically to the Joint Technical Secretariat. The vast majority also confirmed that the target values set in the applications will be achieved. Nevertheless, when asked to describe the system of indicators in place for their projects as well as the target and achieved values to date, no response was provided.

#### Progress Reports

254. Based on a sample of progress reports (for the 12 beneficiaries included also in the survey) we have analyzed the description and treatment of horizontal issues in terms of clarity and measurability:

**Table 25: Type of contribution of sampled projects to horizontal aspects**

Priority Axis	Number of projects in sample...	The contribution of the project to horizontal issues is:			
		Clear and measurable	Moderately structured	Formally treated	Not taken into account
PA1	4	1	2	1	
PA2	2			2	
PA3	6	1	1	2	2
<b>Total</b>	<b>100%</b>	<b>16.7%</b>	<b>25%</b>	<b>41.7%</b>	<b>16.7%</b>

Source: Progress Reports of sampled beneficiaries

255. From the analysis it results that in the majority of the progress reports, horizontal issues are treated either as a formality (42%) or in a moderately structured manner (25%), that in 17% of the cases they are not treated at all, while only 17% of the sampled beneficiaries treat them in clear and measurable manner.
256. We have included in the next table, what we have considered to be the best illustrative examples for the description of Horizontal Issues (as it appears in the Progress Reports of Project Sample – Horizontal Issues Section), for each of the aforementioned categories:

**Table 26: Illustrative Examples of way in which HI are taken into consideration by sampled beneficiaries**

HI – Description in Progress Reports	Illustrative example of Horizontal Issues description
Clear and measurable;	<p>The promotion of the role of women and of gender equality in RTD which is one of the central aspects within the European Research Area will thus be taken into account. The main objectives with a view to promoting gender equality will focus on:</p> <ul style="list-style-type: none"> <li>▶ Promote career development for women in the sector, especially outlining the gender equality treatment applied by the participating organizations in terms of hiring, training, promotion and working hours.</li> </ul> <p>Consequently in our project, the project manager and president of the Steering Committee is a woman, Prof. dr. eng. Ioana Ionel.</p> <ul style="list-style-type: none"> <li>▶ Ensuring balanced gender representation in all images and visuals used in the project dissemination material</li> </ul> <p>In accordance with this issue 25 % of the team members are woman with high responsibilities</p>
Moderately structured	<ul style="list-style-type: none"> <li>▶ The project opens up equal opportunities for the whole region population because it is predominantly similar structure, so that project activities can access the largest number of inhabitants. It enables access to different age groups, as supported by the profession that education is not demanding, but it opens the way for young and educated people to improve life and standard of whole community with introducing of new knowledge and modern techniques.</li> <li>▶ Projects for a new industrial park in Deta provide new employment opportunities for all citizens and to the field of investment that will significantly affect the standard of living.</li> <li>▶ Support this type of production encourages the economic empowerment of rural population and thus contributes to balance economic development between rural and urban parts of the region.</li> </ul>
Formally treated;	<ul style="list-style-type: none"> <li>▶ Equal opportunities between men and woman are respected due to the fact that the project implementation team is made of both male and female representatives. In this respect the legal provisions are respected regarding both equal chances for female and male persons as well as non-discrimination.</li> </ul>

Source: Progress reports of sampled beneficiaries

#### Preliminary Conclusions

**How do the approved projects contribute to the horizontal themes, as they are mentioned in the programme?**

- C35.** Despite the fact that there is a procedure in place for the monitoring of Horizontal Issues at project level, no aggregation is available at Programme level, hindering the quantification of the overall contribution of the contracted projects to Horizontal Issues.
- C36.** The majority of sampled beneficiaries consider that their projects adequately address the issues of equal opportunities and sustainable development and affirm that these are monitored by means of indicators and that the target values will be achieved.
- C37.** When further analyzing the responses of beneficiaries to the survey and a sample of progress reports, limited evidence is found concerning the use of indicators for monitoring horizontal issues and on their consideration in project implementation. In the majority of the cases horizontal issues appear to be treated as a formality.

### (3.c) What is the cross border added value of selected projects?

#### Methodological approach

257. Our analysis has been performed at two levels, concerning respectively the treatment of cross-border added value at Programme/Institutional Level and at project level. The sources of information consulted are the Programming Documents, Guidelines for Applicants, Survey Responses, Progress Reports and Stakeholder Views.
258. In the attempt of measuring Cross-Border Added Value, given the lack of monitoring indicators concerning the number and value of projects respecting joint cooperation criteria, as initially proposed in our initial Evaluation Framework, we have developed a revised framework for the analysis of added value of contracted projects, mainly based on qualitative aspects.

#### Programme development

259. The Programme strategy builds upon an analysis of the situation in the border area, including a SWOT analysis, and is designed to respond to the specific challenges faced in the Romanian-Serbian eligible border regions.
260. The Strategy as a whole has been developed as the result of a joint programming effort of the Romanian and Serbian authorities supported by the European Commission, the EC Delegation to Romania and the European Agency for Reconstruction in Republic of Serbia that took place between March 2006 until the official approval of the Programme.
261. In order to ensure an active involvement of all the important actors from both sides of the border, Regional and National Working Groups (composed of representatives of local authorities, regional development agencies, chambers of commerce, environmental agencies, educational and employment institutions and civil society) and Joint Task Force were set-up and several meetings and consultations, including a detailed SWOT survey took place.
262. Despite the fact that the Operational Programme correlates the analysis of the situation in the border area to the proposed strategy, according to the key Programme stakeholders, it is insufficiently focused on the development needs on the two sides of the border.

Reasons for this lie in the lack of experience in strategic planning and insufficient diagnosis analysis performed due to unavailability of data (especially concerning existing cooperation between the two sides of the border).

The result is a Programme strategy broad enough to encompass the actual needs of the eligible area even more in the actual social and economic environment, but lacking of a targeted focus.

#### Programme provisions

263. The Operational Programme refers explicitly to cross border added value in several sections starting from the general and specific objectives of its intervention, but does not provide a straight forward definition:
- ▶ **Strategic Goal:** “achieve on the basis of joint cross-border projects and common actions by Romanian and Serbian stakeholders a more balanced and sustainable socio-economic development of the Romanian- Serbian border area”
  - ▶ **Specific objectives:** “The objective of Programme is to provide a coherent and jointly agreed framework for parties from Romania and Republic of Serbia to benefit from the added value of joint actions to address common issues affecting competitiveness, and to support measures that will support increased competitiveness of the border region as a whole”
  - ▶ **Coherence with other Programmes and Strategies:** The Romania-Republic of Serbia IPA Cross-Border Cooperation Programme will be implemented as a complementary instrument to the Convergence Objective programmes. The Programme will contribute to the achievements of the national policy objectives but support

only the activities with clear cross-border impact, utilizing the added value of cross-border cooperation in the selected directions of support.

- ▶ *Priority Axis 3 – Promoting “people to people” exchanges.* “The analysis above has identified a number of themes which present issues that are common to communities on both sides of the border, and where there is clear added value in an exchange of experience and know-how between organisations and people from Romania and Republic of Serbia”

#### Programme implementation

264. In compliance with IPA implementing Regulations and with the descriptions of the management and control systems, the Programme operates on both sides of the border on the basis of a single set of rules, providing the opportunity for fully equal and balanced decision making between Romania and Serbia and providing at the same time the framework for joint management and financing of projects. The Joint Structures in place are:

- ▶ *Joint Monitoring Committee:* responsible for overseeing the implementation, approving annual reports and selecting projects, is composed of Serbian and Romanian members with voting rights belonging to central public authorities, local authorities, business intermediaries and civil society.
- ▶ *Joint Technical Secretariat:* dealing with the day-to-day management of the Programme, assisting the Monitoring Committee and the management structures in carrying out their duties, advising project partners and monitoring the project implementation. The JTS has its headquarters in Timisoara and an Antenna in Vršac and employs both Romanian and Serbian nationals.
- ▶ *Joint Evaluation Committee:* responsible for performing the assessment, it includes voting members from the JTS and the JTS antenna, external experts and non-voting members from the MA and NA, ensuring a balanced representation of both sides of the borders.

265. As concerns *First Level Control*, despite the fact that two separate units are set-up on each side of the border, operations are carried out according to a single set of procedures encoded in the “First Level Control Guide” and regular meetings have taken place in order to ensure common interpretation of existing rules.

266. Furthermore, the inclusion of an Evaluation Question related to Cross-Border Added Value, within this evaluation exercise is itself a sign of the importance that stakeholders attribute to the topic.

#### Project assessment and selection

267. The Guidelines for applicants do not provide for a definition of Cross-Border added value, nevertheless, in order to ensure the joint character of projects, the project assessment and selection criteria, set some minimum requirements both in relation to the eligibility and to the technical and financial assessment of projects, with a total of 17 projects being assigned to cross-border value related aspects:

- ▶ *Project partnership (eligibility):* in order to be eligible, each project must have at least one partner on the other side of the border. Applications not fulfilling the criteria are rejected.
- ▶ *Joint character of projects (technical and financial assessment):* in the technical and financial assessment, projects are scored according to the number of cooperation criteria fulfilled (joint development, joint implementation, joint staffing and joint financing) and projects not fulfilling any of the four criteria are rejected (maximum 7 points when all the 4 criteria fulfilled).
- ▶ *Added value for the cross-border area:* in the technical and financial assessment, projects are scored according to added value created for the cross-border area as a whole, measured in terms of proposal of innovative approaches, models of good practice, promotion of equal opportunities, sustainable development and

information and publicity (maximum 4 points when the project is innovative and addresses all the aforementioned issues).

- ▶ *Partner's level of involvement:* in the technical and financial assessment, projects are scored according to the partners' level of involvement and participation in the action (maximum 6 points high level of involvement, participation and activity of all project partners).
- ▶ *Project Steering Committee:* project partners must establish a Project Steering Committee composed of representatives of all partners, having the role of approving progress reports and payment requests before submitting them to JTS and performing any other tasks stipulated in the respective agreement or assigned by project partners.

**Measuring of Cross-Border Added Value at project level**

268. The monitoring arrangements in place at Programme and Project level do not provide for a framework for the measurement of cross-border added value, furthermore, the joint character of projects (i.e. number of projects fulfilling the joint development, joint staffing, joint financing, joint implementation character) is not even subject to monitoring at Programme level.
269. However, based on the assumption that a cross-border approach should always bring 'added value' beyond what could be accomplished by responses delivered independently by actors on one or both sides of the border, ensuring at the same time the sustainability of the proposed intervention, we have defined a set of criteria for its measurement, taking into account also the sources of information made available for carrying out this evaluation assignment:

**Table 27: Framework for the assessment of Added Value**

Criteria	Available source of information, used for qualitative assessment
<b>AV 1.</b> Evidence that the CBC constitutes the most appropriate source of financing for tackling the problems identified compared to national sources of financing	<ul style="list-style-type: none"> <li>▶ Questionnaires of beneficiaries and unsuccessful applicants</li> <li>▶ Interviews with Programme's stakeholders</li> </ul>
<b>AV 2.</b> Degree of cooperation at project partnership level	<ul style="list-style-type: none"> <li>▶ Questionnaires of beneficiaries and unsuccessful applicants</li> <li>▶ Progress Reports of sampled projects</li> </ul>
<b>AV 3.</b> Degree of institutionalization of the networks created through the project	<ul style="list-style-type: none"> <li>▶ Indicators Monitoring Tool of the Managing Authority</li> </ul>
<b>AV 4.</b> Degree of involvement of vulnerable groups	<ul style="list-style-type: none"> <li>▶ Questionnaires of beneficiaries</li> </ul>
<b>AV 5.</b> Degree of involvement of institutions and establishment of new regulatory procedures as a result of the cross border cooperation	<ul style="list-style-type: none"> <li>▶ Indicators Monitoring Tool of the Managing Authority</li> <li>▶ Questionnaires of beneficiaries</li> </ul>

▶ *Overview of the beneficiary's understanding of CBC Added value*

270. In order to better grasp the understanding of the concept of "added value" from the side of beneficiaries, we have taken into account the definition of "added value" of cross border cooperation that survey respondents provided.
- ▶ More than half of the beneficiaries produced definitions which match the generally acknowledged concepts regarding cross-border added value: *"the most important added value of CBC cooperation is networking between the same or similar institutions from both sides of the border and identification of common problems. Also, it is important to emphasize cooperation on practical activities which created base for long term partnership"* and *"Cross-border cooperation frees people to communicate and breaks down the barriers of formal boundaries, it wakes up the entrepreneurial spirit, and opens the roads of economic and social cooperation among them"*;
  - ▶ The entire surveyed sample considered that their projects address a problem common to both border areas, providing specific details on the common issue and of the way it affects the area: *"transboundary pollution affects the life quality, the general sustainable development of the region and is a global issue that affects finally*



*not only the specific region” or “the project aims to increase the knowledge and preservation of common tradition and heritage of eldersness from both sides of the Danube”;*

- ▶ The beneficiaries also consider that both border areas will benefit from the effects and outputs produced by the projects currently under implementation: *“both municipalities will increase their forest coverage, with many positive effects: reducing the impact of winds, reducing erosion, biodiversity conservation, improvement of microclimate”.*

271. The stakeholders’ opinion is that cross-border added value is understood as a concept by beneficiaries, and is generally well presented in terms of explanation in the applications. Additionally, it is considered that added value is an indirect output of each project financed through the CBC Programme, because of the joint nature of the implementation, by partners from both sides of the border. Limited added value can be identified in infrastructure projects, especially when the investments are carried out on a single side of the border.

272. A more specific approach is presented in the paragraphs below for each of the proposed criteria aimed at measuring the cross-border added value of contracted projects.

- ▶ *AV 1. Evidence that the CBC constitutes the most appropriate source of financing for tackling the problems identified compared to national sources of financing*

273. According to Programme Stakeholders some of the Romanian beneficiaries have expressed their preference for the CBC as a source of financing even when alternative sources were available (ROP, POS ENV, POS DRU) due to the existing relations with the Serbian counterparts. The situation is different on the Serbian side of the border where the CBC is one of the few financial tools supporting investments in the border area.

274. When questioned on alternative financing possibilities for their projects, 54% of respondents stated that the project was exclusively fundable through the IPA CBC, 27% stated that alternately they could have obtained financing through other Operational Programmes or financing schemes and 19% did not know whether their projects were eligible for other sources of financing.

- ▶ *AV 2. Degree of cooperation at project partnership level*

275. In the context of cross-border added value, we have investigated the degree in which project partners cooperate with each other, with the goal of transferring knowledge, building a sustainable relationship and producing innovative results, targeted at the border area.

276. With regard to the **generation of project partnerships**, 60% of the questionnaire respondents, praised the successful and long lasting relationship existing between the partners before the submission of the grant applications. Two respondents stated that the projects under implementation within the IPA CBC Programme are the 2<sup>nd</sup> or 3<sup>rd</sup> respectively, in which the same partners jointly implement a project. In particular, we have noticed this tendency for projects jointly implemented by public authorities (i.e. local councils, or municipalities), an illustrative example being represented by the twin towns of Băile Herculane, in Romania, and Veliko Gradište, in Serbia.

Another 30% of the respondents stated that they have met the cross-border partners at events organized specifically for this purpose by the JTS, while 10% of the sample did not specify the way in which the project partners met

277. With regard to the **joint development** of projects, the entire surveyed sample stated that their respective projects were commonly developed, through inputs of all cross-border partners. The respondents underlined the fact that the projects are tailored to the issues and specificities of the border area, e.g.: *“we had previous contacts and successful cooperation with our partners. Thus, good support for the joint development has been created. Base of this is the mutual interest is the sustainable development of the region.”*

Furthermore: *“On the four working meetings, held during June and July 2009, representatives of the municipalities of Kikinda and Jimbolia defined the basic components of the project, activities and budget” or “Monthly project preparation meetings <took place> in both countries. At these meetings we discussed the status of the project, the*

*activities that were foreseen for the period in discussion, the best manner to overcome the difficulties that appeared in the project and the goals of the project” or “Joint project team was formed in order to participate in creating and budgeting the project, and a protocol on cooperation between the two municipalities was signed”.*

278. In relation to **Joint financing**, 70% of the respondents stated that the budgeted expenses are divided between the partners, either equally or depending on the activities carried out by the respective partner. In a limited number of cases difficulties were faced by Serbian beneficiaries in ensuring the 15% co-financing rate. For example: *“The share of the Serbian partner is smaller, due to lack of co-financing capacity of the Serbian public authorities. Even so, we encountered difficulties from the Serbian part to sustain the own Serbian contribution to the project. This is one of the major obstacles that we have to overcome in this project. Due to the good joint cooperation between all partners we managed to reach the proposed targets of the project until the current time.”*
279. As far as **Joint Implementation** is concerned all questionnaire respondents confirmed that project activities and management are performed jointly, with tasks allocated depending on the knowledge and expertise of each partner. The aspect of knowledge transfer is highlighted by one of the answers: *“In order to achieve a professional implementation of all the activities, at most of the meetings the experts involved in the project are invited. They emphasize the needs for achieving the goal for each activity. Also, all partners participate in all project activities. For a good project management and coordination each activity has an activity leader who coordinates all partners, stipulates the necessities and the problems encountered”.*

► *AV 3. Degree of institutionalization of the networks created through the project*

280. One of the possibilities of measuring the Programme’s added value is by analyzing those projects which (have the potential to) continue to produce positive effects in the region, even outside the implementation period (i.e. the period for which funding is received). For this purpose, we have concentrated our efforts in identifying the projects which aim to develop networks (either formal or informal), because of the high possibility that those networks will outlive the financing period and continue to develop.
281. Since the Programme and Priority Axis level Indicators are not specifically tailored for the measurement of the number or types of networks created through by funding made available through the programme we have analyzed responses to questionnaires in order to draw qualitative conclusions regarding the projects’ perceived degree of sustainability.
282. In relation to the impact of IPA assistance on the development of cooperation and partnerships and establishment of local networks on both sides of the border, all survey respondents confirmed that networks are being created through the project they implement.

Most of the respondents fail however to provide concrete examples, one of the expectations being the following: *“The experience of the Romanian partner is spread out to the border community, for the global benefit of environmental protection in the area, especially air quality. Following main developed networks aim: (1) Strengthening the cross-border cooperation between Banat Universities ... (3) Increasing the importance of R&D in the field of environmental protection in border area by involving young scientists ... (5) Dissemination of know-how to specialists, young researchers, population and authorities”.*

283. As for the sustainability of project results, 60% of respondents stated that their partnerships did not start with the IPA CBC Programme, but before that, and that cooperation is likely to continue in the future.

Some examples, provided by questionnaire respondents and Programme Stakeholders, are the following:

- The local institutional partnerships, materialized through “sister” municipalities (e.g. Veliko Gradište and Kikinda municipalities in Serbia and Băile Herculane and Jimbolia municipalities respectively, in Romania);
- The project “Cross-Border network for tele-diagnostics and tele-consultation in health institutes”, where the cooperation will be extended geographically beyond the partnership currently involved;

- ▶ The sustainable cooperation between the NGOs of Bethany and Duga Ada, which materialized both through initiatives financed by EU Grants and non-funded initiatives.

▶ AV 4. Degree of involvement of vulnerable groups

284. Vulnerable groups are defined as: “groups that experience a higher risk of poverty and social exclusion than the general population. Ethnic minorities, migrants, disabled people, the homeless, those struggling with substance abuse, isolated elderly people and children all often face difficulties that can lead to further social exclusion, such as low levels of education and unemployment or underemployment”.<sup>42</sup>
285. In order to analyze the way in which vulnerable groups are involved into the Programme, we have reviewed the progress reports of a sample of beneficiaries. Out of the 12 reports analyzed, 7 include references regarding the involvement of vulnerable groups within project activities.
286. However, the beneficiaries of only 3 projects considered vulnerable groups as an extended concept, the remaining sample concentrated their efforts almost exclusively on the principle of equal opportunities for men and women, stating that women are included in the target groups of the projects, being also an integral part in the project’s implementation team.

As an illustrative example, one of the beneficiaries stated that *“the selection criterion of the target group was realized taking into account the impartiality principle, so that the present project addresses equally cultural house managers, no matter the gender, political or religious orientation, education, ethnicity, age, disability, sexual orientation”*.

Even if a great proportion of beneficiaries states that equal opportunities principles are taken into account during their projects’ implementation, in only one case a beneficiary clearly sets the framework for the measurement of the way in which vulnerable groups are impacted. In particular, the objectives of the project, specifically tackle the inclusion of vulnerable groups *“all inhabitants of the targeted region, especially those that seem to be confronted with the most major hardships in their effort to adapt themselves to the community: the ethnic minorities and the socially and economically disadvantaged categories”*, aiming to *“reduce the discrimination among the general population”*.

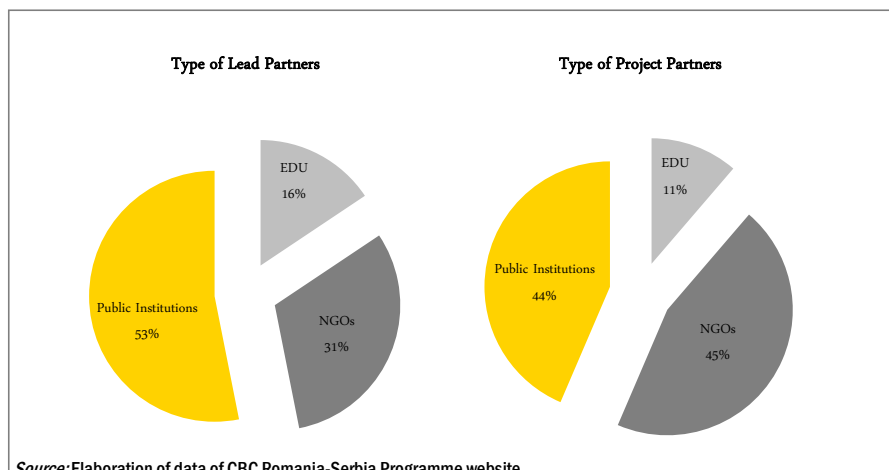
▶ AV 5. Degree of involvement of institutions and establishment of new regulatory procedures as a result of the cross border cooperation

287. The set of Programme indicators established within the Programming document, foresees three indicators aimed at measuring the degree in which public institutions are taking part in the Programme:
- ▶ *Programme Indicator* “Increased degree/intensity of Cooperation between public services/public authorities, municipalities, which is measured by the “number of projects between public authorities with joint development, joint implementation and joint financing”, for which the current level of achievement is 21 contracted projects.
  - ▶ *PA2 indicator* “Improved implementation of national and EU environmental legislative framework”, measured as “number of activities, actions, initiatives implementing national and EU environmental legislative framework”, for which the current level of achievement is 0.
  - ▶ *PA 3 Indicator*: “Increased cooperation between local and regional public authorities across the border to finding solutions to joint local problems in the border area”, measured by the “number of activities, actions, initiatives between local and regional public authorities in tackling joint problems, improving local service provision etc.”, for which the current level of achievement is 5 activities

288. The next step we undertook, for the analysis of the degree of involvement of public institutions in the IPA CBC Programme, was to further investigate the types of beneficiaries, as is illustrated in the graph below:

<sup>42</sup> Social protection and Social inclusion Glossary. DG Employment, Social Affairs and Inclusion

**Figure 37: Lead Partners and Project Partners, split by type**



289. Public Institutions make out the largest cluster of beneficiaries<sup>43</sup> (53% of all Lead Partners and 44% of all Project Partners). Additionally, in 33% of the projects observed, both the Lead Partner and other partner(s) were Public Institutions.
290. We can therefore conclude that the involvement of public institutions in the IPA CBC Programme, as project beneficiaries, is substantial, contributing to the prerequisites for the development of the area through the exchange of good practices and development of new ways in which to tackle common problems.

**(3.c) What is the cross-border added value of selected projects?**

- C39.** The concept of cross-border added value is not clearly defined in the Programming Document and there is no framework in place for its measurement.
- Programme provisions however instrumentalize the concept of added value to the project level by means of eligibility and assessment criteria and by ensuring the joint management and implementation of the Programme itself, which is also an effort of joint cooperation between Romanian and Serbian institutions.
- C40.** At project level there is evidence of the existence of elements of cross-border added value in terms of:
- ▶ Choice of the CBC as a financing tool even when other sources of financing were available
  - ▶ Existence of long term relations among project partners

<sup>43</sup> Source: IPA CBC Programme Website

- ▶ Joint development, joint staffing, joint implementation and joint financing of projects
- ▶ A certain degree of institutionalization of the project activities, in terms of creation of networks and provisions for their sustainability, including a high number of project partnerships between local public institutions

The importance and understanding given by beneficiaries to the involvement of vulnerable groups (as the treatment of Horizontal Issues – see Evaluation Question (3b)), should be further enhanced.

### 3. Conclusions and recommendations

	No issue		High priority		Moderate priority		Low priority
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N	Ref.	Conclusion	Recommendation
<b>RELEVANCE</b>			
<b>(2.a) Are the objectives of the programme still valid?</b>			
<b>1</b>	C1 C2 C3	<p>The Programme area has been characterized by strong economic growth between 2004 and 2008 as proved by the positive trends of the main macro-economic and demographic indicators (GDP, SME density, employment). However, as acknowledged also by Programme stakeholders, starting from 2009 the economic and financial crisis has either put at halt or slowed down the positive trends, keeping also the general economic performance of the cross-border area below the respective Romanian and Serbian averages.</p> <p>The Programme's Strategy is still consistent with the socio-economic environment of the cross-border area and both the logic of intervention and needs remain valid. The initial assumptions of the SWOT analysis have largely remained the same being marked by the economic downturn.</p> <p>The initial SWOT analysis identified the needs of the area, which are addressed through the Programme's overall strategy and objectives. Priority Axes are correctly inter-linked to Programme objectives and Measures to sub-objectives. However, the Programme's Strategy is broadly defined, missing a specific focus, mainly due to the lack of sufficient data on the specificity of Cross-Border Area, at the time of drafting the Operational Programme.</p>	<p>For the future programming exercise, efforts should be made in order to ensure the availability of statistical data concerning the Programme Area. Technical Assistance resources could be used to commission extensive socio-economic research or to set-up a permanent observatory of the cross-border Region. In the preparation for the new Programming period, enhanced and institutionalized coordination with the central administrative level in each country and with the MAs of other IPA Programmes of the area should be pursued to ensure further effectiveness in the use of IPA financial resources. European macro-regional strategies relevant to the cross-border area should also be taken into account from the stage of Programming.</p> <p>Consider some best practices in implementation provisions in line with the principle of concentration of resources as provided by the IPA Programme Hungary-Croatia, where a specific call was launched to select the beneficiaries in charge of designing a local development strategy that will be then implemented by beneficiaries selected through a subsequent competitive call for proposal.</p>

N	Ref.	Conclusion	Recommendation
<b>EFFECTIVENESS</b>			
<b>(2.c) What were the reasons for over/under application on different Priority Axes and future steps to be adopted?</b>			
2	C4 C6 C7	<p>The response to the first call for proposals showed a substantial over application under all PAs, with the demand in terms of IPA funds exceeding by seven times the available financial allocation of the first call for proposals.</p> <p>Despite the overall strong demand to the Programme, there are Measures that have attracted a lower interest and types of beneficiaries and territories, which are less represented.</p>	For the future Programming period, specific information activities could be considered in order to target Measures / types of beneficiaries / geographical areas that have expressed lower demand in order to foster more extended and balanced participation in the Programme.
3	C5 C8	<p>The main identified reasons determining the high level of demand are the intensive promotional activities carried out by the JTS in the period of launching of the call, pre-existing relations among project partners facilitating project generation and a genuine interest for the CBC Programme that was not reduced by the existence of alternative sources of financing available at least on the Romanian side of the border. For the above reasons, an extension of the eligible Programme Area is not considered necessary.</p>	No recommendation.
<b>(2.b) How do contracted or expected results of selected projects contribute to the achievement of programme objectives, in terms of programme indicators?</b>			
4	C9 C11	<p>The expected results of the projects contracted under the first call for proposals are overall adequate for the achievement of the Programme objectives as defined in terms of indicators with the following exceptions:</p> <ul style="list-style-type: none"> <li>▶ <b>Programme level:</b> Indicators I4 – “Improved quality of life in the communities of the border area” and I1 – “Increased degree/intensity of Cooperation between public services/public authorities, municipalities” due to overarching targets set in the Programming document. Nevertheless the number of initiatives financed by the Programme in the respective areas is considerable, accounting respectively for</li> </ul>	<p>PA1, PA2, PA3:</p> <p>For the current programming period:</p> <ul style="list-style-type: none"> <li>▶ target values of indicators could be revised taking into account the existing trends after contracting of projects submitted under second call;</li> <li>▶ in case the projects under implementation will generate economies, thematic calls should be considered in order to ensure the achievement of all Programme objectives / indicators.</li> </ul> <p>For the future Programming period schedule sequence and type of calls taking into</p>

N	Ref.	Conclusion	Recommendation
		<p>45% and 75% of the total contracted projects.</p> <ul style="list-style-type: none"> <li>▶ <b>Priority Axis 1:</b> IR.I.2 “New or improved cross-border transport links and logistics capacity in the border area” the achievement of which will depend upon the contribution of projects selected under the second call for proposals.</li> <li>▶ <b>Priority Axis 2:</b> IR.II.6 “Improved knowledge on different environment-friendly approaches and applications in everyday life” and indicator IR.II.4 – “Improved implementation of national and EU environmental legislative framework”, the achievement of which will depend upon the contribution of projects selected under the second call for proposals.</li> <li>▶ <b>Priority Axis 3:</b> IR.III.2 – “Increased cooperation between local and regional public authorities across the border to finding solutions to joint local problems in the border area”, the achievement of which will depend upon the contribution of projects selected under the second call for proposals.</li> </ul> <p><b>Priority Axis4 – Technical Assistance:</b> overall the Technical Assistance resources allocated to the Programme stakeholders have ensured the effective implementation of the Programme. In terms of achievement of both output and result indicators the progress is generally good with the following exceptions:</p> <ul style="list-style-type: none"> <li>▶ Effective Expenditure of the budget (output): currently amounting to 30% of the available financial allocation for 2007-2011;</li> <li>▶ Number of events organised for the publicity and information of the programme (output): given the current status of implementation, there is a low likelihood of need of strong Programme promotion, if not for the purpose of the dissemination of results;</li> <li>▶ Number of relevant studies (output): that may be achieved in view of the preparations for the new Programming period.</li> </ul>	<p>account the progressive achievement of Programme objectives: a first call should be used in order to “test” the response of applicants and trends in terms of performing and underperforming KAls, geographic participation and type of applicants. Once these are known, corrective actions can be taken in the form of communication campaigns and targeted/thematic calls to increase demand for certain type of Measure that can ensure full achievement of indicators.</p> <p>PA4:</p> <p>For the current programming period, target values of the indicators “Number of events organised for the publicity and information” and “Number of relevant studies” could be revised considering the activities performed up to date and future needs of the Programme.</p>
5	C10	The actual achievement of the target values will depend upon the capacity of projects to	See recommendations on Row 6.



N	Ref.	Conclusion	Recommendation
		<p>implement the planned activities and achieve the respective outcomes. According to Programme stakeholders and surveyed beneficiaries, the projects contracted under the first call are expected to be concluded in July 2012 and there is a general consensus among beneficiaries that the planned indicators will be achieved.</p> <p>Nevertheless the current level of financial implementation and of achievement of indicators at the end of 2011 highlights the need for substantial acceleration in the pace of implementation.</p>	
<b>(1.a) Is the use of funds, appropriate for the first three years of the programme, ensured? Is an automatic decommitment likely?</b>			
6	C12 C13 C14	<p>The Programme shows a strong performance in terms of commitments with 56% of the financial allocation of thematic PAs for 2007-2011 already contracted and a high likelihood of contracting the entire financial allocations for 2007-2013, until the end of 2012.</p> <p>The Programme is lagging behind in terms of expenditure, with a spending capacity of 7% equivalent to a total of EUR 1,3 mn generated by 46 projects in a period of 8-13 months.</p> <p>In order to avoid the risk of decommitment in 2012, at least EUR 7 mn of additional expenditure must be generated by the 46 contracted projects until June 2012. Taking into account the average duration for processing of reimbursement claims (5 months), this will allow the submission of payment claim to the EC until the end of the year.</p>	<p>Promptly request updated forecasts of expenditure to beneficiaries in order to assess the actual risk of decommitment for the Programme and to identify projects with high potential to generate expenditure and critical projects, by updating the risk analysis at project level. Based on the results, adopt a mix of the following actions depending on the severity of the situation:</p> <ul style="list-style-type: none"> <li>▶ Provide further assistance to project beneficiaries by strengthening JTS support or in alternative by means of outsourcing. Assistance should focus on issues where beneficiaries are facing problems, such as application of public procurement.</li> <li>▶ Continue performing communication activities towards beneficiaries aimed at raising awareness regarding the decommitment targets and the importance of the beneficiaries' contribution to the achievement of such targets;</li> <li>▶ Verify the legal grounds for a modification to the subsidy contract aimed at introducing rules for decommitment at project level and consider setting thresholds for revocation in the most critical cases if there is a pipeline of viable projects that could be financed.</li> <li>▶ Consider introducing rules on decommitment in the initial contracting templates and raise awareness among beneficiaries about the issues already in the start-up phase of the Programme.</li> </ul>

N	Ref.	Conclusion	Recommendation
<b>(1.d) What are the specific factors hindering the effective use of TA funds, in terms of contribution to the programme implementation, including the mandatory use of PRAG rules?</b>			
7	C15	There exists a clear strategy for the use of TA resources formalized at Programme level and further detailed in a Multi-Annual Technical Assistance Strategy and Annual TA Strategy approved by the JMC.	<p>For the current programming period perform an objective reassessment of TA resource requirements, taking into account the new needs such as reinforcement of the monitoring function and operating costs of the FLC Unit in Serbia and possible economies that are determined by the current status of implementation (e.g. information and publicity requirements).</p> <p>For the difficulties in the application of public procurement at the level information campaigns or material could be used to increase the level of understanding of bidders on the Serbian and Romanian sides of the border.</p>
	C16		
	C17	The level of commitments of TA allocations for 2007-2011 is satisfactory and amounts to 90% while payments are below 30%.	
	C18	<p>The use of TA resources has been affected by the existence of alternative sources of financing in the start-up phase of the Programme, by problems in the application of PRAG procurement rules, issues in the eligibility of JTS salary costs and general reduction in the number and value of activities carried out vs the planned ones.</p> <p>Having solved the issues related to the eligibility of JTS salaries, it can be expected that a substantial amount of the TA budget (60%) will be absorbed by the functioning of Programme structures while for the remaining 40% are expected to cover the needs of the Programme in relation to the procurement of goods and services and in particular of information and publicity type of activities.</p> <p>Considering the budgetary execution for the year 2011 at JTS level, the current implementation status of the Programme and the availability of additional allocations for the year 2012 and 2013, possible spending economies may occur.</p>	
<b>EFFICIENCY</b>			
<b>(1.b) What are the proposed immediate recommended actions in terms of procedures and rules, for avoiding automatic decommitment for the remaining programming period?</b>			
	C24	See recommendation under Row 8	
8	C19	The procedures for monitoring and financial control are in place and functioning.	For the current programming period, continue close monitoring of projects. In case the projects selected under the second call will kick-off before those in implementation are completed, the strengthening of the monitoring team should be considered.
	C20	Monitoring has been reinforced by increasing the number of on-site verifications which	

N	Ref.	Conclusion	Recommendation
		are appreciated by beneficiaries as a useful tool for keeping projects on track.	For projects approved under the Second Call, strong support should be provided since the early stages, in order to provide as much as possible, the needed support to beneficiaries in order to set-up the project implementation framework correctly.
9	C21	<p>There are three levels of financial control, performed respectively by the First Level Control Units (100% expenditure verification), JTS (administrative verifications) and MA (administrative and sample checks).</p> <p>Efficiency in the financial circuit has been already improved by reducing MA verifications from 100% to sample based verifications, but there is room for improvement in the risk assessment methodology in order to identify projects facing problems in implementation.</p> <p>The overall duration from submission of a payment claim to the reimbursement expenditure is of 5 months in line with the planned duration. FLC verifications have a duration of 75 days, accounting for half of the whole duration.</p>	<p>For the current programming period:</p> <ul style="list-style-type: none"> <li>▶ efforts should be made in order to reduce the duration of First Level Control verification as this would generate also positive outfalls on project implementation schedules;</li> <li>▶ review by means of consultations between the MA and NA the risk assessment methodology, used to identify the sample of projects subject to 100% expenditure verification on behalf of the MA verifications, in order to detect critical situations in early stages. The number of risk factors applied in the methodology could be expanded by taking into consideration such aspects as type of beneficiary, type of project, grant size, number and value of irregularities. For the future programming period:</li> <li>▶ for increasing the effectiveness and efficiency of the financial circuit the introduction simplified cost options could be considered</li> </ul>
10	C22	<p>FLC Units have made efforts for ensuring the common application of procedures on both sides of the border; nevertheless control activities appear to be still stricter for Romanian project partners than for Serbian ones and further efforts should be made for their homogenization.</p> <p>There is a possible issue concerning the continuity of the activities of the Serbian FLC Unit, currently funded through an IPA grant and not eligible under the TA Priority Axis. The issue should be discussed among stakeholders and possible solutions identified.</p> <p>Overall staff capacity of the FLC and of the structures involved in the financial circuit should be monitored in the scenario in which the projects submitted under the first call for proposals will not end until those selected under the second call will kick-start.</p>	<p>For the current programming period:</p> <ul style="list-style-type: none"> <li>▶ Address the issue of continuity of the activities for the FLC Unit in Serbia including verification of the necessary formal steps to be performed, in terms of modification of the Programme provisions and revision of the Technical Assistance Strategy</li> <li>▶ further effort should be made in relation to the harmonization of verification procedures applied by the FLC units by means of training and review of the available working tools based also on the experience of other IPA Programmes</li> <li>▶ In case the projects selected under the second call will kick-off before those in implementation are completed, the strengthening of the FLC teams should be</li> </ul>

N	Ref.	Conclusion	Recommendation
			considered
11	C23	Beneficiaries are facing problems in the generation of payment claims (the average size of which amounts to 10% of the contracted IPA budget), mainly being affected by the application of PRAG public procurement rules, while relations at project partnership level are positively appreciated.	<p>For the current programming period:</p> <ul style="list-style-type: none"> <li>▶ Consider setting minimum thresholds for the value of reimbursement claims</li> <li>▶ Knowledge of PRAG procurement rules should be further developed both at beneficiary level by means of trainings/workshops and at the level of potential bidders by means of campaigns and informative material</li> </ul>
<b>(1.c) Can project assessment, selection and contracting be accelerated?</b>			
12	C25 C26 C27 C28	<p>The procedures for project assessment, selection and contracting are in place and are generally considered transparent by beneficiaries.</p> <p>The assessment of the projects submitted under the first call has encountered some delays due to the late set up of the Joint Evaluation Committee and to bottlenecks in the technical and financial assessment attributable to the workload of assessors.</p> <p>The eligibility assessment is performed at the end of the process leading to potential inefficiencies in cases when projects are rejected due to non-compliance with eligibility criteria, although having undergone the previous evaluation stages.</p>	<p>For the future programming period:</p> <ul style="list-style-type: none"> <li>▶ ensure the availability of an adequate number of external assessors prior to the submission deadline or procure global technical assistance services in the start-up phase of the Programme;</li> <li>▶ consider performing the eligibility assessment together with the first step of administrative verification;</li> <li>▶ with additional experience being gained, the JEC/JTS could take over the responsibility for the approval of the assessment reports while the MA could retain a form of control through sample checks;</li> <li>▶ increased transparency could be pursued by providing applicants the details related to the scoring assigned during the technical and financial assessment as this would also increase the quality of future applications.</li> </ul>
13	C29	The Project selection performed by the JMC has followed timely the project selection process, however the projects at this stage are approved according to the initial request in the application form and modifications are postponed to the contracting phase.	See recommendations on row no. 14

N	Ref.	Conclusion	Recommendation
14	C30 C31	<p>The contracting procedure has encountered some delays due to a number of reiterated communications between the JTS and MA concerning the contracting templates.</p> <p>In the pre-contractual phase the JEC can make recommendations related to the financial aspect of the projects, such as budget cuts, correction of arithmetical errors, etc.</p> <p>This may cause inefficiencies in the contracting system, considering that the projects have passed the financial and technical evaluation in order to be selected.</p>	<p>For the future programming period:</p> <ul style="list-style-type: none"> <li>▶ with the gaining of additional experience the JTS should gradually take over the responsibility for contracting;</li> <li>▶ the technical and financial assessment and the selection process should better prepare projects for contracting, avoiding the postponing of project revisions to this stage</li> </ul>
17	C32	<p>Contract modifications by means of addenda have generally exceeded the planned duration and there is a limited number of situations in which notifications rather than addenda can be applied.</p>	<p>For the current programming period, revise the procedure for contract modifications, increasing the number of (non-material) situations when simple notifications can be applied.</p>
<b>HORIZONTAL THEMES AND ADDED VALUE</b>			
<b>(3.a) Are the horizontal themes (equal opportunities – including gender equality and environmental sustainability) covered adequately and clearly within the Guidelines for applicants and programme monitoring arrangements?</b>			
18	C33	<p>The Operational Programme contains specific provisions for the treatment of horizontal themes within the Guidelines for Applicants and Programme monitoring arrangements, which are perfectible.</p>	<p>See recommendation on rows no. 19 and 20</p>
19	C34 C35	<p>The Applicant's Guide does not contain any specific definition of horizontal issues and neither any requirement concerning the use of indicators for monitoring of horizontal issues.</p> <p>The Technical and Financial Evaluation Grid contains criteria covering the horizontal issues however these are scored together with other aspects of the projects.</p>	<p>For the future programming period, the Guidelines for Applicants should provide further details in relation to the expectations of the contribution of the projects to horizontal issues and specific scoring criteria could be introduced.</p>

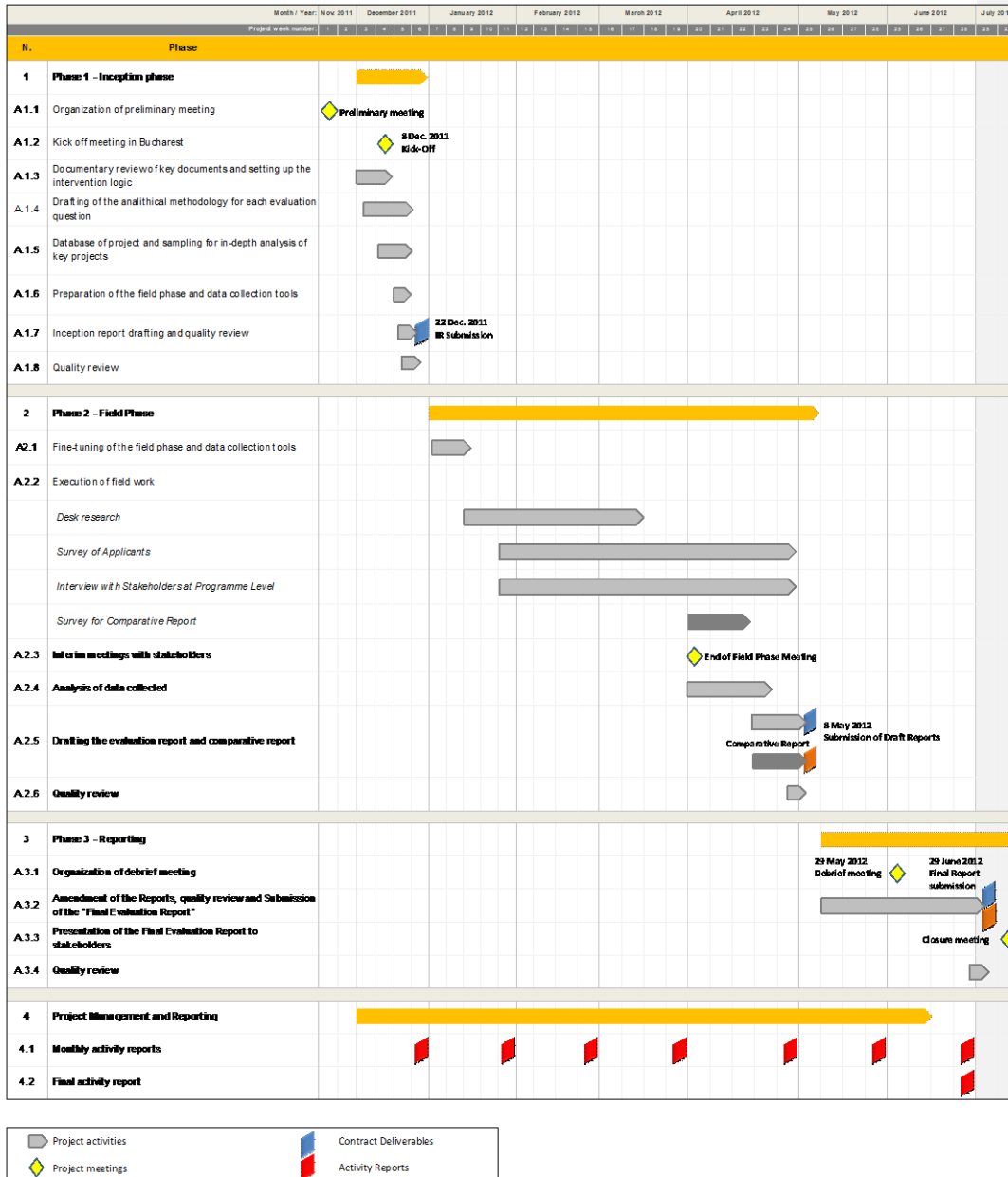
N	Ref.	Conclusion	Recommendation
20	C36	<p>The Programme and PA level monitoring indicators are not specifically designed for monitoring Gender Equality and Equal Opportunities issues, while they are adequate to capture Sustainable Development aspects.</p> <p>There is a procedure in place for collecting data related to horizontal issues at project and Programme level but the indicators proposed have to a large extent additional character, rather than providing a gender/environmental perspective of the existing set included in the Programme.</p>	<p>For the future programming period Programme and Priority Axis indicators could be revised in order to take into account incorporate the indicators established for the monitoring of horizontal issues, thus allowing also the quantification and monitoring of targets at Programme Level. Further clarifying the description of the indicators and the expected outcomes and results, will facilitate their understanding on behalf of beneficiaries and their implementation at project level.</p>
<b>(3.b) How do the approved projects contribute to the horizontal themes, as they are mentioned in the programme?</b>			
21	C37	<p>There is no aggregation available at Programme level concerning the contribution of contracted projects to horizontal issues.</p>	<p>The Reports on horizontal issues should be produced in occasion of the Annual Implementation Report for 2011 in order to assess the current status.</p>
22	C38	<p>Despite the fact that all beneficiaries consider that their projects are addressing horizontal issues, it appears that they are being treated rather as a formality.</p>	<p>Targeted campaigns or breakout session during other Programme events (e.g. workshops for beneficiaries), could be undertaken in order to raise awareness on the issues and provide guidance on how to correctly embed them in project applications, monitoring and implementation, considering as an example the Guidelines produced under the Romanian Regional Operational Programme.</p>
<b>(3.c) What is the cross-border added value of selected projects?</b>			
23	C39	<p>The concept of CBC Added Value is not clearly defined in the Programming Document and there is no framework in place for its measurement.</p> <p>Programme provisions indirectly instrumentalize added value to the project level by means of eligibility and assessment criteria and by ensuring the joint management and implementation of the Programme itself.</p>	<p>For the future programming period the Operational Programme could include a framework for defining the concept of added value, taking into account, for example, the following aspects:</p> <ul style="list-style-type: none"> <li>▶ the CBC should constitute the most appropriate source of financing for tackling the problems identified compared to national sources of financing;</li> <li>▶ the measurement of the degree of cooperation at project partnership level;</li> <li>▶ the degree of institutionalization of the networks created through the project;</li> <li>▶ the degree of involvement of vulnerable groups;</li> </ul>

N	Ref.	Conclusion	Recommendation
			<p>▶ the degree of involvement of institutions and establishment of new regulatory procedures, as a result of the cross-border cooperation.</p> <p>Selection criteria and indicators should be adopted for the purpose of mainstreaming and monitoring added value.</p>
24	C40	<p>At project level there is evidence of the added value of cross-border cooperation. Project partners generally understand the concept, have a track record of history in implementing joint projects and these are also creating the premises for new joint activities in an institutionalized or informal context, with or without the presence of EU assistance.</p>	<p>For the current and future programming period, information and publicity activities should further disseminate the concept of added value of cross-border cooperation. The implementation of the “best practice section” on the Programme website shall also serve this purpose.</p>

## 4. Annexes



### 4.1. Annex 1: Timing, sequence and duration of activities performed



## 4.2. Annex 2: Evaluation framework

<b>RELEVANCE</b>				
<b>Are the Programme objectives initially set, still relevant within the new socio-economic context?</b>				
<b>Understanding of the question:</b>		Verify the validity of the strategy given the new socio-economic environment of the Programme area; the impact of the recent socio-economic downturn is also taken into consideration in this context.		
<b>Questions based on ToR par. 4.1.1</b>	<b>Judgment criteria</b>	<b>Types of analysis</b>	<b>Primary sources (Key reference actors/ institutions)</b>	<b>Secondary sources (Key reference documents)</b>
<b>(2.a)</b> Are the objectives of the programme still valid?	a) Major changes occurred in the socio-economic environment in the Programme area, including effects of the economic downturn	- Analysis of the trends in socio-economic variables in the programme area (e.g. county/district GDP, sectoral distribution, R&D&I expenditure, population& (un)employment rate, tourism, transport and environment infrastructure)	- JMC - MA and NA - JTS and JTC - Antenna - Beneficiaries	- Studies on macro-economic indicators prepared within the framework of the Programme - Available Statistical sources - Surveys prepared by international organizations (e.g. World Bank, EBRD, IMF, Economist)
	b) The Programme still encompasses logical links between socio-economic and SWOT analysis, on one side, and its objectives, priorities and measures, on the other side	- Analysis of the objectives tree as embedded in the current socio-economic context of the programme	- JMC - MA and NA	- Operational Programme
	c) The relation between the Programme Strategy and the current socio-economic environment of the Programme is consistent	- Analysis related to the validity of the Programme objectives	- JMC - MA and NA - JTS and JTC - Antenna	- Operational Programme - Annual implementation reports - Analysis of recent socio-economic trends (carried out under a)

## EFFECTIVENESS

The objectives of the Programme are achieved/will be achieved considering the progress registered in the Programme implementation up to the evaluation cut-off date.

**Understanding of the question:** Analyse the current performance of the Programme, on the basis of the performance indicators set and against their targets, as presented in the Programming Document, verify possible gaps and recommend actions to be taken to address existing issues affecting Programme performance.

Questions based on ToR par. 4.1.1	Judgment criteria	Types of analysis	Primary sources (Key reference actors/ institutions)	Secondary sources (Key reference documents)
<b>(2.c)</b> What were the reasons for over/ under application on different Priority Axes and future steps to be adopted?	a) There are PAs and measures that have attracted a higher/lower number of applications than others affecting the achievement of objectives	<ul style="list-style-type: none"> <li>- Analysis of the sequence, timing and types of calls for proposals launched</li> <li>- Number and values of applications submitted under each PA and measure</li> <li>- Analysis of number and values of submitted applications against allocated budget, per priority and measure</li> </ul>	<ul style="list-style-type: none"> <li>- MA</li> <li>- Applicants</li> </ul>	<ul style="list-style-type: none"> <li>- Monitoring Reports</li> <li>- Project selection Reports</li> <li>- Guidelines for applicants</li> </ul>
	b) Awareness activities have determined over/under application	<ul style="list-style-type: none"> <li>- Analysis of the information and publicity measures taken to inform potential beneficiaries on the programme opportunities and requirements: type of activities, regularity, location</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- JMC</li> <li>- Applicants</li> </ul>	<ul style="list-style-type: none"> <li>- Information and publicity material</li> <li>- Other calls related documents</li> </ul>
	c) Changes in the socio-economic context have affected applications or limited relevance of some priorities/measures	<ul style="list-style-type: none"> <li>- Analysis of relations between changes in the socio-economic environment and applications submitted</li> <li>- Analysis of the continuous validity of the Programme strategy and demand for funds under different PAs/measures</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- JMC</li> <li>- Applicants</li> </ul>	<ul style="list-style-type: none"> <li>- Monitoring Reports</li> <li>- Application files (sample)</li> <li>- Relevance analysis</li> </ul>
	d) There is a substitution effect for certain priority axes determined by other national or regional development programmes supported via other financial sources or by private sector investments	<ul style="list-style-type: none"> <li>- In case of under application, investigation of other programmes/ financial sources that could address the same needs as the Programme in the area covered</li> <li>- Qualitative assessment of their effects on demand for RO-SE funds</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- JMC</li> <li>- Applicants</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> </ul>
	e) Financial allocation among PAs could be improved	<ul style="list-style-type: none"> <li>- Analysis of the financial reallocation options based on trends in demand, project pipeline, survey of applicants</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JMC</li> <li>- JTS</li> <li>- Applicants</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> <li>- Annual Implementation Reports</li> <li>- JMC Decisions</li> <li>- MIS-ETC Reports</li> </ul>
	f) The Programme eligible area should be extended	<ul style="list-style-type: none"> <li>- Qualitative analysis related to the needs of expanding the eligible area of the Programme</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JMC</li> <li>- JTS</li> <li>- Applicants</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> </ul>

## EFFECTIVENESS

The objectives of the Programme are achieved/will be achieved considering the progress registered in the Programme implementation up to the evaluation cut-off date.				
Understanding of the question:	Analyse the current performance of the Programme, on the basis of the performance indicators set and against their targets, as presented in the Programming Document, verify possible gaps and recommend actions to be taken to address existing issues affecting Programme performance.			
Questions based on ToR par. 4.1.1	Judgment criteria	Types of analysis	Primary sources (Key reference actors/ Institutions)	Secondary sources (Key reference documents)
<b>(2.b)</b> How do contracted or expected results of selected projects contribute to the achievement of programme objectives, in terms of programme indicators?	a) The indicator system in place is adequate	<ul style="list-style-type: none"> <li>- Analysis of the adequacy of the indicator system in place in terms of coverage of PAs and KAls</li> <li>- Analysis of the clarity of the indicator system for the use of beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> <li>- Annual Implementation Reports</li> <li>- Guidelines for Applicants</li> </ul>
	b) Analysis of the project pipeline	Analysis of the: <ul style="list-style-type: none"> <li>- Number of projects selected</li> <li>- Number of projects contracted</li> <li>- Target and current values of Programme, PA and project indicators for contracted projects</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> <li>- Annual Implementation Reports</li> <li>- Application files</li> <li>- MIS-ETC Reports</li> </ul>
	c) The physical Progress of the Programme is in line with the planned one	Analysis of the: <ul style="list-style-type: none"> <li>- Programme indicators: analysis of target values at Operational Programme level vs. target and current values for contracted projects</li> <li>- Priority Axis indicators: analysis of target and current values for contracted projects</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> <li>- Annual Implementation Reports</li> <li>- Application files (sample)</li> <li>- MIS-ETC Reports</li> </ul>
	d) The physical progress of the Programme is such to lead to the achievement of programme objectives, in terms of programme indicators	<ul style="list-style-type: none"> <li>- Analysis of current and expected trends in gaps between planned and achieved physical progress at Programme level</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- JMC</li> <li>- Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> <li>- Annual Implementation Reports</li> <li>- Application files (sample)</li> <li>- MIS-ETC Reports</li> </ul>
	e) CBC Projects are paving the way for additional projects on both sides of the border	<ul style="list-style-type: none"> <li>- Analysis of links between CBC RO-SE projects and additional projects/investments on both sides of the border</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- JMC</li> <li>- Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Annual Implementation Reports</li> </ul>

## EFFECTIVENESS

The objectives of the Programme are achieved/will be achieved considering the progress registered in the Programme implementation up to the evaluation cut-off date.

Understanding of the question:	Analyse the current performance of the Programme, on the basis of the performance Indicators set and against their targets, as presented in the Programming Document, verify possible gaps and recommend actions to be taken to address existing issues affecting Programme performance.			
Questions based on ToR par. 4.1.1	Judgment criteria	Types of analysis	Primary sources (Key reference actors/ Institutions)	Secondary sources (Key reference documents)
<b>(1.a)</b> Is the use of funds, appropriate for the first three years of the programme, ensured? Is an automatic decommitment likely?	a) The financial progress of the Programme is quantifiable in terms of commitments and payments at the level of priority axis	Analysis of the: <ul style="list-style-type: none"> <li>- Level of commitments by priority axis, Programme</li> <li>- Level of reimbursement claims submitted by beneficiaries</li> <li>- Level of payments to beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- Certifying and Paying Authority</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> <li>- Annual Implementation Reports</li> <li>- Certified expenditure / Transfers to beneficiaries</li> <li>- MIS-ETC Reports</li> <li>- CPA Reports</li> </ul>
	b) The financial progress of the Programme is in line with the financial allocation by priority axis	<ul style="list-style-type: none"> <li>- Analysis of committed resources vs. financial allocation by PA</li> <li>- Analysis of expenditure of beneficiaries vs. financial allocation by PA</li> <li>- Analysis of expenditure of beneficiaries vs. committed resources by PA</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- Certifying and Paying Authority</li> <li>- Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> <li>- Annual Implementation Reports</li> <li>- Certified expenditure</li> <li>- Transfers to beneficiaries</li> <li>- MIS-ETC Reports</li> <li>- CPA Reports</li> </ul>
	c) The financial progress of the Programme is such to avoid the risk of decommitment	<ul style="list-style-type: none"> <li>- Analysis of decommitment risk according to n+3 rule at Programme level</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JMC</li> <li>- JTS</li> <li>- Beneficiaries</li> <li>- CPA</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> <li>- Annual Implementation Reports</li> <li>- Certified expenditure</li> <li>- Transfers to beneficiaries</li> <li>- MIS-ETC Reports</li> <li>- CPA Reports</li> </ul>
<b>(1.d)</b> What are the specific factors hindering the effective use of TA funds, in terms of contribution to the programme implementation, including the mandatory use of PRAG rules?	a) There exists a clear strategy for the use of Technical Assistance resources (monitoring/control/ evaluation/ information and publicity/contracting)	<ul style="list-style-type: none"> <li>- Analysis of TA expenditure vs planned budget</li> <li>- Analysis of planned activities vs actual ones</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> </ul>	<ul style="list-style-type: none"> <li>- TA Strategy</li> <li>- Monitoring Reports</li> </ul>
	b) There are difficulties/delays in the launching and award of service contracts under PRAG rules	<ul style="list-style-type: none"> <li>- Analysis of lead times in the the award of procurement contracts</li> <li>- Analysis of the number of procedures cancelled</li> <li>- Analysis of frequent mistakes in the application of PRAG rules</li> <li>- Analysis of bottlenecks related to the launch/award of service contracts under PA 4, in accordance with PRAG rules</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> </ul>	<ul style="list-style-type: none"> <li>- Monitoring Reports</li> </ul>
	c) There exist alternative sources of funding that provide a substitution effect	<ul style="list-style-type: none"> <li>- Number and values TA-type activities funded by other sources</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> </ul>	<ul style="list-style-type: none"> <li>- Monitoring Reports</li> </ul>

## EFFICIENCY

Is the Implementation system functional for the achievement of Programme objectives?				
<b>Understanding of the question:</b> Assessment of the issues potentially hindering the performance of the Programme, covering the phases of project assessment, selection, contracting and implementation. Recommendations will be made in order to set these issues aside, if possible.				
Questions based on ToR par. 4.1.1	Judgment criteria	Types of analysis	Primary sources (Key reference actors/ Institutions)	Secondary sources (Key reference documents)
<b>(1.b)</b> What are the proposed immediate recommended actions in terms of procedures and rules, for avoiding automatic decommitment for the remaining programming period?	a) The rules and procedures in place for project implementation support the absorption capacity of the programme	<ul style="list-style-type: none"> <li>- Analysis of the rules and procedures regarding project implementation (e.g. procurement, eligibility of expenditure, requests for payments, reporting)</li> <li>- Identification of rules and procedures (steps within) having bottlenecks for programme efficiency (absorption)</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JMC</li> <li>- JTS</li> <li>- AA</li> <li>- CPA</li> <li>- Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> <li>- Description of management and control systems</li> <li>- Rules and procedures regarding project implementation</li> <li>- Internal Evaluations</li> <li>- AA Reports</li> </ul>
	b) There are bottlenecks in the financial control process that can be removed to accelerate certification of expenditure	<ul style="list-style-type: none"> <li>- Analysis of layers of control</li> <li>- Analysis of the actual duration of control activities vs. planned duration</li> </ul>	<ul style="list-style-type: none"> <li>- MA</li> <li>- FLC</li> <li>- Certifying Authority</li> <li>- JTS</li> <li>- AA</li> <li>- CPA</li> <li>- Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Manuals of Procedures</li> <li>- Guidelines for Applicants</li> <li>- Monitoring Reports</li> <li>- AA reports</li> </ul>
	c) The capacity of beneficiaries to generate expenditure can be improved	<ul style="list-style-type: none"> <li>- Analysis of the number and value of reimbursement claims submitted by beneficiaries</li> <li>- Analysis of root causes affecting generation of expenditure and reimbursement claims at beneficiary level</li> </ul>	<ul style="list-style-type: none"> <li>- MA</li> <li>- FLC</li> <li>- JTS</li> <li>- Beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>- Guidelines for Applicants</li> <li>- Monitoring Reports</li> </ul>
<b>(1.c)</b> Can project assessment, selection and contracting be accelerated?	a) Timeliness and efficiency of the assessment process	<ul style="list-style-type: none"> <li>- Analysis of the duration of the assessment process vs. planned duration</li> <li>- Analysis of delays and bottlenecks in the assessment process on either side of the border</li> <li>- Transparency of project assessment process</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- Applicants</li> <li>- JMC</li> </ul>	<ul style="list-style-type: none"> <li>- Assessment procedures and operating arrangements</li> <li>- Guidelines for Applicants</li> <li>- JTS assessment reports prepared for the Steering Committee</li> <li>- Internal Evaluations</li> </ul>
	b) The human resources involved in the assessment process are adequate	<ul style="list-style-type: none"> <li>- Analysis of the number and skills of human resources involved in the assessment process</li> <li>- Analysis of the availability and qualification of independent evaluators</li> <li>- Analysis of the number of projects allocated per person in the assessment process</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- JMC</li> </ul>	<ul style="list-style-type: none"> <li>- Assessment procedures and operating arrangements</li> <li>- Internal Evaluations</li> </ul>

## EFFICIENCY

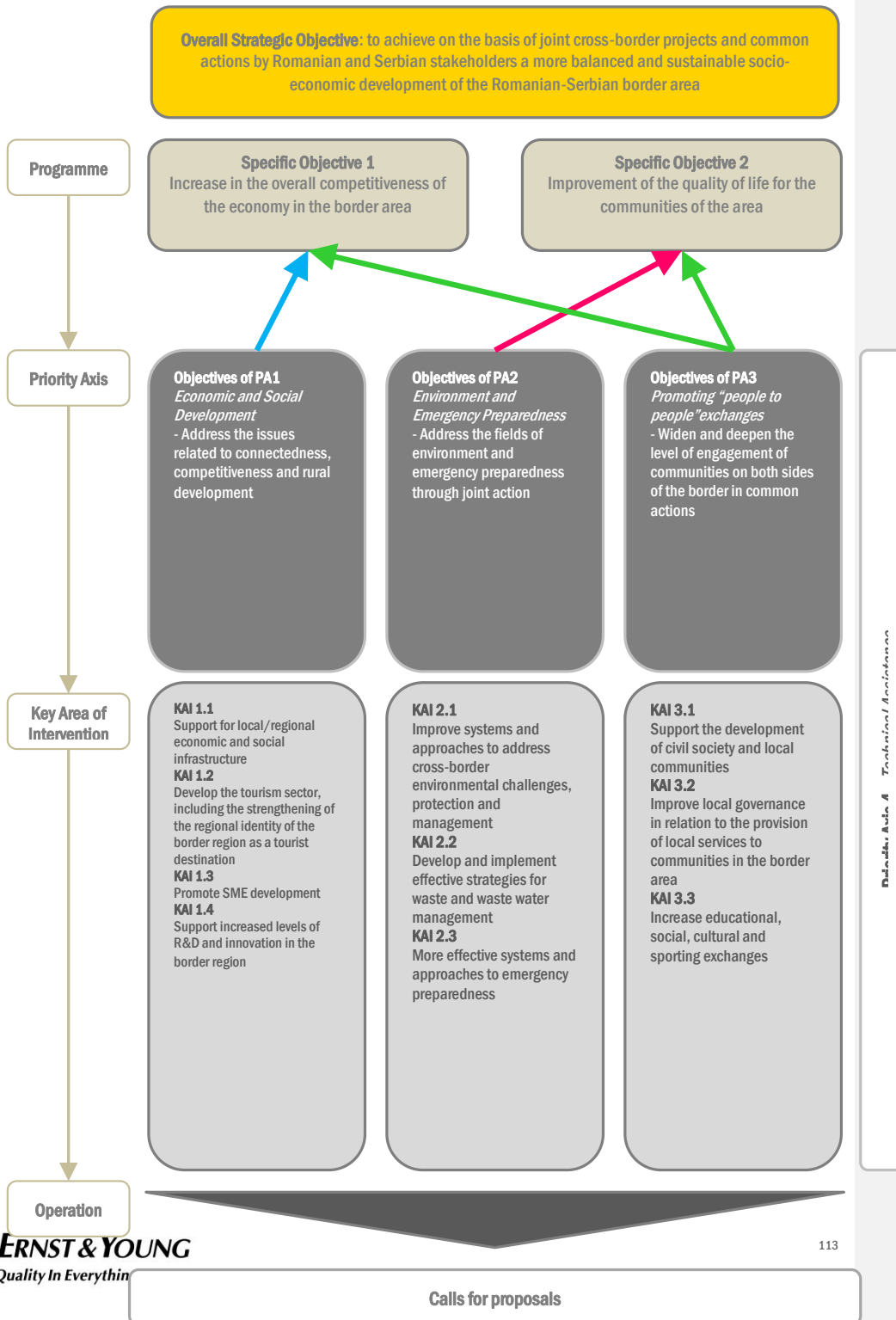
Is the Implementation system functional for the achievement of Programme objectives?	
<b>Understanding of the question:</b>	Assessment of the issues potentially hindering the performance of the Programme, covering the phases of project assessment, selection, contracting and implementation. Recommendations will be made in order to set these issues aside, if possible.

Questions based on ToR par. 4.1.1	Judgment criteria	Types of analysis	Primary sources (Key reference actors/ Institutions)	Secondary sources (Key reference documents)
	c) Timeliness and efficiency of the selection procedure	<ul style="list-style-type: none"> <li>- Analysis of the duration of the selection process vs. planned duration</li> <li>- Analysis of delays and bottlenecks in the selection process determined by either side of the border</li> <li>- Transparency of project selection procedures</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- Applicants</li> <li>- JMC</li> </ul>	<ul style="list-style-type: none"> <li>- Selection procedures and operating arrangements</li> <li>- Guidelines for Applicants</li> <li>- Minutes of Steering Committee meetings</li> <li>- Steering Committee decisions</li> <li>- Internal Evaluations</li> </ul>
	d) The human resources involved in the selection process are adequate	<ul style="list-style-type: none"> <li>- Analysis of the number and skills of human resources involved in the selection process</li> <li>- Type of institutions participating in the selection process</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- JMC</li> </ul>	<ul style="list-style-type: none"> <li>- Contracting procedures and operating arrangements</li> <li>- Steering Committee operating arrangements</li> <li>- Internal Evaluations</li> </ul>
	i) Timeliness and efficiency of the contracting procedure	<ul style="list-style-type: none"> <li>- Analysis of the duration of the contracting process vs. planned duration</li> <li>- Analysis of bottlenecks and delays in the execution of procedures on either side of the border</li> <li>- Efficiency of the contracting procedure</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- Applicants</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Programme</li> <li>- Guidelines for applicants</li> <li>- Contracting procedures and operating arrangements</li> <li>- Project Implementation Manual</li> <li>- Internal Evaluations</li> </ul>
	j) The human resources involved in the contracting process are adequate	<ul style="list-style-type: none"> <li>- Analysis of the number and skills of human resources involved in the contracting process</li> <li>- Analysis of the number of projects allocated per person in the contracting process</li> </ul>	<ul style="list-style-type: none"> <li>- MA and NA</li> <li>- JTS</li> <li>- Applicants</li> </ul>	<ul style="list-style-type: none"> <li>- Operational Program</li> <li>- Guidelines for applicants</li> <li>- Manuals of procedures and operating arrangements</li> <li>- Internal Evaluations</li> </ul>

<b>HORIZONTAL THEMES AND ADDED VALUE</b>				
<b>Are horizontal issues and cross-border value adequately embedded in the Programme?</b>				
<b>Understanding of the question: Analyse how horizontal issues and cross border value covered by Programme and programme implementation documents and the contribution of selected projects to the issues</b>				
<b>Questions based on ToR par. 4.1.1</b>	<b>Judgment criteria</b>	<b>Types of analysis</b>	<b>Primary sources (Key reference actors/ institutions)</b>	<b>Secondary sources (Key reference documents)</b>
<b>(3.a)</b> Are the horizontal themes (equal opportunities – including gender equality and environmental sustainability) covered adequately and clearly within the Guidelines for applicants and programme monitoring arrangements?	a) The horizontal themes are covered adequately and clearly within the Guidelines for applicants	- Analysis of Horizontal Issues within the Programme Analysis of the quality of selection criteria related to equal opportunities – including gender equality and environmental sustainability in the Guidelines for applicants, as regards clarity and consistency with the programme objectives regarding horizontal themes	- MA and NA - JTS and JTS Antenna - Applicants	- Operational Programme - Guidelines for Applicants
	b) The horizontal themes are covered adequately and clearly within programme monitoring arrangements	Analysis of:  - how horizontal themes are covered by the monitoring arrangements in place at programme and project level - clarity of monitoring provisions related to horizontal themes - correlation between Programme and Project objectives and respective indicators regarding horizontal themes - horizontal themes are monitored through SMART indicators embedded in the Program and projects	- MA and NA - JTS - Beneficiaries	- Operational Programme - Project Implementation Manual - Guidelines for Applicants - Application Files (sample)
<b>(3.b)</b> How do the approved projects contribute to the horizontal themes, as they are mentioned in the programme?	a) Approved projects contribute to the horizontal issues mentioned in the Programme	- Analysis of the contribution of contracted projects to the horizontal issues of sustainable development, climate change, equal opportunities	- MA and NA - JMC - JTS - Beneficiaries	- Application Files (sample)
	b) The Programme is likely to achieve targets related to horizontal issues	- Analysis describing progress of projects towards the achievement of their targets in relation to horizontal issues	- MA and NA - JMC - JTS - Beneficiaries	- Application Files (sample)



### 4.3. Annex 3: IPA CBC RO-SE objectives tree







#### 4.4. Annex 4: Analysis of correlation between Programme / PA indicators and Horizontal Aspects

Indicators	Measurement	Gender equality	Equal opportunities	Sustainable development
<b>Programme Level Indicators</b>				
Increased degree/intensity of Cooperation between public services/public authorities, municipalities	Number of projects between public authorities with joint development, joint implementation and joint financing.			<input type="checkbox"/>
Increase in cross-border contacts between people in the border area	Number of participants benefiting from the joint public cross-border events organized within the projects.	x	x	
Increased overall competitiveness of the economy of the border area	Number of projects aimed at improving the business environment and economic performance of the SMEs.			x <input type="checkbox"/>
Improved quality of life in the communities of the border area	Number of projects focusing on improving the living conditions in the border area (developing new services, tackling environmental problems, and other topics which impact the life of people in the border area).	x	x	x
Increase in population with qualifications received or improved from cross-border training activities	Number of participants benefiting from the training activities organised within projects.	x	x	x
<b>Priority Axis 1: Economic and Social Development</b>				
<b>Output indicators</b>				
Improved physical infrastructure in the border area	Number of infrastructure investment projects (calculated also by type).			x <input type="checkbox"/>
Improved capacity and cross-border contacts of SMEs and in the R&D sector	Number of trainings/courses implemented, networks developed, fairs organised for SMEs (calculated also by type) and in the R&D sector.	x	x	x
People in labour force with qualifications received/improved from joint training activities	Number of participants benefiting from training events/courses	x	x	
New or improved cross-border tourism products, joint marketing approaches/activities or joint tourism information services developed	Number of projects addressing the development and improvement of tourism products, marketing activities or information services			x
<b>Result indicators</b>				
New or improved cross-border tourism products and services	Number of activities, actions, initiatives focusing on promoting tourism in the border area			x
New or improved cross-border transport links and logistics capacity in the border area	Number of activities, actions, initiatives creating new or improving existing transport links or tackling logistics capacity.			x
Increased importance of R&D/Innovation in the border area	Number of activities, actions, initiatives focusing on promoting the importance of or dealing directly with R&D/Innovation			x
Increased SME's capacity in the border area	Number of activities, actions, initiatives focusing on promoting SME's activity.			x
<b>Priority Axis 2: Environment and Emergency Preparedness</b>				
<b>Output indicators</b>				
Improved technical capacity of the cross-border monitoring of environment	Number of investments, number of categories/types of equipment purchased.			x
Improved physical infrastructure of waste and wastewater treatment in the border area	Number of projects dedicated to infrastructure investments, and equipment purchasing (calculated also by type).			x
Increased qualification of human resources in reacting to situations of environmental emergency	Number of relevant staff and volunteers among local inhabitants gained skills /trained to react effectively in case of environmental emergency		x	x
Increased joint technical preparedness to situations of environmental emergency	Number of categories/types of equipment purchased for situations of environmental emergency and infrastructure investment projects			x
<b>Result indicators</b>				
Increased cross-border cooperation in environment protection	Number of actions, activities, initiatives protecting or preserving the environment or raising public awareness on the topic (calculated also by type).			x
Increased expertise and exchange of experience in the field of environment protection	Number of actions, activities, initiatives increasing expertise or exchange of experience in environment protection topics			x
Increased institutional capacity and preparedness in reacting to situations of environmental emergency (e.g. flooding, bird flu, swine influenza)	Number of newly elaborated cross-border emergency plans or training events realised on emergency planning or emergency management techniques			
Improved implementation of national and EU environmental legislative framework	Number of activities, actions, initiatives implementing national and EU environmental legislative framework;			x

Indicators	Measurement	Gender equality	Equal opportunities	Sustainable development
Increased public awareness in the field of environment protection	Number of participants gained new knowledge in educational or information activities aiming at raising environmental awareness of wider public.			x
Improved knowledge on different environment-friendly approaches and applications in everyday life	Number of activities, actions, initiatives promoting different environment-friendly solutions.			x
<b>Priority Axis 3: People-to-people exchanges</b>				
<b>Output indicators</b>				
Stronger civil society of the border area	Number of NGOs implementing joint capacity building actions/ action plans and strategies for developing the civil society of the cross-border area			x
Increased people-to-people exchange in the fields of education, culture and sports	Number of people participated in cross-border people-to-people exchanges events		x	
Increased integration of the local communities from border area	Number of cross-border public events organised for integrating local communities from both side of the border (calculated also by type).		x	
<b>Result indicators</b>				
Increased social and cultural integration of people in the border areas	Number of participants benefiting from cross-border social and cultural events		x	
Increased cooperation between local and regional public authorities across the border to finding solutions to joint local problems in the border area	Number of activities, actions, initiatives between local and regional public authorities in tackling joint problems, improving local service provision etc.			x
Increased cooperation between NGO's across the border in order to develop civil society capacity on border area	Number of activities, action plans, initiatives between NGO's in building capacity of civil society organisations, promoting local governance and civil rights.			
Improved quality of life and increased attractiveness of the border communities as a living place	Number of activities, actions, initiatives developing new or improving existing educational and social services, or improving other local living conditions			x
Improved knowledge of culture, history, society, organizational and institutional structure, and language of the neighbouring country	Number of participants gained new knowledge in events promoting/profiling the neighbouring country		x	

	Direct link
	Indirect link

## 4.5. Annex 6: List of major documents consulted

### List of major documents related to the IPA CBC Romania - Serbia

#### IPA Regulations

Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA)

Commission Regulation (EC) No. 718/2007 of 12 June 2007, implementing Council Regulation (EC) No. 1085/2006 establishing an instrument for pre-accession assistance (IPA)

Multi-Annual Indicative Planning Document (MIPD) 2011-2013, IPA Component II – Cross-border Cooperation

#### IPA Regulations 2007-2013

Communication from the Commission to the Council and the European Parliament Instrument for Pre-Accession Assistance (IPA) - Multi-Annual Indicative Financial Framework for 2010-2012

Multi-Annual Indicative Financial Framework (2008-2010)

Multi-Annual Indicative Financial Framework (2009-2011)

Multi-Annual Indicative Financial Framework (2010-2012)

#### National Strategies

National Strategic Reference for Romania (2007-2013)

#### National Development Strategies and Operational Programmes

Operational Programmes in Romania (2007-2013)

Economic Development Strategy for the Republic of Serbia (2006-2012) (Serbian only)

#### IPA CBC RO-SE

Romania – Republic of Serbia, IPA Cross-Border Cooperation Programme

#### Programming document, Programme approval and modifications

Memorandum of Understanding on the implementation of the Romania - Serbia IPA CBC

Decision of the European Commission, from July 1st 2010, to modify EC Decision C(2008)1076 regarding the Romania - Serbia IPA CBC

#### IPA CBC RO-SE Implementation

Romania – Republic of Serbia, IPA CBC, Description of the Management & Control System

#### Description of Management and Control pursuant to Article 115 of Regulation (EC) 718/2007

Manuals of Procedure for the Project Assessment, Selection & Contracting, Monitoring, First Level Control, Verification of Expenditure

JMC and JSC - Rules of procedure

Multi-annual Strategy, regarding the use of Technical Assistance

#### Audit, verifications, Evaluation Reports

Reports of Audit Authority

Certifying Authority Reports

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Internal evaluation of the Programme Implementation System

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Guidelines for Applicants/Project appraisal grids

Application Package for the 1st call (all PAs)

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Application Package for the 2nd call (all PAs)

#### MONITORING DOCUMENTS

Annual Implementation Reports

Annual Implementation Report for 2009

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Annual Implementation Report for 2010

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Table of target indicators

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Relevant monitoring data

Programme Data Base (encompassing the list of projects submitted and contracted and financial progress)

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Selection of progress reports for sampled applications

#### PROGRAMME DECISIONS

List of JMC decisions

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Relevant stakeholder decisions

Relevant JMC decisions

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JSC Decisions and Evaluation Committee reports

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## 4.6. Annex 7: List of interviews

Body	Institution	Department	Location	Name of Interviewee	Date of Interview
Managing Authority (MA)	Ministry of Regional Development and Tourism, Romania	General Directorate for Territorial Cooperation	Bucharest	Iuliu Bara (General Director)	5-Mar-12
		General Directorate for Territorial Cooperation	Bucharest	Iulia Hertzog (Deputy General Director)	
		Directorate for International Territorial Cooperation	Bucharest	Oana Cristea (Programme Manager)	
		Directorate for International Territorial Cooperation	Bucharest	Daniela Dumitrescu (Programming)	
		General Directorate for Territorial Cooperation - Paying Unit	Bucharest	Doina Surcel, Irina Murezanu	25-Apr-12
Serbian National Authority (NA)	Serbian European Integration Office (SEIO) Cross Border Cooperation Sector	Sector for CBC and Transnational Programmes	n/a	Sanda Simic, Svetlana Djokanovic (Coordinator for IPA Programme Romania - Serbia)	28-Feb-12
Joint Monitoring Committee (JMC)	European Commission. Territorial Cooperation Unit (E1), Directorate General Regional Policy, European Commission		n/a	Genevieve Leveaux, Desk Officer	30-Apr-12
	The Chamber of Commerce, Industry and Agriculture, Timisoara		n/a	Menuța Iovescu, Secretary General	27-Apr-12
	Serbia. Standing Conference of Towns and Municipalities		n/a	Aleksandar Marinković	(not interviewed to date)
Joint Technical Secretariat (JTS)	Regional Office for Cross-border Cooperation Timisoara, Romania		Timisoara	Catalin Radu, Anca Lolescu	2-Mar-12
First Level Control Unit (FLC), for Romania	Regional Office for Cross-border Cooperation Timisoara, Romania		Timisoara	Dana Dumitrica.	2-Mar-12
Antenna of the Joint Technical Secretariat (Serbia)			Bucharest	Elizabeta Stanimirov Head of JTS Antenna Vrsac, Dimitrija Tucovica 17	5-Mar-12
First Level Control Unit (FLC), for Serbia	Ministry of Finance	Sector for Contracting and Financing of EU Funded Projects (CFCU)	Bucharest	Dragan Popvic Head of FLC	6-Mar-12
Certifying and Paying Authority (CPA)	Ministry of Public Finance, Romania, Bucharest		Bucharest	Flavius Dunca Expert ACP-MFP	7-Mar-12
Audit Authority (AA)	Audit Authority within Romanian Court of Accounts, Romania	Directorate for ERDF Audit	Bucharest	Mihai Ciobanu Eugen Teodorovici	8-Mar-12

## 4.7. Annex 8: Sampled projects

### 4.7.1. Sample of successful applicants<sup>44</sup>

Project ref. no.	MIS	Priority Axis	Lead partner	Name of contact person	Title of the project	Country of Lead Partner	The total value of the project
15	385	PA 1	University Politehnica Timisoara	Ioana Ionel	Sustainable development for Banat Region by means of education and scientific research&development in transboundary air quality monitoring issues	Romania	379,788.00
137	508	PA 1	Municipality of Plandiste	Miroslav Stupar	SME Development Support Center of municipalities Plandiste and Deta*	Serbia	350,740.00
146	517	PA 1	Local Council Pojejena	Ionelia Lutu	Valorizing the tourism potential from Clisura Dunarii-building the attraction point and the Information and Tourism Promoting Center in the Pojejena village area	Romania	811,924.00
105	476	PA 2	Timis County Council	Delia Frantiu	Monitoring and Alarming Systems in Cases of Natural Disaster	Romania	1,150,000.00
39	410	PA 2	City of Pancevo	Maja Svircevic Prekic	Monitoring and Control of the invasive biological pollutant - Ambrosia artemisifolia L. (spp) "Stop Ambrosia!	Serbia	680,932.00
100	471	PA 3	Episcopate of Severin and Strehala	Constantin Barlan	Identity, common culture and tradition in the Romanian-Serbian cross-border	Romania	163,820.00
143	514	PA 3	Cultural Association "Constantin Brancusi" Timisoara	(please fill in with the necessary data)	Cultural centers-poles of excellence in promoting cross border living heritage	Romania	215,048.80
1	371	PA 3	Bethany Social Services Foundation	Ioan Kovacs	Cross-border initiatives for social insertion of disadvantaged groups	Romania	200,417.00
73	444	PA 3	Educational centre for Rural Development Zrenjanin	Gabrijela Trumpic	Learn best Agribusiness practices - Improve Banat Rural Prospects	Serbia	108,460.00

<sup>44</sup> Lines coloured in yellow represent the questionnaires that answered the questionnaire



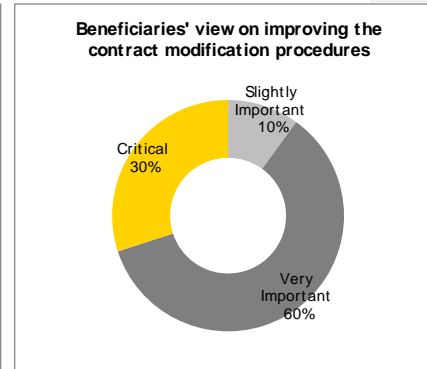
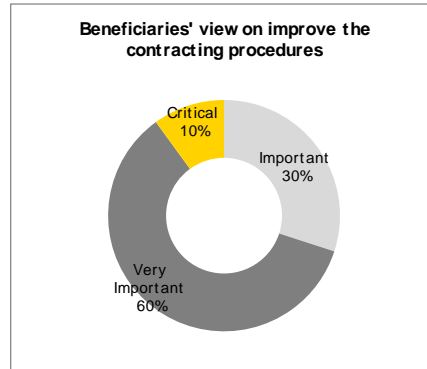
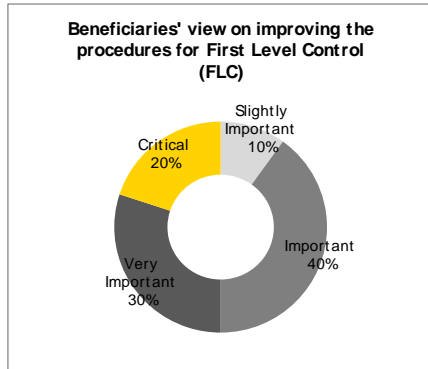
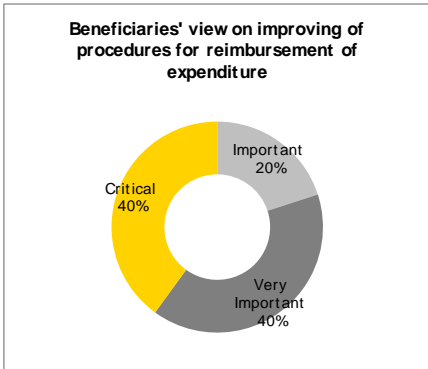
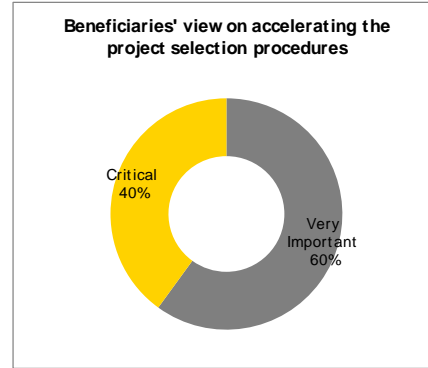
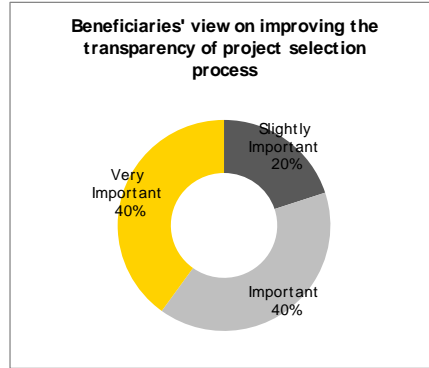
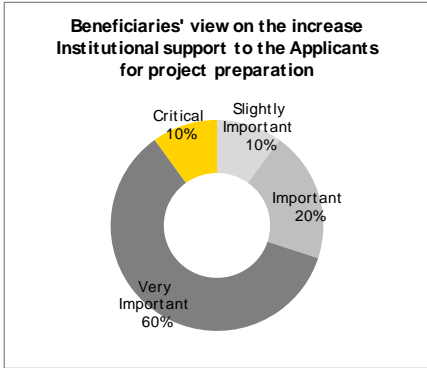
Project ref. no.	MIS	Priority Axis	Lead partner	Name of contact person	Title of the project	Country of Lead Partner	The total value of the project
2	372	PA1	Municipality of Kladovo	Mina Novakovic	Integral development of tourism in Kladoovo and Pojejena municipalities	Serbia	457,550
26	396	PA2	Kikinda Municipality	Jovan Rodic	Green banat - cross border environmental cooperation between the twin towns Kikinda and Jimbolia	Serbia	465,841
38	409	PA 1	Regional Chamber of Commerce Pozarevac	Milica Mitovic	Centre for increasing competitiveness of SME in border region	Serbia	381,354.00
117	488	PA 3	Ioan Slavici Foundation for Culture and education / University "Ioan Slavici" from Timisoara	(please fill in with the necessary data)	Quality in education, college and universities, using innovative methods and new laboratories	Romania	117,270.00
122	493	PA 3	Caras-Severin County Council	Victor Borislav Naidan	Best practice Exchange between Cross-Border Public Administration	Romania	176,647.00
34	404	PA1	Emergency Clinical Municipal Hospital Timisoara	Munteanu Mihnea	Regional Center of Vitreo-Retinal Surgery and Ophthalmology-Oncology	Romania	674,070
69	440	PA3	"Eftimie Murgu" University Resita	Dorian Nedelcu	Center for numerical simulation and digital/rapid prototyping	Romania	199,486
95	466	PA3	Mehedinti County Judo Association	Vasilan Gicu	Judo at the Iron Gate	Romania	157,921

## 4.7.2. Sample of unsuccessful applicants

Call	MIS	Priority Axis	Lead partner	Name of contact person	Title of the project	Country of Lead Partner	The total value of the project
I	405	PA1	Municipality Moldova Noua	Ion Chisalita	Danube's Ferry Crossing Between Golubac and Moldova Noua	Romania	978,994
I	104	PA1	ADETIM	Sergiu Balasa	SMEs support by developing an E-business infrastructure in Timis county and the neighbor Serbian district	Romania	1,150,000
I	153	PA2	Municipality of Negotin	(please fill in with the necessary data)	Improvement of the Danube water quality in the neighbourhood region through the reconstruction of the waste water plant in Negotin Municipality	Serbia	723,500
I	405	PA1	Caras - Severin County Council	Niculae Lixandru	Danube's Ferry Crossing Between Golubac and Moldova Noua	Romania	978,994
II	1295	2	Mining and Metallurgy Institute Bor	Vlastimir Trujic	Integrated wastewater management in the Bor and Timis- Caras-Severin districts to the aim of protection the Danube river basin	Serbia	700,168
II	1355	1	Municipality of Zrenjanin	Mileta Mihajlov	Closer to EU - European parliament of Banat	Serbia	1,097,014
I	391	PA1	Municipality of Veliko Gradiste	Zivoslav Lazic	Family Business Institute (Fam B)	Serbia	310,894
I	452	PA1	The municipality of Jimbolia	Rotaru Marian Virgil	Infotur Jimbolia-Senta, tourist cooperation in the Romanian and Serbian cross-border region	Romania	880,249
I	418	PA2	Ilovita Local Council	Patasanu Stefan	Cross-border cooperation in emergency situation managing	Romania	578,431
I	478	PA2	Agriculture Station "Agrozavod" Vrsac	Snezana Kremic	The Influence of climate change on nitrogen distribution in soil and crop yield	Serbia	355,000
I	381	PA3	Association of citizens "Odraz Vojvodine"	Bosko Mitrasinovic	Promotion of Intercultural Values, Healthy Life Styles and Environmental Protection among the Children from Serbian and Romanian parts of Banat Region	Serbia	131,168
I	390	PA3	Mehedinti Tourism Association	Schulman Alexandru	A new vision of tourism in Mehedinti	Romania	31,000

Call	MIS	Priority Axis	Lead partner	Name of contact person	Title of the project	Country of Lead Partner	The total value of the project
I	433	PA3	Regional Center for Continuous Training of the Local Public Administration Timisoara	Radmila Petrov	TISPA - Training and information services for public administration for cross-border development	Romania	149,770
I	29	PA3	Pro Natura Drobeta Association	Gabriela Chivu	Strengthening cross-border cooperation between local communities to improve quality of life in the Mehedinti - Borski regions	Romania	44,686
II	1248	3	Save the Children Organization, Timis branch	Mihai Gafencu	Joint combat against psychoactive substance use and related health risks (PURE)	Romania	248,510
II	1243	1	The Center for consultancy and projects management Europroject - Mehedinti branch	Jianu Florin Nicolae	Romanian-Serbian Internationalization and Cooperation Centre - CERES	Romania	999,692
II	1261	3	Ecological centre "Habitat"	Zlatija Cocic Krasnic	Youth for nature and community	Serbia	128,475
II	1269	1	Municipality of Resita	Mihai Stepanescu	Crucible of Friendship - the promotion of the common cultural heritage of Resita and Veliko Gradiste	Romania	992,650
II	1275	3	Association "Education for the Community" Teregova	Iorga Nistor	Cross-Cultural Exchanges between communities in the Valley Timis (Teregova-Romania) and Valley Timoc (Negotin-Serbia)	Romania	152,635
II	1323	2	Gradinari local council	Ion Mosoarca	Development of the public cross-border service for emergency situations in Gradinari (RO) - Alibunar (SE) cross-border area	Romania	935,041

#### 4.8. Annex 8: Beneficiaries' suggestions for the improvement of the Programme



## 4.9. Annex 9: Interview Guidelines

### Explanatory Notes

#### Structure

The interviews were divided into **5 main themes** covering the scope of the evaluation, i.e.:

- A) Continued relevance
- B) Implementation arrangements
- C) Programme progress
- D) Horizontal issues
- E) Added value

#### Interviewees

For each interviewee we prepared a customized set of guidelines, based on the relevant sections. These were submitted to each stakeholder ahead of the interview.

The questions are intended for the **programme-level stakeholders** identified in the Kick-off Presentation and the Inception Report, i.e.:

- ▶ Managing Authority (MA) – Sections A, B, C, D, E
- ▶ National Authority (NA) – Sections A, B, C, D, E
- ▶ Joint Technical Secretariat (JTS) – Sections A, B, C, D, E
- ▶ Joint Monitoring Committee (JMC) – Sections A, B, C, D, E
- ▶ Certifying and Paying Authority (CPA) – Section B.II.E
- ▶ First Level Control Unit (FLC) – Section B.II.E
- ▶ Audit Authority (AA) Audit Authority and Group of Auditors – Overview of findings related to system audits and audit of operations

### Questions

#### A) CONTINUED RELEVANCE

1. In your opinion, have there been any key developments or changes in the socio economic environment that may have affected the relevance of the Programme strategy since it was written? If so, what are these and what effect do you think they have had?
2. Do you think that the Programme strategy is still relevant to the needs of the Programme Area given key developments / changes in the socio economic environment?  
  
Do you think that the relevance of any individual PA/KAI has changed particularly, and if so how? Please specify the PA/KAI you refer to and reason why.
3. In your opinion, is there a need for any change in the allocations at the level of PA/KAI arising from changes in the external environment? Please provide reasons for your answer.
4. Do you consider that the eligible area of the Programme should be extended? And for what reasons?

#### B) IMPLEMENTATION ARRANGEMENTS

##### II.A PROJECT ASSESSMENT

1. What would you consider to be the main strengths and weaknesses of the **Project Assessment Process**?
2. How long does the assessment process typically require?
3. What have been the main bottlenecks in the assessment process? In your opinion, could the project assessment process be improved, and, if so, how?
4. In your opinion, is the project assessment system transparent in terms of:
  - ▶ existence of written internal guidelines / methodologies for the appraisers
  - ▶ communication with applicants

## II.B PROJECT SELECTION

5. What do you consider to be the main strengths and weaknesses of the **Project Selection Process**?
6. How long does the selection process typically require?
7. What have been the main bottlenecks in the project selection process? In your opinion, could the project selection procedures be improved, and if so, how?
8. In your opinion, is the project selections system transparent in terms of:
  - ▶ existence of written internal guidelines / methodologies for the selection
  - ▶ communication with applicants

## II.C PROJECT CONTRACTING

9. What do you consider to be the main strengths and weaknesses of the **Contracting process** (and Contract modifications)?
10. How long does the contracting process typically require?
11. What have been the main bottlenecks in the project contracting process? In your opinion, could project contracting be improved, and if so how?

## II.D PROJECT MONITORING

12. What do you consider to be the main strengths and weaknesses of the **Project Monitoring Process**?
13. What monitoring tools are currently used?
14. Do you consider that the system of monitoring indicators in place is adequate to cover the objectives set at PA / KAI Level and to track progress of projects?
15. Do you think that the indicators for project monitoring are clear and understood by beneficiaries?
16. How is the monitoring process and associated reports used to follow up and evaluate project effectiveness?
17. Do you consider that monitoring indicators are adequate to track progress at project level?
18. Could project monitoring be improved in order to ensure that projects keep on track?

## II.E FINANCIAL CONTROL

19. What do you consider to be the main strengths and weaknesses of the **Financial Control Process**?

20. What is the average time for reimbursement of expenditure from submission of a payment claim to the transfer of amounts to beneficiaries?
21. Are there any bottlenecks / delays in the reimbursement process? If so, specify the stage in reimbursement and reason for it.
22. Based on your knowledge of the system, do you appreciate the level of control to be effective and efficient?
23. Do you feel you are lacking any resources, skills, competencies or tools (e.g. internal procedures, IT tools) necessary to fulfil your role in the process?
24. What would be your main recommendations to improve the financial control of CBC programmes?

## C) PROGRAMME PROGRESS

### III.A PROGRAM PROGRESS

1. Based on your knowledge of the Programme, how do you appreciate that it is progressing, i.e. in terms of calls launched, applications selected, contracts signed, Program expenditure, outputs and results?
2. Are there Priority Axis / Key areas of Intervention that have attracted a higher/lower interest in terms of applications?  
  
What are the reasons for such trends (e.g. role of awareness activities, substitution effects provided by other Programmes, effects of economic downturn)?  
  
Do you think that there are PAs/KAIs that should have received higher financial allocations?
3. How would you rate the Programme's financial progress in terms of commitments and payments?  
  
Are there major differences at the level of Priority Axis / Key Area of Intervention?  
  
What are the prospects in relation to the decommitment rule?
4. How would you rate the Programme's physical progress?  
  
Are there major differences at the level of Priority Axis / Key area of Intervention?  
  
What are the prospects in relation to the achievement of target indicators at Programme / Priority Axis level?
5. What barriers do you think have emerged at Programme level and in what way have they affected Programme performance?
6. What are the main difficulties faced by beneficiaries in implementing their Projects?
7. Have you identified any proposed course of actions to date, in order to improve the performance of the Programme? Are there specific planned actions in relation to the improvement of financial performance and avoidance of decommitment?
8. Do you expect that the existing projects will pave the way for future projects/investments on either side of the border?

### III.B TECHNICAL ASSISTANCE

9. Is there a Strategy for the use of Technical Assistance Resources? Is such strategy implemented?

10. How have Technical Assistance resources been used so far in order to support the implementation of the Programme?
11. Are there specific elements that have hindered so far the effective use of Technical Assistance Resources?

#### **D) HORIZONTAL ISSUES**

1. How in your opinion, are the horizontal themes mainstreamed into the Programme?
2. Are horizontal issues adequately monitored? What is the relationship between programme level and project level monitoring indicators related to horizontal themes?
3. Do you think that the approved projects significantly contribute to the horizontal targets mentioned in the Programme? How are the Horizontal Issues treated by the beneficiaries?
4. Do you expect that the Programme targets related to horizontal issues will be achieved?
5. In your opinion, how could the mainstreaming of each of the horizontal themes be improved?

#### **E) ADDED VALUE**

1. In your view, is the concept of “cross-border cooperation added value” (CBC AV) well defined in the programming documents?
2. In your view, was the analysis underpinning the programme, as well as its strategy, commonly developed by programme partners in both border areas? Does this strategy reflect problems common to both border areas?
3. In your view, is the programme genuinely jointly managed and implemented?
4. In your opinion do the programme monitoring, reporting and evaluation systems allow for adequately addressing CBC AV?
5. In your view, did the programme potential beneficiaries and applicants receive sufficient information on the expectations/requirements on the CBC AV of their projects?
6. In your view, how many projects (%) financed under Romania-Serbia IPA CBC Programme have CBC AV?
7. Overall, in the case of how many projects (%) cooperation will continue, with/without CBC financing?
8. In your view, did the programme enhance, overall, the depth and intensity of cooperation in the border area covered?



## 4.10. Annex 10: Questionnaire templates

### 4.10.1. Questionnaires for Successful applicants

#### Structure

The questionnaires consisted in 11 sections that foresaw both open ended and close ended answers, by means of multiple choice options.

- ▶ Project and applicant details
- ▶ Project preparation
- ▶ Project assessment and selection
- ▶ Project contracting
- ▶ Project implementation
- ▶ Project monitoring
- ▶ Reimbursement of expenditure
- ▶ Project achievements
- ▶ Horizontal issues (Equal opportunities, sustainability, climate change)
- ▶ CBC Added Value
- ▶ Suggestions for the future

#### Questions

##### I. Project and applicant details

1. Please provide a brief description of the project (objectives, activities, results and partners).
2. In what ways does your project develop cooperation and partnerships and establish local networks on both sides of the border?

##### II. Project preparation

1. How did you find out about the Ro-Se CBC Programme? (  Programme website,  Website of the Regional Office for Cross-border Cooperation Timisoara  Information days  Brochures / Leaflets  Press  Other (please specify) )
2. Was the project eligible for financing under a different Operational Programme or financing scheme? (  Yes  No ) If the answer is yes, please provide below the reason(s) that made you decide for the Ro-Se CBC Programme.
3. Have you encountered difficulties in the preparation of the application? Please specify in the field below. Please rate the Application Package, in terms of usability of the structure (number/type of documents in the Application Package) and clarity (language and contents)?
  - *Usability and Structure* (Scale, from 1-5, where: 1 = Low, 3 = Medium, 5 = High)
  - *Clarity* (Scale, from 1-5, where: 1 = Low, 3 = Medium, 5 = High)

Please provide possible suggestions for the improvement of the Application Package.

4. How would you rate the explanation/description of cross border requirements regarding joint development, implementation, staffing and financing, according to the Guidelines for Applicants? (  Simple,  Moderately Simple,  Moderately Complex,  Complex )

Please describe in the open boxes below how the main joint aspects of your project have been set up and function. (Joint development, Joint implementation, Joint financing)

5. Did a relationship between cross border partners exist, before the development of the project? (  Yes  No )

If not, did the responsible authorities (e.g. JTS) provide any kind of assistance for the identification of a cross border partner?

If yes, please provide details on the type and usefulness of assistance obtained.

6. During the preparation of your application, did you receive further, comprehensive and clear information on the requirements regarding the joint nature of your project from the responsible authorities (e.g. CBC Managing Authority, National Authority, Joint Technical Secretariat, etc.)? (  Yes  No  Not applicable )

7. During the preparation of your application, were you easily able to seek and obtain assistance from the responsible authorities (e.g. CBC Managing Authority, National Authority, Joint Technical Secretariat, etc.)? (  Yes  No  Not applicable )

Please explain your answer below, providing details on the type (e.g. phone help desk, written clarifications, meetings with programme staff, information days) and usefulness of assistance obtained.

8. Have the socio-economic conditions existing at the date of submission of your application limited the number/size of applications submitted under the Programme, in comparison with your initial plans/needs? (  Yes  No  Not applicable ) Please provide details in support of your answer in the space below.

### III. Project assessment and selection

1. What was the actual duration from submission of the application file to the communication of the decision regarding the approval of your project? (Number of months)

2. Overall, how transparent do you judge the assessment process to be? (  Not at all transparent,  Not very transparent,  Quite transparent,  Transparent ) Please provide details in the space below.

3. Were you requested any clarifications during the project assessment process? Please provide details about the types of requests and whether this was of assistance for the quality of the project.

4. Overall, how would you rate the quality of the project assessment process? (  Poor  Fair  Good  Very good  Excellent ) Please provide details in this respect, as well as suggestions for improvement.

5. Overall, how would you rate the quality of the project selection process performed by the Joint Monitoring Committee? (  Poor  Fair  Good  Very good  Excellent ) Please provide details in this respect, as well as suggestions for improvement.

6. In your view, the Cross Border requirements related to joint development, implementation, staffing and financing were sufficiently scored by the assessment and selection system? (  Yes  No  Not applicable )

#### IV. Project contracting

1. How clear and understandable did you find the Contracting Templates to be? (Scale, from 1-5, where: 1 = Low, 3 = Medium, 5 = High) Please provide details in the space below.
2. Overall, how would you rate the quality of the contracting process? (  Poor  Fair  Good  Very good  Excellent ) Please specify why.
3. What was the actual duration from communication of the decision regarding the approval of your project, to the signature of the financing contract? (Number of months)
4. Did the overall duration of the assessment, selection and contracting process affect your project? If so, please specify how.
5. Have there been any modifications to the initial financing contract? (  Yes  No ) If yes, please explain, in the space below, a) the reasons leading to the modification, b) the duration for acceptance of the modification and c) how it affected (positively and negatively) your project.

#### V. Project implementation

1. How are the activities of your project progressing, against the initial project plan? (  1. Project activities are ahead of plan  2. Activities are on track  3. There is a slight delay  4. There is a significant delay ) In case your answer to the above question is 1, 3 or 4, please summarize, in the space below, the reasons for the unalignment.

2. Are you encountering any bottlenecks while implementing your project? (  Yes  No )

If the answer is yes, please specify and describe the eventual bottlenecks encountered at Programme level (e.g. lack of project implementation guidelines, lack of professional support, delays in reimbursement of expenses, First Level Control procedures), Project partner level (e.g. cultural differences, difficulties in establishing project management structures, low priority/difficulties in the preparation of payment), Institutional framework level (e.g. administrative and regulatory differences across borders, public procurement rules (PRAG, VAT), Other.

3. Are you encountering any difficulty in the application of PRAG public procurement rules and procedures? (  Yes  No ) If the answer is yes, please provide below a brief description of these difficulties.
4. Overall, how would you rate the cooperation between you and the cross-border partner? (  Poor  Fair  Good  Very good  Excellent ) Please explain your answer in the space below, providing evidence of any positive and negative aspects (if the case) of the cooperation.
5. Are you benefiting of any assistance from competent authorities in relation to implementation issues? (  Yes  No ) If the answer is yes, please provide a brief description of the type of assistance you have received and from which authority.
6. Would you require additional support from the Programme authorities? (  Yes  No ) If the answer is yes, please provide a brief description of the fields in which you would apply for assistance.

#### VI. Project monitoring

1. Have you submitted any monitoring reports so far? (  Yes  No ) If the answer is yes, then please specify how many.
2. Have you received any monitoring visits? (  Yes  No ) If the answer is yes, then please specify how many.
3. Do you consider monitoring reports and on-site visits to be a useful tool for keeping the project on track and solving implementation issues? (  Yes  No ) Please provide details, in support of your answer, in the space below.
4. Do you clearly understand the indicators you need to monitor and report to the JTS? (  Yes  No ) If the answer is no, please specify details below.

5. Do you clearly understand the indicators referring to the joint character of your project which you need to monitor and report on? (  Yes  No ) If the answer is no, please specify details below.

## VII. Reimbursement of expenditure

1. Have you submitted any payment claim up to date? (  Yes  No ) If the answer is yes, then please specify how many.
2. What was the average duration from the submission of a payment claim until the reimbursement of expenditure? ( Number of months )
3. Have you encountered any difficulty in the process of reimbursement of expenditure? (  Yes  No ) If the answer is yes, please use the space below to describe the difficulties encountered.

## VIII. Project achievements

1. What is the financial progress of your project at the current date?
- a) Value of project expenditure (Amount in EUR)
- b) Value of Payment Claims submitted for first level control verification (Amount in EUR)
- c) Value of reimbursed expenditure (Amount in EUR)
2. Please quantify the achieved outcomes of your project in relation to the Programme indicators (outputs and results) included in the Application Form ( Indicator / Type (output-result) / Measurement / Baseline Value / Target value / Achieved value )
3. Please quantify the achieved outcomes of your project in relation to the project indicators (outputs) included in the Application Form ( Indicator / Type (output-result) / Measurement / Baseline Value / Target value / Achieved value )
4. Do you expect that the target values of the indicators will be achieved at the closure date? (  Yes  No ) If not please provide reference to the outcomes that your project will not achieve and the reason why.
5. Do you expect that the implementation period will be sufficient to produce the expected outcomes? (  Yes  No ) If not, can you estimate the extension that will be necessary? (Number of months)
6. Do you perceive any major changes in the socio-economic environment, which will critically affect the achievement of your project's objectives and outcomes? (  Yes  No ) If the answer is yes, please specify below the aspects affected and mention any corrective measures foreseen.
7. To what extent the cross-border partnership under this project will continue beyond/independently of EU assistance?
8. Do you expect that the results of this project will pave the way for future projects/investments on either side of the border?
9. Which of the Priority Axes of the Programme is better answering to the needs of your organisation? (1. Economic and Social Development, 2. Environment and Emergency Preparedness, 3. Promoting "people to people" exchanges) Please provide the reasons why in the space below.
10. Do you consider that the eligible area of the Programme should be extended in the future? (  Yes  No ) And for what reasons? How would you benefit from this extension?

## IX. Horizontal issues (Equal opportunities, sustainability and climate change)

1. How would you rate the explanation/description of requirements regarding horizontal issues, as they are listed in the Guidelines for applicants? (  Poor  Fair  Good  Very good  Excellent ) Please provide details in the space below.

2. In what ways does your project mainstream horizontal issues? Please provide details for each of the horizontal issues.
3. Are the horizontal issues addressed by your project quantified by means of indicators? (  Yes  No ) If yes, please provide a description of the indicators, target values and achieved outcomes.
4. Are you reporting periodically to the responsible authorities on the progress of horizontal issues? (  Yes  No ) If yes, are the expectations in terms of reporting clear?
5. Do you expect that the target values of the indicators will be achieved at the closure of the project? (  Yes  No ) If not, please provide reference to the indicators that will not be achieved and the reasons why.

## X. CBC Added Value

1. Please define under, in your own words, the “added value” of cross border cooperation?
2. Which of the four “joint” criteria are respected by your project?
3. Is your project addressing a problem common to both border areas? (  Yes  No ) Please provide details in the space below.
4. Will both border regions benefit from the outputs and results of your projects? (  Yes  No ) Please provide details in the space below.
5. Do you consider that the project enhanced the depth and intensity of your cooperation with the project partners on both borders? (  Yes  No ) Please provide details in the space below.

## XI. Suggestions for the future

1. Please rate each of the suggestions for improvement of CBC Programme listed below, using the following scale: 1 = Unimportant, 2 = Slightly important, 3 = Important, 4 = Very important, 5 = Critical
  - a) Increase the usability of the Application Package
  - b) Increase Institutional support to the Applicants for project preparation
  - c) Make project selection procedures more transparent
  - d) Accelerate project selection procedures
  - e) Accelerate contracting procedures
  - f) Improve implementation rules related to public procurement
  - g) Improve the procedures for reimbursement of expenditure
  - h) Improve the contract modification procedures
  - i) Extension of the eligible area of the Programme
2. Please include below any further comments and suggestions for future improvement of CBC Programme.

## 4.10.2. Questionnaires for Unsuccessful applicants

### Structure

The questionnaires consisted in 4 sections that foresaw both open ended and close ended answers, by means of multiple choice options.

- ▶ Project and applicant details
- ▶ Project preparation
- ▶ Project selection
- ▶ Suggestions for the future

### Questions

#### I. Project and applicant details

1. Please provide a brief description of the project (objectives, activities, results and partners).
2. In what ways does your project develop cooperation and partnerships and establish local networks on both sides of the border?

#### II. Project preparation

1. How did you find out about the Ro-Se CBC Programme? (  Programme website,  Website of the Regional Office for Cross-border Cooperation Timisoara  Information days  Brochures / Leaflets  Press  Other (please specify) )
2. Was the project eligible for financing under a different Operational Programme or financing scheme? (  Yes  No ) If the answer is yes, please provide below the reason(s) that made you decide for the Ro-Se CBC Programme.
3. Have you encountered difficulties in the preparation of the application? Please specify in the field below.
4. Please rate the Application Package, in terms of usability of the structure (number/type of documents in the Application Package) and clarity (language and contents)?
  - *Usability and Structure* (Scale, from 1-5, where: 1 = Low, 3 = Medium, 5 = High)
  - *Clarity* (Scale, from 1-5, where: 1 = Low, 3 = Medium, 5 = High)

Please provide possible suggestions for the improvement of the Application Package.

5. How would you rate the explanation/description of cross border requirements regarding joint development, implementation, staffing and financing, according to the Guidelines for Applicants? (  Simple,  Moderately Simple,  Moderately Complex,  Complex )

Please describe in the open boxes below how the main joint aspects of your project have been set up and function. (Joint development, Joint implementation, Joint financing)

6. Did a relationship between cross border partners exist, before the development of the project? (  Yes  No )

If not, did the responsible authorities (e.g. JTS) provide any kind of assistance for the identification of a cross border partner?

If yes, please provide details on the type and usefulness of assistance obtained.

7. During the preparation of your application, did you receive further, comprehensive and clear information on the requirements regarding the joint nature of your project from the responsible authorities (e.g. CBC Managing Authority, National Authority, Joint Technical Secretariat, etc.)? (  Yes  No  Not applicable )
8. During the preparation of your application, were you easily able to seek and obtain assistance from the responsible authorities (e.g. CBC Managing Authority, National Authority, Joint Technical Secretariat, etc.)? (  Yes  No  Not applicable )

Please explain your answer below, providing details on the type (e.g. phone help desk, written clarifications, meetings with programme staff, information days) and usefulness of assistance obtained.

### III. Project assessment

1. What was the actual duration from submission of the application file to the communication of the decision regarding the approval of your project? (Number of months)
2. Overall, how transparent do you judge the assessment process to be? (  Not at all transparent,  Not very transparent,  Quite transparent,  Transparent ) Please provide details in the space below.
3. Were you requested any clarifications during the project assessment process? Please provide details about the types of requests and whether this was of assistance for the quality of the project.
4. Overall, how would you rate the quality of the project assessment process? (  Poor  Fair  Good  Very good  Excellent ) Please provide details in this respect, as well as suggestions for improvement.
5. Overall, how would you rate the quality of the project selection process performed by the Joint Monitoring Committee? (  Poor  Fair  Good  Very good  Excellent ) Please provide details in this respect, as well as suggestions for improvement.
6. In your view, the Cross Border requirements related to joint development, implementation, staffing and financing were sufficiently scored by the assessment and selection system? (  Yes  No  Not applicable )

### IV. Suggestions for the future

1. Please rate each of the suggestions for improvement of CBC Programme listed below, using the following scale: 1 = Unimportant, 2 = Slightly important, 3 = Important, 4 = Very important, 5 = Critical
  - a) Increase the usability of the Application Package
  - b) Increase Institutional support to the Applicants for project preparation
  - c) Make project selection procedures more transparent
  - d) Accelerate project selection procedures
  - e) Extension of the eligible area of the Programme

Please include below any further comments and suggestions for future improvement of CBC Programme.

#### 4.11. Annex 11: Main statistical data 2004-2010

##### A) Gross Domestic Product of Romania (mil. EUR) – Source : NIS of Romania

	2005	2006	2007	2008	2009	2010
<b>Romania</b>	<b>79,532</b>	<b>97,787</b>	<b>124,654</b>	<b>139,762</b>	<b>117,529</b>	<b>122,008</b>
Mehedinti	742	921	1,125	1,264	1,042	1,028
Caras Severin	1,031	1,261	1,604	1,656	1,371	1,427
Timis	3,457	4,559	5,645	6,059	5,241	5,586
<b>Sum programme counties</b>	<b>5,230</b>	<b>6,742</b>	<b>8,374</b>	<b>8,979</b>	<b>7,654</b>	<b>8,040</b>
% Romania GDP	7%	7%	7%	6%	7%	7%

##### B) GDP / Capita, in Romania (EUR) – Source : NIS of Romania

	2005	2006	2007	2008	2009	2010
<b>Average of Programme counties</b>	<b>3,581</b>	<b>4,590</b>	<b>5,709</b>	<b>6,118</b>	<b>5,178</b>	<b>5,399</b>
Mehedinti	2,507	3,055	3,767	4,282	3,558	3,532
Caras Severin	3,157	3,816	4,897	5,090	4,246	4,446
Timis	5,080	6,898	8,464	8,983	7,729	8,218

##### C) GDP (mil. EUR) and GDP / Capita (EUR), in Serbia – Source : NIS of Serbia

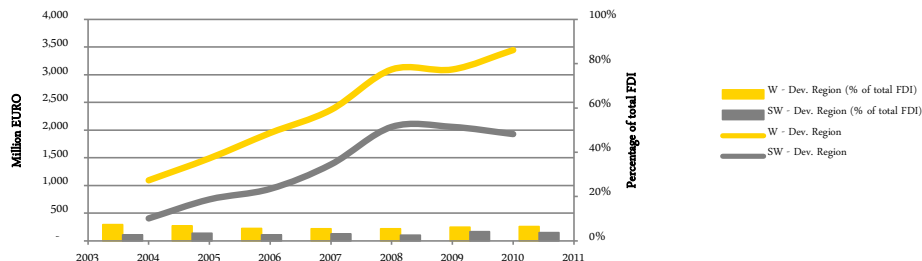
	2005	2006	2007	2008	2009	2010
GDP (mil. EUR)	20,306	23,305	28,468	32,668	28,883	29,024
GDP / Capita (EUR)	2,729	3,144	3,857	4,445	3,945	3,981

##### D) GDP (mil. EUR) and GDP / Capita (EUR), for NUTS II regions in Serbia – Source : NIS of Serbia

2009	GDP (mil. EUR)	GDP / Capita (EUR)
Serbia	28,883	3,945
Vojvodina	7,394	3,757
Southern and Eastern Serbia	4,159	2,501

##### E) Foreign Direct Investments in Romania at NUTS II level – Source : National Bank of Romania

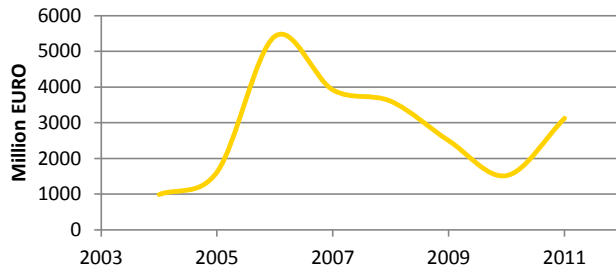
	2004	2005	2006	2007	2008	2009	2010
W - Dev. Region (mil. EUR)	1,093	1,491	1,948	2,365	3,095	3,095	3,446
SW - Dev. Region (mil. EUR)	405	748	938	1,379	2,058	2,058	1,928
W - Dev. Region (% of total FDI)	7.3%	6.8%	5.6%	5.5%	5.4%	6.2%	6.5%
SW - Dev. Region (% of total FDI)	2.7%	3.4%	2.7%	3.2%	2.5%	4.1%	3.7%



##### F) Foreign Direct Investments in Serbia, at national level (mil. EUR) – Source : NIS of Serbia



	2004	2005	2006	2007	2008	2009	2010
FDI in Serbia (mil. EUR)	987	1,616	5,425	3,921	3,603	2,498	1,519



**G) Average income of the population in Serbia / Programme area (RSD) – Source : NIS of Serbia**

	2005	2006	2007	2008	2009	2010
<b>Serbia - National Level</b>	<b>25,514</b>	<b>31,745</b>	<b>38,744</b>	<b>45,674</b>	<b>44,147</b>	<b>47,450</b>
<b>Serbian Border area</b>	<b>24,399</b>	<b>30,216</b>	<b>37,830</b>	<b>44,158</b>	<b>42,284</b>	<b>45,823</b>
North Banat	24,996	29,632	35,841	42,385	40,707	42,348
Central Banat	24,670	30,219	35,864	43,209	41,824	45,310
South Banat	27,163	32,993	40,351	47,734	44,194	49,280
Braničevo	25,554	31,588	40,158	45,893	43,940	46,547
Bor	19,611	26,650	36,936	41,569	40,757	45,628

**H) Average income of the population in Romania / Programme area (RON) – Source : NIS of Romania**

	2005	2006	2007	2008	2009	2010
<b>Romania - National Level</b>	<b>968</b>	<b>1,146</b>	<b>1,396</b>	<b>1,396</b>	<b>1,889</b>	<b>1,937</b>
<b>Romanian Border area</b>	<b>n/a</b>	<b>n/a</b>	<b>1,272</b>	<b>1,272</b>	<b>1,664</b>	<b>1,720</b>
Caras-Severin	n/a	n/a	1,086	1,086	1,484	1,449
Mehedinti	n/a	n/a	1,351	1,351	1,702	1,745
Timis	n/a	n/a	1,380	1,380	1,806	1,965

**I) Number of employees in Serbia / Programme area – Source: NIS of Serbia**

Year	Region	Number of employees	Of which, women (%)	Employees in enterprises, institutions, cooperatives and other organizations	Entrepreneurs, soleproprietors and their employees	Number of employees per 1000 inhabitants
<b>2010</b>	<b>Serbia - Total</b>	<b>1,796,000</b>	<b>45%</b>	<b>1,355,000</b>	<b>441,000</b>	<b>246</b>
	North Banat	33,000	43%	26,000	6,000	215
	Central Banat	39,000	43%	33,000	6,000	203
	South Banat	60,000	43%	44,000	17,000	201
	Braničevo	36,000	40%	25,000	11,000	193
	Bor	27,000	41%	23,000	5,000	208
<b>2009</b>	<b>Serbia - Total</b>	<b>1,889,085</b>	<b>44%</b>	<b>1,396,792</b>	<b>492,293</b>	<b>258</b>
	North Banat	34,284	43%	27,321	6,964	223
	Central Banat	40,056	43%	33,415	6,642	207
	South Banat	65,738	44%	47,344	18,394	218
	Braničevo	37,565	40%	24,903	12,663	198
	Bor	28,247	43%	23,134	5,113	213
<b>2008</b>	<b>Serbia - Total</b>	<b>1,999,476</b>	<b>43%</b>	<b>1,428,457</b>	<b>571,019</b>	<b>272</b>
	North Banat	36,304	43%	28,218	8,086	234

Year	Region	Number of employees	Of which, women (%)	Employees in enterprises, institutions, cooperatives and other organizations	Entrepreneurs, soleproprietors and their employees	Number of employees per 1000 inhabitants
	Central Banat	42,172	42%	34,460	7,712	216
	South Banat	72,310	43%	50,951	21,359	238
	Braničevo	40,397	39%	25,716	14,681	211
	Bor	30,119	42%	24,191	5,928	224
2007	<b>Serbia - Total</b>	<b>2,002,344</b>	<b>43%</b>	<b>1,432,851</b>	<b>569,494</b>	<b>271</b>
	North Banat	36,300	42%	28,279	8,021	231
	Central Banat	42,558	41%	34,830	7,729	215
	South Banat	72,708	42%	52,032	20,677	238
	Braničevo	40,669	39%	25,917	14,752	210
	Bor	30,572	42%	24,864	5,708	224

## J) Number of employees in Romania / Programme area – Source: NIS of Romania

Year	Region	Number of employees	Number of employees per 1000 inhabitants
2010	<b>Romania - Total</b>	<b>4,238,133</b>	<b>197</b>
	Caras-Severin	56,823	176
	Mehedinti	201,609	297
	Timis	41,716	143
2009	<b>Romania - Total</b>	<b>4,594,567</b>	<b>214</b>
	Caras-Severin	61,696	190
	Mehedinti	220,035	325
	Timis	47,729	162
2008	<b>Romania - Total</b>	<b>4,806,042</b>	<b>223</b>
	Caras-Severin	65,752	202
	Mehedinti	228,004	339
	Timis	50,938	172
2007	<b>Romania - Total</b>	<b>4,720,742</b>	<b>219</b>
	Caras-Severin	63,206	192
	Mehedinti	220,607	331
	Timis	50,299	168

## K) Number of job seekers in Serbia / Programme area – Source: NIS of Serbia

Year	Region	Number of Job seekers	of which, women (%)	Number of unemployed persons per 1000 inhabitants
2010	<b>Serbia - Total</b>	<b>729,520</b>	<b>53</b>	<b>100</b>
	North Banat	14,291	50	94
	Central Banat	19,629	50	103
	South Banat	33,640	52	113
	Braničevo	8,914	54	48
	Bor	12,561	53	96
2009	<b>Serbia - Total</b>	<b>730,372</b>	<b>53</b>	<b>100</b>
	North Banat	14,905	49	97
	Central Banat	19,773	51	102
	South Banat	32,214	51	107
	Braničevo	9,330	54	49
	Bor	12,700	54	96
2008	<b>Serbia - Total</b>	<b>727,621</b>	<b>54</b>	<b>99</b>
	North Banat	15,600	51	101
	Central Banat	20,526	51	105
	South Banat	31,147	53	103
	Braničevo	9,684	54	50

Year	Region	Number of Job seekers	of which, women (%)	Number of unemployed persons per 1000 inhabitants
	Bor	12,869	55	96
	<b>Serbia - Total</b>	<b>785,099</b>	<b>54</b>	<b>106</b>
2007	North Banat	15,177	52	97
	Central Banat	26,161	51	132
	South Banat	34,834	53	114
	Branicevo	9,807	53	51
	Bor	13,891	54	102

## L) Number of unemployed persons in Romania / Programme area – Source : NIS of Romania

Year	Region	Number of unemployed persons	of which, women (%)	Number of unemployed persons per 1000 inhabitants
2010	<b>Romania - Total</b>	<b>627,000</b>	<b>42%</b>	<b>69</b>
	Caras-Severin	11,280	44%	86
	Mehedinti	12,219	40%	98
	Timis	12,367	46%	37
2009	<b>Romania - Total</b>	<b>709,400</b>	<b>43%</b>	<b>78</b>
	Caras-Severin	13,326	44%	104
	Mehedinti	17,363	41%	141
	Timis	15,114	50%	44
2008	<b>Romania - Total</b>	<b>403,400</b>	<b>46%</b>	<b>44</b>
	Caras-Severin	7,968	44%	58
	Mehedinti	11,429	43%	93
	Timis	5,568	55%	16
2007	<b>Romania - Total</b>	<b>367,900</b>	<b>45%</b>	<b>41</b>
	Caras-Severin	8,967	44%	71
	Mehedinti	9,959	42%	81
	Timis	5,487	52%	17

## M) Arrivals and overnight stays in tourism facilities in Serbia / Programme area – Source : NIS of Serbia

Year	Area	Serbia total	Avg. of Serbian Border Area	Bor District	Branicevo District	North Banat District	South Banat District	Central Banat District
2005	Arrivals	1,988,469	35,119	69,224	27,125	26,121	23,688	29,438
	Overnight stays	6,499,352	110,371	167,083	78,553	149,345	63,127	93747
2006	Arrivals	2,006,488	33,641	74,771	22,485	23,271	21,936	25,743
	Overnight stays	6,592,622	109,733	172,876	79,698	154,966	49,813	91,311
2007	Arrivals	2,306,558	34,896	71,205	31,367	33,321	23,932	14,656
	Overnight stays	7,328,692	98,111	157,229	63,175	165,170	49,050	55,931
2008	Arrivals	2,266,166	38,078	64,843	44,781	29,510	26,905	24,351
	Overnight stays	7,334,106	110,713	153,222	105,549	142,690	58,416	93,690
2009	Arrivals	2,018,466	32,579	62,985	28,586	24,538	25,481	21,306
	Overnight stays	6,761,715	97,080	153,302	65,523	131,523	54,819	80,233
2010	Arrivals	2,000,597	31,644	66,477	22,131	25,279	23,195	21,136
	Overnight stays	6,413,515	94,729	173,606	46,559	127,150	47,997	78,332

## N) Arrivals and overnight stays in tourism facilities in Romania / Programme area – Source : NIS of Romania

Year	Arrivals / Overnight stays	Romania Total	Avg. of Romanian Border Area	Caras-Severin	Timis	Mehedinti
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<b>2005</b>	Arrivals	<b>5,805,096</b>	<b>113,897</b>	95,719	200,376	45,596
	Overnight stays	<b>18,372,988</b>	<b>459,405</b>	744,988	518,214	115,012
<b>2006</b>	Arrivals	<b>6,216,028</b>	<b>133,603</b>	108,043	246,675	46,092
	Overnight stays	<b>18,991,695</b>	<b>510,431</b>	797,388	608,272	125,632
<b>2007</b>	Arrivals	<b>6,971,925</b>	<b>144,250</b>	100,797	283,412	48,542
	Overnight stays	<b>20,593,349</b>	<b>498,238</b>	721,386	638,452	134,875
<b>2008</b>	Arrivals	<b>7,125,307</b>	<b>147,881</b>	104,292	281,801	57,551
	Overnight stays	<b>20,725,981</b>	<b>503,827</b>	707,483	655,604	148,393
<b>2009</b>	Arrivals	<b>6,141,135</b>	<b>124,625</b>	94,139	225,609	54,126
	Overnight stays	<b>17,325,410</b>	<b>414,736</b>	581,966	521,234	141,007
<b>2010</b>	Arrivals	<b>6,072,757</b>	<b>121,316</b>	92,833	216,173	54,942
	Overnight stays	<b>16,051,135</b>	<b>371,085</b>	471,000	506,385	135,869

**O) Types of roads in Serbia / Programme area, by type of roads, in 2010 - Source : NIS of Serbia**

(All values in km)	Total		Highways		Regional		Local	
	Total	Modern road surface	All	Modern road surface	All	Modern road surface	All	Modern road surface
Total	43,258	27,175	4,524	4,413	10,400	9,150	28,333	13,611
Avg of Serbian Border Area	980	781	201	198	310	298	468	285
North Banat	607	548	134	117	224	224	248	206
Central Banat	736	688	235	235	204	204	297	249
South Banat	616	527	153	153	167	164	295	210
Bor	1,485	989	294	294	473	418	718	278
Braničevo	1,454	1,152	191	191	483	480	780	481

**P) Types of roads in Romania / Programme area, by type of roads, in 2010 - Source : NIS of Romania**

Romania (All values in km)	Total		Highways		Regional		Local	
	Total	Modern road surface	All	Modern road surface	All	Modern road surface	All	Modern road surface
Total	<b>81,713</b>	<b>23,847</b>	<b>16,503</b>	<b>15,114</b>	<b>65,210</b>	<b>8,733</b>	<b>81,713</b>	<b>23,847</b>
Avg. of Ro. Border Area	<b>2,239</b>	<b>658</b>	<b>513</b>	<b>470</b>	<b>1,726</b>	<b>188</b>	<b>31</b>	<b>2,239</b>
Caraş-Severin	<b>1,948</b>	894	560	542	1,388	352	<b>1,948</b>	894
Mehedinţi	<b>1,857</b>	483	434	341	1,423	142	<b>1,857</b>	483
Timiş	<b>2,911</b>	596	544	526	2,367	70	<b>2,911</b>	596

#### 4.12. Annex 12: List of abbreviations

AA	Audit Authority
ACIS	Authority for Coordination of Structural Instruments
CPA	Certifying and Paying Authority
MA	Managing Authority
EC	European Commission
NSRF	National Strategic Reference Framework
KAI	Key Area of Intervention
ERDF	European Regional Development Fund
FLCU	First Level Control Unit
BRCT	Regional Office for Cross-border Cooperation Timisoara
PA	Priority Axis
EU	European Union