



Technical Assistance for the Implementation of Structural Instruments in Romania



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Foreword

In the next period, increasing the absorption of Structural Instruments will be a vital factor among the measures for Romania's development and modernisation. To stimulate this absorption means first to find the concrete ways in which we can support the potential beneficiaries, and to intensify the communication with them and the general public. Furthermore, it means to organise training sessions, so that each of them can prepare quality projects. Also, they will learn to efficiently and correctly implement these projects, thus avoiding the risk to make expenditure that can not be reimbursed by the European Commission.

In the current context, in order to facilitate the access to Structural Instruments which will reduce the effects of the economic and financial crisis in Romania, the project submission and contracting procedures will be simplified. However, the main success factor is the project. Its quality and conformity with the financed strategies, as well as the beneficiary's capacity to implement it according to the rules are essential. Therefore, the technical assistance plays a very important role. First, it finances proper means of support for the beneficiaries and it facilitates the access to specialised technical expertise. Moreover, the technical assistance finances communication and training activities organised for the potential beneficiaries by the institutions responsible for funds' management. Thus, the premises for developing mature and eligible projects will be created.

In addition, the technical assistance ensures the support necessary for the functioning of the coordination and management system for the Structural Instruments, through the development of guidelines, organisation of committees and working groups and, one significant objective, the development and maintenance of the Single Management Information System.

The present brochure aims to provide information regarding the status of implementation of the Structural Instruments in Romania, regarding financing opportunities in the Operational Programme Technical Assistance and the technical assistance priority axes, as well as examples of successful projects financed by technical assistance in other Member States of the European Union.

We intend that this kind of publications to be a regular instrument of communication with the potential beneficiaries of the Operational Programme Technical Assistance, as well as with the general public and the relevant stakeholders among the economic and social partners.

Gheorghe Pogea Minister of public finance

1. Operational Programme Technical Assistance and the coordination of technical assistance

As it is well known, technical assistance is an important support for the management of the operational programmes and for the beneficiaries in accessing and implementing the Structural Instruments.

The Operational Programme Technical Assistance (OPTA), complementary to other programmes, aims to support the coordination of Structural Instruments in Romania and to contribute to their effective, efficient and transparent implementation and absorption.

Specifically, OPTA provides support in particular to the Structural Instruments management system, through the financing of the information system - SMIS, studies, methodological guidelines, exchange of best practices applicable to all programmes, support for the functioning of the structures responsible for coordination, certification, payments and audit, and training of the management structures. It also supports the absorption of Structural Instruments in general, through communication and publicity activities, as well as basic training of those who may access the Structural Instruments and of the beneficiaries of assistance.

The OPTA objectives, results and activities can only be achieved through a **close and continuous collaboration** with the other managing authorities concerning the use of technical assistance. To this purpose, during the last year, this dialogue increased within the coordination committee for technical assistance. The committee meets quarterly to review the progress in using technical assistance, the actions to be initiated in the next period and the potential problems, to find solutions, as well as to make improvement proposals for the management of technical assistance in general.

The beginning of the implementation of technical assistance in Romania has been a challenging one, especially because of the need to follow both the Community rules and the Romanian legislation in the field of public finance and public administration in general. The innovative character of its activities had to face problems such as the lack of definition for certain types of expenditures and actions in the national legislation. Another issue was the rigid interpretation of the annularity principle for the budgetary expenditure. Despite these problems, significant progress has been registered and the effect of certain efforts made will be noticed in the next period.

Regarding OPTA, it is worth mentioning that it is the first of the operational programmes that obtained the accreditation of its management and financial control system from the European Commission. The most important lesson learned during the initial implementation of OPTA is that **teamwork** is very important in solving problems, and that maintaining a close contact with the beneficiaries is essential in order to implement the programme.

More specific, in **2008**, a series of public procurement procedures were initiated within the projects with OPTA funding, projects whose activities will actually start during April-May 2009:

- A study regarding the identification of priority directions for the reform of the cohesion policy post 2013 from the perspective of Romania;
- Improving the indicators system for the monitoring and evaluation of Structural Instruments;
- Creation of a technical assistance facility in order to support specific actions such us drafting of documentation (in particular studies, methodologies, plans) and supporting the exchange of good practices regarding the access and implementation of Structural Instruments;
- Evaluations at the National Strategic Reference Framework level and for OPTA:
- Training of the personnel involved in the Structural Instruments management system;
- Consultancy and support for the functioning of the Authority for Coordination of Structural Instruments (ACIS) and the Certifying and Paying Authority (CPA);
- Further development and maintenance for the SMIS;
- Training for SMIS users;
- Running a publicity campaign regarding Structural Instruments.

In the *forthcoming period*, a series of public procurement procedures will be launched in order to:

- Organise information activities with the Information Centre for Structural Instruments as focal point;
- Train the beneficiaries on topics related to the management of project and contracts financed from the Structural Instruments:
- Develop an IT tool for electronically collecting, directly from the beneficiary, the information regarding the implementation of the project financed from the Structural Instruments;
- Improve the Guidelines for cost-benefit analysis and prepare specific guidelines for certain sectors.

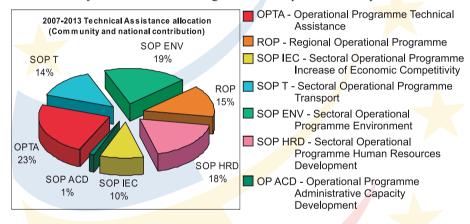
We propose ourselves for the future a higher opening to the needs of the beneficiaries and of all those who contribute to the implementation of Structural Instruments in Romania, keeping closer to the OPTA beneficiaries and the colleagues from the other Managing Authorities, as well as encouraging the submission of projects with results that favour the absorption of Structural Instruments. To this purpose, at the level of the OPTA Managing Authority a help-desk function was established, used until now mainly by the beneficiaries from the coordination structures, but opened to all OPTA beneficiaries. In addition, the website www.poat.ro contains a form for collecting project ideas and a forum dedicated to discussing technical assistance issues.

Livia Chiriță, director, Managing Authority for the Operational Programme Technical Assistance

2. Status of implementation of the technical assistance in Romania

The technical assistance within the Objective "Convergence" is almost €906 millions for the programming period 2007-2013, included in the Operational Programme Technical Assistance and the technical assistance priority axes of the other programmes. Out of this allocation, almost €690 million is the Community contribution, representing 3.6% from the total amount allocated from the Structural Instruments in Romania.

The separation between the Operational Programme Technical Assistance (OPTA) and the technical assistance priority axes of the other programmes was made so that the axes ensure the support necessary for the implementation of the related operational programme, while OPTA is a horizontal assistance tool for the Structural Instruments coordination system and for the management and implementation system.



Source: Operational Programmes approved by the European Commission

After the Operational Programme Technical Assistance, the highest amounts are allocated to the technical assistance (TA) priority axes of the Sectoral Operational Programme Environment and the Sectoral Operational Programme Human Resources Development.

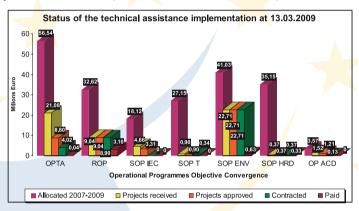
The TA priority axes are organised in two major key areas of intervention:

1. An area for the support of the management and implementation of the related programme (including functioning expenditures and support for the activities of the Managing Authorities and intermediate bodies/key beneficiaries in case of SOP T, programme evaluation, training for the staff of the Managing Authority and the intermediate bodies, programme related studies and preparations for the next programming period)

2. An area for information and communication activities related to the operational programme.

SOP IEC makes an exception, having included in the second key area of intervention, beside the information and communication activities, the programme evaluation and equipments for the functioning of the Managing Authority and intermediate bodies, other than those for SMIS, which are financed from OPTA.

In addition, the training for the potential beneficiaries regarding the related operational programme is financed from the first key area of intervention of the TA priority axes for three operational programmes (SOP T, SOP ENV and OP ACD) and in the second TA priority axes of the others (ROP, SOP IEC and SOP HRD).



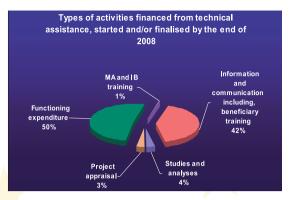
Source: Authority for the Coordination of Structural Instruments

Compared to the 2007-2009 Community funds allocated for TA¹, the percentage of the projects received is between 25% and 55%, except SOP T and SOP HRD, for which the percentage is very low 3.3% and 1% respectively. The percentage of approved projects is between 16% and 55%, except SOP T and SOP HRD. The difference between approved projects percentage and the received projects percentage is mainly caused by projects that are under evaluation, as the rejection rate is low (almost 6% - 5 projects rejected out of 86 received).

The contracting percentage, because of the time necessary for the signing of the financing decisions/contracts (projects have recently been approved), is between 0% and 7%, except ROP and SOP ENV, for which the level of contracting is 27% and 55% respectively.

The technical assistance effectively started mainly in 2008 because of the problems already mentioned in the previous article, regarding the inclusion of the type of activities financed from TA in the category of budgetary expenditures. Therefore, the progress in making payments is relatively low; the programmes that made payments are OPTA, ROP, SOP Environment and SOP HRD.

The exchange rate used is the inforeuro rate for March 2009 (1 euro = 4,2904 lei).



Source: OPTA MA – reports at January 15th, 2009, received for the Coordination Committee for Technical Assistance

Based on the analysis of the reports received within the TA Coordination Committee, we can consider that the activities finalised or under implementation at the end of 2008, planned to be financed from technical assistance, have mainly aimed at:

- Supporting the functioning of the structures involved in the Structural Instruments management (managing authorities, intermediate bodies, Authority for the Coordination of Structural Instruments, Certifying and Paying Authority),
- And organising information and communication events for potential beneficiaries, including mass-media campaigns.

Regarding the *Objective "European Territorial Cooperation"*, the technical assistance allocated to the 11 operational programmes² is almost 132 millions Euro, out of which almost 89 millions Euro is the Community contribution.

According to reports at January 15th, 2009, received within the TA Coordination Committee, the Operational Programme Cross Border Cooperation Romania-Bulgaria 2007-2013 is the first to start using the technical assistance on information and communication activities mainly and on functioning expenditures of the Managing Authority.

In the following period, we expect to increase the pace of contracting and starting the activities for supporting the appraisal of the projects submitted for financing from the Structural Instruments. Also, among the types of TA financed activities, we will start the evaluation of the programmes and the National Strategic Reference Framework, which is planned for this year, as well as activities related to the information system for the management of Structural Instruments – SMIS, which will begin implementation in April this year.

Managing Authority for the Operational Programme Technical Assistance

² OP Hungary-Romania, OP Romania-Bulgaria, OP Romania-Serbia, OP Romania-Ukraine-Moldova, OP Hungary-Slovakia-Romania-Ukraine, OP Black Sea Basin, OP South-East European Space, INTERREG IV C, URBACT II, ESPON 2013, INTERRACT II.

3. Examples of projects financed under technical assistance – good practice

3.1. Regional Operational Programme

In 2008, the Managing Authority for the Regional Operational Programme (ROP) has contracted the project *Support for the ROP Managing Authority to implement the information and publicity measures*, financed under priority axis no. 6, Technical Assistance, key area of intervention no. 2, "Support for the publicity and information activities of the ROP".

The project aimed at increasing the awareness of the potential beneficiaries regarding the financing opportunities within the Regional Operational Programme, as well as informing the potential applicants regarding the modalities to access the funds.

The value of the project was €810,079.

Within this project, the Managing Authority organised programme promotion events addressed to mass-media and potential beneficiaries. Also, as a result of the opinion poll performed at the end of 2007, the Managing Authority identified the press and the Internet as the main information sources for the potential beneficiaries. Therefore, the promotion of the Regional Operational Programme was done through both means of communication (web-site promotion and in economic publications).

Thus, eight informal meetings with the mass-media's representatives took place in the development regions of the country, when the status of the implementation of the operational programme, as well as the difficulties encountered were presented in each region. To these meeting, 186 journalists participated. And after the meetings, 81 articles and interviews were generated.

At the level of each development region, workshops were organised for potential beneficiaries, registering a total of 444 participants, representatives of the local public authorities, small and medium enterprises, non-governmental organizations (NGOs) and education institutions in the development regions. At the events, beneficiaries of projects financed from the European funds in other Member States of the European Union were also invited to share their experience in preparing the financing application and implementing the project. The experts responsible with the management of the priority axes within the ROP Managing Authority, together with the representatives of the intermediate bodies, discussed with those interested to finance projects under the Regional Operational Programme.

In order to stimulate the submission of projects for the development of tourism, the Managing Authority organized a conference for the launching of the key area of intervention 5.3, "Promoting the tourism potential and setting-up the needed infrastructure in order to increase Romania's attractivity as tourism destination". In order to emphasize the importance of the regional component in the implementation of the programme, the conference took place in Cluj, at the Transylvanian Ethnic Museum and was attended by 80 people.

According to the requirements of the Community Regulation 1828/2006³, the Managing Authority has organized a conference to present the 2007 Annual Implementation Report of the Regional Operational Programme. The event took place on September 30th, 2008 and had 112 participants. Within the conference, presentations were made by the minister of development, public works and housing, the head of the European Commission Representation in Bucharest and the general director of the Authority for Coordination of Structural Instruments. The event was attended by representatives of the other managing authorities, intermediate bodies, local public authorities and mass-media.



The ROP media promotion campaign consisted on posting electronic banners on the economic or news websites (zf.ro, capital.ro, wall-street.ro, moneychannel.ro, bloombiz.ro, avocatnet.ro, evz.ro, hotnews.ro, realitatea.net, cotidianul.ro, gandul.info, jurnalul.ro, imobiliare.ro, imobiliare.net, 9AM, rol.ro, clubafaceri.ro, adevarul.ro) and publishing the Regio press layout and promotion articles of various key areas of intervention. Thus, there were financed 11,975,081 displays of the Regio electronic banner and 57 Regio press adds layout in the following newspapers: Ziarul Financiar, Capital and Jurnalul Naţional. Articles were published in Gândul, Ziarul Financiar and Business Magazin, promoting the key areas of interventions addressed to the microenterprises, business support structures and improvement of public safety interventions' system in emergency situations.

The Managing Authority for the Regional Operational Programme updated the content and reprinted the brochures Financing opportunities for Microenterprise (8,000 cop-

³ COMMISSION REGULATION (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund.

ies) and Financing opportunities for NGOs (3,000 copies). Also, two brochures were edited: the brochure Annual Implementation Report (600 copies in Romanian and 100 copies in English), as well as the brochure Regio for everybody (10,000 copies).

The design of the programme dedicated website www.inforegio.ro was improved in order to facilitate the access to updated and detailed information regarding the financing under the Regional Operational Programme. A newsletter system was created sending to all registered in the database the information that was updated on the website, simultaneously with uploading this information on the website. Until the end of December 2008, 177,683 visitors registered on the programme website, and 1,446 people registered to receive the newsletter.



In order to evaluate the impact of the information and publicity activities financed under this project, the Managing Authority for the Regional Operational Programme contracted a specialized company in performing opinion polls, who undertook an opinion poll at national level. According to its results, 30% of the interviewees consider themselves very well and well enough informed about the Regional Operational Programme, and the greatest interest was shown for obtaining financing under the programme, for the transport infrastructure and for microenterprises. The most important source of information on the programme is the Internet, 58% of the interviewees stating that they visited the website www.inforegio.ro.

Managing Authority for the Regional Operational Programme

3.2. Sectoral Operational Programme Environment

In the last period, we hear more and more about European funds and financing programmes, oftenly named only by a few letters – SOP IEC, SOP T, SOP Environment. What is behind these acronyms? Documents prepared by the ministries, approved by the European Commission, which are the "form" how Romania will use the European funds allocated to several areas of investments, such as: economy, transport, environment protection etc. Actually, we are referring to a regulation of the manner in which the Community financial support will influence our daily life.

Thus, under the name Sectoral Operational Programme Environment (SOP Environment) we find a strategy on how to use the funds made available by the European Union for Romania (amounting to $\[mathebox{\ensuremath{\mathfrak{C}}4.5}$ billion, to which the national contribution of $\[mathebox{\ensuremath{\mathfrak{E}}1.1}$ billion is added), for the environment sector. Briefly, under this operational programme, major investments will be made for Romania in projects aiming at modernising the water supply systems and the sewerage network in all counties, improving the waste integrated management, improving the situation for the protected areas, preventing the floods and costal erosion and modernising the heating systems. More specific, improving the quality of life for the population and the environment protection.

On 11 July 2007, the programme was approved by the European Commission Decision no. 3467, which opened Romania's access to European financing for the environment projects.

A great value of investment implies a great responsibility for the Managing Authority (MA) who manages the SOP Environment, from the point of view of supporting the staff in the preparation, evaluation and monitoring process of the projects, as well as from the point of view of promoting the programme.

In this context, a significant amount (£174 million) was allocated to the two key areas of intervention of Priority Axis 6 – Technical Assistance in the SOP Environment. The purpose of this priority axis is to contribute to the increase of the EU funds absorption capacity, through the support given to the preparation of environment infrastructure projects, their monitoring, evaluation and control activities, training on the European funds management for the staff of the MA, the intermediate bodies and the beneficiaries of this operational programme, as well as information and publicity activities for SOP Environment.

Although they are not major projects (less than £25 million), the technical assistance projects are not less complex, and the MA, as beneficiary for these projects, is directly responsible for attracting the funds allocated for this priority axis. In this context, there are two essential aspects in successfully unfolding such a tendering process: establishing in due time the most urgent projects, a schedule of activities with realistic deadlines for preparation and submission of all documents necessary for the tendering procedure, as well as thoroughness in preparing the tender documents. In all these stages, a good collaboration with all beneficiary directorates is essential. An internal practice within the MA Environment is that, in the case of the tender documents, these are drafted by the beneficiary directorate, who then consults the staff

of Technical Assistance Directorate for finalising the documents in order to ensure unitary and correct information and the compliance with the national legislation on public procurement. Thus, when drafting the documents, the existing expertise within both directorates is taken into account in order to obtain complete documents. The experience has shown that exact and clearly formulated technical specifications is to be preferred compared to those that leave room for interpretation to bidders, because the economic agents are not yet accustomed with the specificities of the post-accession funds. Furthermore, this also makes the evaluation process easier.

A good practice in the evaluation process of the offers submitted by the economic agents is thoroughness. The smallest details comprised in these documents can be very important in finalizing the evaluation procedure, as well as in the implementation of the contract. Also, it is recommended that the evaluation factors be extremely precise, without any ambiguity, with the clear provision of the calculation algorithm used in the scoring. This approach offers to the economic agent a clear image on the contracting procedure, and represents a comfort for the Contracting Authority in selecting the best offer.

Unfortunately, the Managing Authorities in their role of Contacting Authority for these projects face a serious problem: economic agents abuse their right to file complaints, the members of the evaluation committees having to cope with arguments, such as: "we consider that our offer was the best" or "our offer is better that the winning offer". It is pointless to mention that the economic agent could not have access to the documentation submitted by the other bidders.

Leaving the anecdotes aside, the experience has shown that unexpected situations may arise during the tendering procedure, but they can be overcome by the professionalism of the staff involved. The permanent dialogue between the members of the evaluation committee starting from the stage of drafting the tender documents is very important, and the participation of the person who prepared the technical specifications as a member of the evaluation committee is of real support in analyzing the offers received.

To conclude and probably the best proof of everything written above, until now, the MA for SOP Environment has contracted, during 2007-2008, 24 projects amounting to almost €5 million and it is estimated that the projects planned to be approved in 2009 will greatly exceed this amount.

M<mark>anagi</mark>ng Authority for the Sectoral Operational Programme Environment

4. Experience of other Member States in the implementation of technical assistance

4.1. Poland

It has been almost five years since we started implementation of technical assistance under Structural Funds in Poland. During this time we carried out some experiments, we succeeded in some fields and hardly managed in other ones. Anyway, technical assistance as such, has been set up and it works relatively smoothly as well within Operational Programme Technical Assistance as within other Operational programmes technical assistance (TA) components.

The new financial perspective brought new opportunities and new challenges. Since Structural Funds' allocation for Poland reaches €67 billion, it is sometimes called "the biggest ever". This puts on us huge responsibility. It's not only the matter of well-spending or misusing money. Wasting money is always a lost chance, but it can also be considered as manifestation of impertinence towards the European Union. But in this particular case, if Poland should fail and waste such amount of EU tax-payers' money, it would bring questions about effectiveness and efficiency of cohesion policy in current shape.

Thinking of Structural Funds' contribution to the Member State's development, we should bear in mind, that the money will not only be spent on motorways, railways, waste and water treatment, urban transport, airports, innovations and support for business. Not only on increasing the quality of our human capital, social infrastructure, or building effective administration.

Structural Funds are not "easy money". A Member State has to set up vast and effective administrative structures which can ensure enough capacity to handle thousands of applications and projects as well as to meet very high standards in such fields as financial control, audit activities, monitoring and evaluation. On the other hand, proper information and promotion activities must be provided in order to inform potential beneficiaries and the society about the opportunities which EU offers to us.

But this means quite huge administrative expenses to the Member State. Fortunately, majority of these costs may be covered by technical assistance co-financed by Structural Funds. In case of Poland, we are allowed to allocate up to 4% of these €67 billion, which means about €1.7 billion that may be spent on costs of absorption, including administrative capacity building. Using this money brings measurable profits to the Member State, since its' administration can improve its' capacity and quality of services.

Despite the fact that meeting very high standards of administration capacity and effectiveness demanded by the EC is quite expensive, it brings more benefits to the Member State than just effects of co-financed projects or improvement of quality of administration directly involved in implementation of Structural Funds. There are indirect results too. All beneficiaries have to learn how to prepare good-quality applications, how to implement projects in accordance with sound financial management rules and how to make the most of Structural Funds opportunities. This makes them to learn and to modernize. And it should be emphasized that many beneficiaries are either state agencies or self-governments.

This gives a feeling that managing and implementing technical assistance is not only "moving papers from one pile to another", but also fulfilling a kind of mission of modernizing the country.

Bearing this in mind and having experienced the 2004-2006 perspective, we were quite well prepared for the new opening. The old OPTA 2004-2006 was running out of credits, projects for the new perspective were being prepared and our key beneficiaries were "veterans", so we were sure they can succeed. The master plan for OPTA was ready to be launched in mid 2007.

But we knew this might not be enough and we wanted to achieve more. Other operational programmes were not as advanced in negotiations, so they were not supposed to be launched as quickly as OPTA. In this situation, other Managing Authorities would not be able to finance verification of lots of huge infrastructural projects and would have to wait before sending them to the European Commission for approval. Verification of such projects (including corrections to be made by the beneficiary) is time and money consuming. Moreover, implementation of such projects is designed for several years. In this situation, every month of delay would be a problem – the payments must start quickly and must be made regularly, since the European Commission, with its n+3/n+2 rule is ruthless.

Therefore, having relatively good experience with JASPERS initiative, we figured out that the OPTA could provide similar support for managing authorities in the process of verification of *individual key projects*. Here, it should be explained – *individual key projects* are those to which normal competitive rules of application do not apply. Reasons are simple – these projects are of strategic importance for Poland and are to be implemented by state agencies (as Polish Railway Lines or General Directorate for National Roads and Motorways), airports, universities or self-governments. The overall idea is simple – to provide managing authorities with experts' support in order to ensure professional appraisal of *individual key projects* in the following fields: feasibility study, environmental impact assessment and correctness of technical specification. We called this *Project Pipeline*.

Of course, *Project Pipeline* should not replace proper support to be provided within TA components of other operational programmes – our project is designed just to be a kind of fore-front for the time needed for other programmes to take off and launch their own schemes.

The scheme for the project is a frame contract. A tender was launched and just after several months of struggling with public tender procedures as well as with contractors, we managed to sign frame contracts for *Project Pipeline* with chosen firms.

Project Pipeline's idea is to outsource managing authorities' duties to external entities – consultancies and specialist companies. The whole project is divided into nine themes, i.e. waste and water treatment; road infrastructure; railway infrastructure; airports; energetic; information society & innovation; culture, tourism, recreation, education, social and healthcare and revitalisation; urban transport and sea and inland water infrastructure.

On the first stage, in the frame contract tender, only quality criteria were used and every contractor scored points. For each theme, several contractors have been chosen. On the second stage, small tenders are lunched in order to commission verification of

particular projects. In these tenders only contracted companies take part, and the price is the only criterion used. The points from the first tender compared with the price offer from the second one give final result and indicate the winner. Chosen contractor shall verify project's documentation in respect of its accordance with Polish and EU rules.

The project has currently entered its second phase – tenders for verification of particular projects have begun and we are about to complete the first procurements. At this moment, other programmes are not ready yet to launch their own schemes.

This means that the support for *key individual projects* within the OPTA shall begin before other programmes will be ready – this was our main goal and it seems we are going to achieve it.

Michał Ziętara, director, Managing Authority for the Operational Programme Technical Assistance, Poland

4.2. France

Context

The French territorial organisation leans on 26 regions and 100 Counties (Judets). In each region, the representative of the State is the Prefect of Region. Each region benefits from an operational programme, the Managing Authority being the Prefecture of Region, the European Department.

The regional programmes are prepared and implemented in close collaboration with the local authorities and socio-economic partners. The President of the Regional Council is co-President together with the Prefect of Region of the Selection and Monitoring Committees. However, the decision-making remains within the Prefect of Region as Managing Authority.

The national coordination is ensured by the DATAR (*Délégation à l'Aménagement du Territoire et à l'Action Régionale*⁴) who is also Managing Authority for the National Operational Programme for Technical Assistance.

This OPTA provides resources mainly for national coordination activities, training, exchange of experiences, national communication and support for the IT system (PRESAGE). The technical assistance priority of each regional programme supports the specific needs of the managing authority and partners as well as the regional communication plan.

The 2000-2006 programmes for France were approved by the European Commission in March 2001

The total EU allocation for France amounted to around 17 billion euro. The main beneficiaries of the funds were the 4 over sea regions⁵.

The programme for Lorraine amounted to 1.5 billion Euro out of which 393 million euro of Structural Funds

At the end of 2001, the commitment rate for Structural Funds in Lorraine reached only 7% of the total allocation and the payment rate was almost nil.

This worrying situation was faced by all French regions and can be explained by:

- the late approval of the programmes by the Commission,
- the closing of the previous programming period,
- the complexity of the rules that applied to EU Funds (European rules but also national ones),
- the lack of communication towards the beneficiaries.

All these factors led to a lack of good quality projects in accordance with the objectives and strategy of the programmes.

⁴ Currently, named Délégation interministérielle à l'aménagement et la compétitivité des territoires (DIACT).

⁵ The 4 overseas regions are: Guadeloupe, Martinique, French Guiana and Réunion.

The national strategy to prevent the automatic decommitment

The French Government had to react quickly in order to avoid the automatic decommitment that could amount to hundreds of millions of Euro.

The Prime Minister Order of 15 July 2002, as well as the Inter-Ministry Order of 7 August 2002 established a supporting structure for the European Structural Funds.

They also allowed for the possibility:

- to amend the programme in order to better comply with the needs of the beneficiaries.
- to simplify the application form for European funds,
- to simplify the project appraisal and selection procedures,
- to externalise the management verifications,
- to make an advance payment of 20% to all beneficiaries.

This supporting system was having the following roles:

- implementation of a support structure for project promoters,
- increasing communication.

The overall objective was thus to increase the number of selected projects through the support given to project promoters in the preparation, submission and monitoring of applications. Their purpose was also to promote the funding opportunities provided by the Structural Funds.

The national support system for project promoters

The intervention areas of this system were defined at national level, but it is specified that each Managing Authority could adapt them according to the regional situation.

Therefore, the role of the support team came in addition to the bodies in charge with the European funds (Managing Authority and the Intermediary Bodies), together with the technical services of the State, supporting the local authorities, the NGOs and the consular chambers. The Prefect of Region ensured the monitoring of this supporting system, together with the President of the Regional Council.

A network of regional support teams was thus provided under the authority of DATAR in order to facilitate the exchange of experience and disseminate good practices.

The support system for project promoters in Lorraine

The support system for project promoters in Lorraine was the result of a close cooperation between the regional state services and the local authorities.

This structure was based on the activity of the Prefects, Sub-Prefects, the Lorraine Regional Council and the County Councils, the public accountants' network and a regional support team.

The different partners in the programme were thus committed to raise awareness amongst the public and private potential project promoters regarding the existence of European funds and their opportunities for funding. They were also in charge with

making the necessary information documents available, especially the guide presenting the eligible activities, together with the possibilities to apply for the European grants. Their role was also to create contacts between the potential applicants and the regional support team.

The regional support team for project promoters

Placed under the authority of the Prefect of Region, this regional support team was cochaired by the Lorraine Prefecture and by the Lorraine Regional Council. It became effective on the 1st of January 2003, after the recruitment and training of its members.

Its **function** was to offer a global and permanent service of advice, guidance, and support to applicants for European funds.

The team was assigned three **objectives**:

- Increase the absorption rate of European funds,
- Help the applicants to prepare and submit their applications,
- Assist the beneficiaries in project monitoring and submission of payment applications.

The regional support team for project initiators was made up of:

- an officer of the Managing Authority (already in place),
- four contractual agents (specifically recruited for this team),
- an officer of the Lorraine Regional Council (specifically recruited for this team),
- an officer of the General Treasury (already in place),
- and on a one-off basis, a network of specialists in different areas of knowledge, appointed by the Regional State Directorates.

The **roles** of the members of the regional support team for project promoters were:

- to play a role in the information meetings organised for the benefit of eligible beneficiaries in order to ensure the promotion of European funds and in thematic working meetings,
- to disseminate reliable and high quality information,
- to support project promoters in preparing their projects, especially by guiding them to the right stakeholders,
- to ensure the interface allowing for projects management and to support applicants in drafting their applications (drafting of projects and financing plans, providing contact information, support in preparing the application),
- to provide support to beneficiaries in the monitoring (especially financial monitoring) process of their project,
- to pick up the needs and difficulties encountered by the stakeholders.

Several types of **actions** were undertaken:

- creation of a call line allowing to contact a support team member,
- meetings with the identified project promoters,

- a network of local support agents,
- implementation of regular information point in the field to provide guidance to project initiators,
- creation of a monitoring and exchange system with the Intermediary Bodies in order to cope with difficulties.

The existence and the role of this team were introduced to the public through a large information campaign as part of the communication strategy of the overall management and support system.

The communication part of the support system

The existing communication plan proved to be insufficient. A new strategy and a new three-year global communication plan were drawn up and implemented, having a two-folded objective, according to the legal requirements:

- enhancing transparency and information of potential beneficiaries,
- overall information of the public.

Two major types of actions were implemented:

I. Activities aimed at informing potential beneficiaries, consular organisations, local authorities, professional organisations, economic partners.

These actions were notably translated by:

- making of a CD ROM on the European funds and the Lorraine operational programme,
- publishing large circulation brochures, summarising the objectives and measures of the programme and listing all the contact offices and persons, regional information resources,
- publishing thematic brochures aimed at certain types of potential beneficiaries (touristic development, support to business, urban development),
- publication and dissemination of inserts in the regional media on the progress of the programme and the specific intervention of the European funds,
- improvement of the Internet site of the Regional Prefecture.
- **II. Public information actions** on the importance of the role played by the European Union in the region emphasising the major accomplishments and the results of the Community intervention. More generally, the proximity and contribution of the European Union in the daily life of the citizens was put forward through six themes:
 - cross-border cooperation,
 - social interventions of the European Union,
 - equal opportunities,
 - culture and tourism,
 - environment and rural development,
 - university cooperation.

Funding of the support structure for project initiators in Lorraine

Both the functioning of the support team (salaries of the contractual agents, transportation costs, organisation of meetings etc.) and the implementation of the communication plan were financed by the technical assistance funds of the Loraine programme.

In 2003, the functioning costs of the support team amounted to about €200,000. Moreover, more than €500,000 was allocated to the communication plan.

The results of the national support structure for project initiators

At national level, the situation has improved considerably as soon as 2003. The contracting and payment delays were made up for. For the European Regional Development Fund, no automatic decommitment was imposed by the European Commission.

In 2003, more than €150,000,000 was contracted in Lorraine. The impact of the communication plan and the effectiveness of the regional support team could be measured very quickly.

At the end of 2003, Lorraine was the 5th region with regard to the commitment of Community appropriations and the 12th with regard to project accomplishment. At the end of 2004, Lorraine was the first French region, both in terms of commitment and payment of European funds.

Lorraine Programme	31-12-2003		31-12-2004	
	Total cost	EU funds	Total cost	EU funds
Commitment	87%	65%	90%	83%
Payment	50%	39%	66%	54%

The strong mobilisation of all partners, especially the Managing Authority and the Intermediary Bodies, can be credited for this success. The creation of the regional support team for project promoters was determining in this perspective.

Thus, in 2003, the members of this team attended more than thirty information meetings aimed at elected officials, associations and companies. In this way, more than 1000 persons were directly informed about the funding opportunities provided by the programme.

In parallel, due to the creation of the call line, more than 600 calls were received, which led to the selection of 352 applications.

The consequences of this success

Lorraine not only avoided any automatic decommitment, but, as a result of its excellent results, it benefitted from an appropriation of additional Community funds through the performance reserve.

Moreover, the success of this support structure was such that the Managing Authority found itself confronted to another difficulty: insufficient available funds for the proposed projects.

Thus, the number of proposed projects exceeded by 4 times the non-committed Community funds. A prioritization of those projects was thus necessary, by increasing the weight of certain criteria (contribution to the objectives of the programme, impact on territorial development, inclusion in a contractual policy of the State, project maturity). It was also decided to apply stricter rules regarding the project progress (withdraw funding for the projects which don't comply with the start-up and implementation schedule).

The Monitoring Committee of the programme approved this reinforcement of the management and selection rules for the projects.

Considering this situation, the activity of the regional team was mainly focused on the preparation phase of applications and monitoring the progress of operations, and not any more on information campaigns on the European funds among potential project promoters.

In the new 2007-2013 programming period, the problems related to a lack of projects corresponding to the new objectives (especially research, development, innovation) resurfaced. It is therefore envisaged to reinforce the existing support and managing system, especially the regional support team for project promoters.

Frédéric Frapaise, short term expert⁶

⁶ Mr. Frapaise has 13-year experience in management and auditing of European Structural Funds. He worked as deputy head for the Managing Authority in Lorraine region in France where he defined and implemented the Financial and Management system. He was also responsible for the implementation of the French Structural Funds IT ystem PRESAGE.

Mr. Frapaise was involved in several candidate countries as a short-term expert for audit and financial management and control of Structural Instruments.

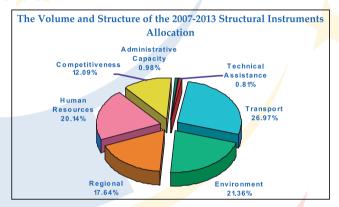
From September 2005 to March 2007, he worked as Resident Twinning Adviser in Romania within the Authority for Coordination of Structural Instruments, and from October 2007 to February 2009, he was Resident Twinning Adviser within the Romanian Audit Authority for EU funds.

5. Status of implementation of the Structural Instruments in Romania

Introduction

There are **seven operational programmes** in Romania within the "Convergence" objective: the Sectoral Operational Programmes for Transport, Environment, Increase of Economic Competitiveness, Human Resources, the Regional Operational Programme and the Operational Programmes Administrative Capacity Development and Technical Assistance.

The financial allocation of the 2007-2013 period for the "Convergence" objective is of **19.2 billions Euro.**



The operational programmes with the highest financial allocations are: SOP Transport (4.56 billions Euro), SOP Environment (4.51 billions Euro), and SOP Human Resources Development (3.72 billions Euro).

The lowest financial allocation is Operational Programmes Administrative Capacity Development and Technical Assistance, respectively 208 millions Euro and 170 millions Euro.

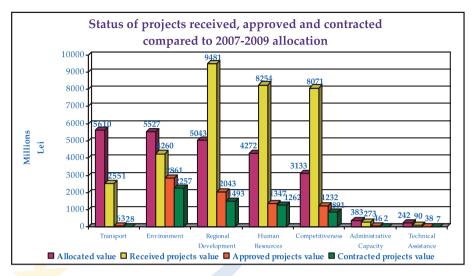
Status of implementation of the Operational Programmes

The current status regarding the received, approved and contracted projects for the seven operational programmes shows, at 13 March 2009, significant developments during 2008 and the beginning of 2009.

The situation for all seven programmes indicates that 7,700 projects in total value of 55.37 billions lei (12.9 billions Euro⁷) have been submitted until March 13th, 2009.

For three of the operational programmes, the EU contribution for the received projects has exceeded the EU cumulated allocation for 2007-2009, representing up to 257% from it.

⁷ The exchange rate used is the inforeuro rate for March 2009 (1 euro = 4.2904 lei).



Out of the projects received, until 13 March 2009, 1,100 projects have been approved, in total value of 11.43 billions lei (2.66 billions Euro), out of which 7.63 billions lei represents EU contribution, a percentage of 32% from 2007-2009 EU allocation for all operational programmes.

Until 13 March 2009, 501 projects have been contracted, in total eligible value of over 7.15 billions lei (1.67 billions Euro), out of which EU funds amount to 5.95 billions lei (1.38 billions Euro).

For at least four operational programmes, the value of the contracted projects is relatively close to the value of the approved projects, as a consequence of the significant developments occurred during the beginning of 2009 in the contracting process.

Problems identified in accessing the funds

Notwithstanding the significant developments recorded so far, the implementation process highlighted some **horizontal issues**, which need to be solved in order to facilitate the implementation:

- Delays in the approval process for the received projects, because of:
 - » The great number of projects submitted on certain components
 - » The quality of applications, requiring numerous requests for clarifications
 - » The insufficient capacity for appraisal for some Programmes/components
- Delays in contracting process, because:
 - » The beneficiaries do not submit in due time the documents requested by the Managing Authority.

The problems identified require **measures** in order to:

- Simplify the requirements and the documents requested at the submission of the application and at signature of the financing contract
- Strengthen the evaluation project appraisal capacity through:
 - » Increasing the number of staff involved in project appraisal at MA/IB level (e.g. reallocation of personnel within the institution), as well as training of staff
 - » Partial outsourcing the project's appraisal to specialised technical assistance
- Reduce the duration of the appraisal, contracting and payment process by reviewing the stages and the control levels, according to the management and control requirements of the national and Community regulations
- Speed up the public tender procedures.

Authority for the Coordination of Structural Instruments

6. Financing and coordination of growth poles in Romania

The achievement of economic, social and territorial cohesion and also ensuring the economic competitiveness are all objectives of the strategic documents of the European Union. In order to reach these objectives it is recommended to concentrate the Community funds in growth poles, to ensure a polycentric development of the Member States and to increase their capacity to be internationally competitive.

Romania, through the National Strategic Reference Framework (NSRF) 2007-2013, has established among its strategic development objectives the necessity to develop growth poles, based on the National Strategy for Territorial Development and according to the Government Programme. This objective will help to reduce the development disparities between regions, following the National Strategy for Regional Development and the regional development strategies of the eight Romanian regions.

The development of growth poles involves concentrating investments in a limited number of locations, in order to create favourable conditions for attracting investors, stimulating the economic activities and developing the entire region. The concentration of the economic activities in these growth poles will boost and stimulate the development of the regional economies, as well as the development of the national economy, which will be able to cope with the competition imposed by the globalization of the world economy.

The growth poles generate development in the surrounding areas, including surrounding rural areas, small and middle sized cities less developed, and this can contribute to a sustainable and balanced territorial development, both at national and regional level. The concentration of population and of economic, social and cultural activities in the large cities is the premise that imposes these cities as centres of the growth poles, which can ensure economic competitiveness and growth on the long term.

The balanced spatial distribution of the growth poles based on the existing urban centres is the key to the territorial development of the country. The development of growth poles around large cities is necessary also as a counterweight to the development of the capital city and to reduce the socio-economic pressure on Bucharest. The polycentric and balanced spatial development can help to reduce the level of concentration of population and employment in the capital city and to create a spatial structure that will promote and boost a territorially balanced economic development.

The nomination of the cities, which are cores of the growth poles in Romania, was made based on an analysis of various complex factors, such as: the potential for economic development, the research and innovation capacity, adequate business infrastructure, accessibility, etc. Thus, seven large cities were designated, one in each Development Region, as cores of growth poles: Iasi, Constanta, Ploiesti, Craiova, Timisoara, Cluj-Napoca and Brasov.

The Ministry of Regional Development and Housing has been designated by the National Coordination Committee for the Structural Instruments as the national au-

thority responsible for developing and implementing the growth poles policy. The Managing Authority for Regional Operational Programme designates one responsible for each national growth pole, which has a permanent connection with the implementation units established in each national growth pole.

The National Coordination Committee for Structural Instruments operating under the coordination of the Ministry of Public Finance coordinates the funding of the growth poles from all operational programmes with European funding, including the National Programme for Rural Development. The financial resources provided by the European Territorial Cooperation Programmes can be used to finance the growth poles, to prepare transnational partnerships and projects that reinforce the cross-border and transnational role of some growth poles.

The Managing Authorities of Operational Programmes identify areas of intervention and types of projects which are relevant to the development of the national growth poles that may be financed from the above mentioned programmes and establish the concrete modalities to finance with priority the projects from the integrated development plans of the national growth poles.

Sorin Voicescu, counsellor, Authority for the Coordination of Structural Instruments

7. Romania – moving forward with the support of the EU Cohesion Policy

There are two years since Romania, as member of the European Union, started its new way towards modernization, applying one of the most important European policies supporting the economic and social development: *the Cohesion Policy*⁸.

In order to prepare and manage consistent development programmes, Romania has started, even before accession, to set-up structures and to prepare the specialists. We could say that today, in all the institutions responsible for the management of the Cohesion Policy's operational programmes, we have very good, active and committed partners, a young team of enthusiastic experts, working hardly to participate in this long term process of modernisation of the country using EU support.

The start for nine-year development programmes is never easy when you are facing new rules and new standards of quality. Nevertheless, *the Team behind these programmes* succeeded to pass the first difficulties and made substantial progress in the implementation of projects supported by the EU's Structural and Cohesion Funds.

Romania⁹ has been allocated a total of €19.7 billion for regional investments under the Cohesion Policy for the 2007-2013 period (with implementation period until the end of 2015) and a large number of projects are under evaluation or have already been approved by the national authorities for co-financing. We hope in the determination of national, regional and local authorities to *focus on the priorities and projects that will deliver long-term competitiveness*, jobs and growth and consequently, concrete results will be achieved soon.

The five "operational programmes", financed by the European Regional Development Fund and the Cohesion Fund set out priorities for investment to boost the transport sector, economic competitiveness, regional development, the environment and horizontal technical assistance.

A main achievement is that already a number of 13 major projects (total cost per project exceeds €25 million) have been submitted to the Commission. Nine of these projects, aimed at modernising and extending water and sewerage systems across the country, have received the green light for funding and the Commission expects to receive proposals for a further 70 major projects in the forthcoming period.

The capacity to use EU resources efficiently and effectively is crucial: successful absorption of the funds requires *well-designed programmes and projects of good quality*.

Romania has managed to increase of about 50% in 2007 and 2008 the absorption rate of its Cohesion Fund allocation (ex ISPA projects for the programming period 2000-2006 which are going to be implemented till the end of 2010).

⁸ More information on the European cohesion policy: http://ec.europa.eu/regional_policy.

More information on Cohesion policy in Romania: http://ec.europa.eu/regional_policy/atlas2007/romania/index en.html.

In parallel, *structural and economic reforms* have also taken place, notably in the water sector, with the establishment of regional operators, and the solid waste sector is expected to undergo a similar overhaul in 2009. The implementation of Growth Poles policy or a wide use of IT technologies and broadband are also going to be strategic projects for the modernisation of the Romanian regional policy.

Above all, the Cohesion Policy means *reforming the public administration*. Eligibility for assistance does not necessarily guarantee the access of European Union citizens to these opportunities. The lack of proper management structures may have the ultimate effect of jeopardising socio-economic development.

A well functioning, efficient, motivated and transparent administration is one of the key factors for the success of the Cohesion Policy. This requires investments in strengthening the administrative capacity, training and recruitment of new staff, transparent and correct application of the Public Procurement rules and a wide range of other measures.

This is the main role of the Operational Programme Technical Assistance, which has as priorities to inform the citizens, to ensure *the transparency and the modern evaluation and monitoring of the programmes and projects*. This programme acts as propeller for socio-economic growth, aiming at reinforcing management structures and supporting public administration capacity, encouraging exchange of experiences and streamlining of good practices.

Particularly important for the future implementation of the programmes is to have a stable administrative structure, oriented towards helping the beneficiary and willing to avoid the tendency to over-elaborate rigid implementing provisions and excessive reporting and checking requirements.

The knowledge of the practicalities of implementing Structural Instruments facilitates the absorption of funds. Today, the challenge to diffuse widely a culture of evaluation contributes to modernise governance and continues to produce knowledge. The pursuit of transparency boosts the competition and encourages the active participation of all stakeholders, so that the Cohesion Policy can continue to deliver real results and make the best use of resources.

As a conclusion our message to Romania and to our partners working for the Cohesion Policy is simple: "keep up the good work and you will see the results!"

Anastassios Bougas, Head of Unit, DG Regio – Romania Team

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