



**Expert evaluation network  
delivering policy analysis on the  
performance of Cohesion policy 2007-2013  
Year 3 – 2013**

**Task 2: Country Report on Achievements of  
Cohesion policy**

**Romania**

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**A report to the European Commission  
Directorate-General Regional Policy**

## Contents

Executive summary .....	4
1. The socio-economic context .....	7
2. The regional development policy pursued, the EU contribution to this and policy achievements over the period .....	9
The regional development policy pursued.....	9
Policy implementation.....	11
Achievements of the programmes so far.....	15
3. Effects of intervention.....	22
4. Evaluations and good practice in evaluation.....	25
5. Further Remarks - New challenges for policy.....	41
References .....	42
Interviews.....	43
Annex 1 - Evaluation grid for examples of good practice in evaluation .....	44
Annex 2 – Tables.....	45

## List of abbreviations

- AIR Annual Implementation Report
- ACIS Authority for Coordination of Structural Instruments
- BI Bucharest Ilfov
- CBC Cross Border Cooperation
- CEU Central Evaluation Unit
- DAC Public Administration Development
- EC European Commission
- ELI Extreme Light Infrastructure
- ESIF European Structural and Investment Funds
- FDI Foreign Direct Investments
- HRD Human Resources Development
- IB Intermediate Body
- PA Priority Axis
- KAI Key Area of intervention
- MA Managing Authority
- ME Ministry of Economy
- MEF Ministry of European Funds
- MS Member State
- MoPF Ministry of Public Finance
- NAER National Agency for Energy Regulation
- NASR National Agency for Scientific Research
- NARMPP National Authority for Regulating and Monitoring of Public Procurement Regulation
- NEET Not in Employment, Education or Training
- NDP National Development Plan
- NGF National Loan Guarantee Fund for SMEs
- NSRF National Strategic Reference Framework
- OP Operational Programme
- OPTA Operational Programme Technical Assistance
- RDA Regional Development Agency
- ROP Regional Operational Programme
- SCF Structural and Cohesion Fund
- SI Structural Instrument
- SIS Structural Instruments System
- SIES Structural Instruments Evaluation System
- SOP Sectorial Operational Programme
- SOPIEC Sectorial Operational Programme Increase Economic Competitiveness
- SOPE Sectorial Operational Programme Environment
- SOPT Sectorial Operational Programme Transport
- TA Technical Assistance

## Executive summary

In 2012 the Romanian economy continued to grow but at a more modest rate than in 2011, due to a decrease in exports and to poor agriculture production. The Romanian Government largely succeeded in correcting the fiscal imbalances by reducing the budget deficit (below 3% of GDP) and public debt (below 40% of GDP).

The regional disparities in terms of GDP p.c. tended to increase in 2012 after a reduction between 2009 and 2012 when the crisis hit most severely the developed regions. Large disparities between regions are found with regard to Foreign Direct Investments (FDI), and in relation to the structure of employment (less developed regions are characterised by a high share of employment in agriculture and non-remunerated family labour). The risk of poverty has tended to decrease since 2007, with slight uneven increases in some regions, as a consequence of the crisis. There are significant intraregional disparities and disparities between rural and urban areas, which tend to emerge onto the policy agenda for the 2014-2020 programming period.

Reallocations operated in 2012 were driven mainly by spending considerations rather than by policy objectives. The allocation for Enterprise environment policy area increased in 2012 by 7.9%. Energy policy area received substantial additional funds for the Renewable energy investments and buildings energy efficiency. Transport benefitted from a small reallocation of funds from Technical Assistance (TA). Within the transport policy area the focus on motorway investments was reflected in reallocations from other sub-policy areas such as rail, traffic safety, etc. Small reallocations were made between Key Areas of Intervention (KAIs) in order to optimise spending of the savings from various operations. The top-up mechanism allowing a temporary increase by 10% of the reimbursements by the European Commission (EC) became functional during 2012 for all Operational Programmes (OPs); however the low volume of reimbursements limited the benefits of this facility.

The implementation of almost all OPs accelerated in 2012 against 2011, except OP Technical Assistance (OPTA), which recorded the same pace of implementation and Sectorial OP Transport (SOPT) which was slower. The Regional OP (ROP) is the best performer with 22.6% certified expenditure of total allocation by end 2012, while SOPT recorded a mere 9.2% for the same period. Considering the contracting rate equivalent to 98% and the average monthly payments recorded by ROP, there is a positive prospect of using the entire allocation by the end of 2015.

Progress in Sectorial OP Environment (SOPE) was good but uneven across the Priority Axes (PAs), the more problematic being large infrastructure projects characterised by late start and slow implementation. SOPT and Sectorial OP Increase of Economic Competitiveness (SOPIEC) are the poor performers being significantly affected by the payments interruptions and pre-suspension applied by the EC, due to irregularities identified at the level of Managing Authorities (MAs) and large beneficiaries. Cross-Border Cooperation (CBC) Romania-Bulgaria OP progressed well and reached 21.5% implementation rate at the end of 2012 from 4.5% in 2011.

The JEREMIE Programme progressed well as did the loan guarantee instruments: despite their late start they reached a rate of utilisation of the agreed portfolio of 35%. This progress was due to a large extent to improvements of the products in line with market demand; however there remain regulatory issues to be resolved. The Risk Capital Instrument started operations only in December 2011 and it is expected to commit all allocated resources by the end of 2013. Difficulties in attracting private funds make the instrument more challenging than the loan guarantee instrument.

The Romanian authorities continued in 2012 the efforts to speed up implementation and absorption. The Priority Measures Plan and the actions undertaken had limited effectiveness due to unresolved core problems (such as poor functioning of systems and inter-institutional cooperation, instability of structures and managers, limited effectiveness of human resources and management function, etc.).

**Achievements in 2012** showed good progress compared to the previous year. Overall **8,151 new jobs have been created and 4,205 enterprises** have benefitted from a form of direct financial assistance<sup>1</sup>. The projects completed in Enterprise Environment area led also to more than 560,000 users of e-governance, e-health, E-Learning applications and 253 R&D new or rehabilitated laboratories. Other outcomes look modest in absolute values; however the projects being implemented point to the likelihood of a significant increase in the outcomes by the end of the programme. There is considerable progress in transport with 1,048 km of new and rehabilitated roads/streets, out of which 124 km of motorways. The most significant outcomes on SOPE have been produced by the water and waste water infrastructure projects: 15 new treatment plants and 55 localities connected to regional water systems.

Territorial development is performing well, since it is funded through ROP, the most productive OP. More than 21,000 students are learning in 53 education units which have been rehabilitated. 313,758 persons have access to health services in 16 rehabilitated medical units and more than 700,000 inhabitants will benefit from urban modern infrastructure.

Even at this stage of implementation our research identified evidences of wider effects of the interventions in territorial development. These are more likely to be significant when the interventions are part of a strategic local or regional vision. However, no evidence is provided by evaluations regarding wider effects produced by the interventions or expected.

Since the 2012 report, evaluation activities shifted the focus towards the support for 2014–2020 programming. Ex-ante evaluations have been launched and additional thematic evaluations have been commissioned to assist the programming process. There has also been a shift towards impact evaluations and diversification of methods.

The current stage of implementation indicates a **good possibility of absorbing most but not all** of the 2007-2013 Structural Instruments (SI) allocation. There are **key issues to be learnt and transferred** into next programming such as: bringing together the European Structural and Investment Funds (ESIF) with national and regional strategies, not only in the documents but in implementation, concentration of funds and strengthening the administrative capacity of

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<sup>1</sup> All achievements reported in this section are cumulated figures from the programmes implementation start until the end of 2012.

the authorities responsible with ESIF management, as well as the capacity of the development actors and beneficiaries. Wider public administration reform remains an urgent task.

## 1. The socio-economic context

Main points from the previous country report:

- Romania is one of the least developed Member States (MSs) of the EU27, with all regions except the capital region Bucharest Ilfov (BI), placed well below the EU average GDP.
- The effects of the crisis in Romania produced a shocking decline of the economy in 2009 followed by a slow recovery, due to the exceptional agricultural year 2011.
- The private and public sectors have been weakened and challenged by difficult access to finance, the shrinkage of internal consumption, the crisis of liquidities and the Government's austerity measures adopted to meet the public deficit targets.
- The most dramatic impact of the crisis is seen in terms of GDP on the most developed regions, but overall the regional disparities increased against 2007. The crisis had a limited impact on the unemployment rate, which remained lower than the EU27 average.
- Regional disparities are no longer a concern in the investment policy. The focus is on what could be done, to enhance growth and to diminish the negative effects of the crisis.

### Developments since the 2012 report

In 2012 the Romanian Government largely succeeded in correcting the fiscal imbalances that built up before the global financial crisis, the budget deficit was reduced to below 3% of GDP and the public debt is less than 40%. A fall by 2.4% against 2011 in gross fixed capital formation was due to the decrease of public capital expenditure and private investments<sup>2</sup>, under conditions of more restrictive access to finance imposed by the banks on the private sector<sup>3</sup>. General government investment has decreased continuously since 2008 from 6.2% of GDP to 4.5% of GDP in 2012. Interviews carried out in regions indicate that the shortage of funds from the state budget, led to a significant number of investments (e.g. rehabilitation of schools) not being finalised. In 2012 the main concern continued to be the mitigation of the effects of the financial and economic crisis.

The Romanian economy resumed growth in 2011 when GDP growth reached 2.5%. Estimates for 2012 proved to be over optimistic and the growth rate was only 0.7%<sup>4</sup>, more modest than in the previous year. Romania maintains at a low position among the EU27 MSs with the level of GDP p.c. in PPS in 2012 of EUR 12.6 thousand at 48.4% of the EU27 average which is EUR 25.6 thousand<sup>5</sup>. The low growth rate in 2012 was due to a large extent to the poor year in agriculture<sup>6</sup>, affected by severe drought. Exports, the main engine of growth, did not reach the expected levels, due to a decrease in external demand. Growth was positively influenced by the internal consumption which increased by 1.2% relative to 2011. Services were the sole economic sector recording a better performance in 2012 against the previous year, with an increase of 4.8 percentage points in GVA (see Annex Table B).

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<sup>2</sup> National Bank of Romania, Annual Report 2012.

<sup>3</sup> The Post-privatisation Foundation - Report on SMEs 2012.

<sup>4</sup> Annex Table A.

<sup>5</sup> Data available for 2012 source Eurostat: GDP and main components - Current prices [nama\_gdp\_c].

<sup>6</sup> GVA decreased 21.6% in 2012 against 2011 (Annex Table B).

FDI flows continued their negative trend, reaching the lowest level since 2008. FDI equity capital reached EUR 795 million, six times lower than the level in 2008, EUR 4,873 million (Annex Table F). FDI attraction will remain a serious challenge for the Romanian economy as long as investors perceive political tensions and unattractive monetary, fiscal and economic policies. There are significant regional disparities regarding the attractiveness of the regions for FDI. BI Region was the most attractive region for FDI in 2012, taking 60.6% of the total FDI stock and the least attractive North East taking only 3% (Annex Table G).

The unemployment rate decreased slightly from 7.4% in 2011 to 7.0 % in 2012, which is not due to an improvement but to the reorientation of unemployed to subsistence agriculture or non-fiscal remunerated activities<sup>7</sup>. While the unemployment rate in 2012 was 7%, significantly lower than the EU27 which was 10.4%, the employment rate of the population between 15 and 64 (59.5%) remained 4.6 percentage points below the EU27 (64.1%).

The structure of employment continued to reveal highest shares in agriculture, forestry and fisheries (29% in 2012), in industry and constructions (28.6% in 2012)<sup>8</sup> in contrast with EU27 averages: 5.5% in agriculture and 24.8% for industry and constructions. (Excel Table 2). Labour productivity<sup>9</sup> improved at 3.6%, rate against 2011, but remains far below the EU average with 5.7 EUR/hour worked in Romania, as against 32.2 EUR/hour worked in EU27. With regard to youth unemployment Romania remains positioned below EU average with a negative trend between 2007 and 2011. Three regions have the youth unemployment rate above 25% (Region Center, South and South East) and the share of NEET<sup>10</sup> young people in total population between 15 and 64 increased from 13.3% in 2007 to 17.4% in 2011.

Since 2007 the regional GDP disparity has in fact increased, the max/min ratio varied from 3.5 in 2007 to 3.8 in 2012 with a peak of 4.1 in 2008 just before the onset of the crisis (Annex Table E). The economic recovery however has tended to increase disparities. Thus in 2012 GDP for BI increased by 3.2% against 2011, while South East and South had decreased by -1.5%, -1.3% respectively and North East by 1.1%.

There continue to be significant disparities in terms of employment structure by sector. Two regions have almost 50% (Excel Table 2) of the employment in agriculture<sup>11</sup>, North East and South West while the national average is 30.1% and EU27 average is 5.5%. The risk of poverty has decreased overall since 2007 despite slight uneven increases across the regions as effects of the crisis. In 2011, the last year for which statistical data are available, most of the regions had small decreases of the population exposed to poverty. Region BI is an exception with a decrease of 17% which could be linked to the positive evolution of other economic indicators, and North West Region at the other extreme with an increase of poverty of 11%. (Annex Table D).

Regional Development Plans developed for 2014-2020 reveal significant concerns regarding the intraregional disparities and the disparities between urban and rural areas as well as disparities of specific groups, emerging onto the policy agenda for the programming period 2014-2020.

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<sup>7</sup> National Bank of Romania, Report on inflation February 2013.

<sup>8</sup> National Institute of Statistics.

<sup>9</sup> Labour productivity per hour worked.

<sup>10</sup> Acronym used for the category of young "Not in Employment, Education or Training".

<sup>11</sup> including unremunerated family labour.

## 2. The regional development policy pursued, the EU contribution to this and policy achievements over the period

### The regional development policy pursued

Main points from the previous country report:

- Six OPs are funded by ERDF and Cohesion Fund in Romania. The country benefits of a total allocation of EUR 15,528.9 million for the Convergence objective and EUR 217.8 million under the ETC objective.
- The policy areas with the largest allocations from ERDF and Cohesion Fund are Transport and Environment. Enterprise environment policy area is funded from ERDF and takes 21% of the total allocation. The smallest shares of ERDF are allocated to TA - OPTA (5%) and human resource development - HRD (0.3%).
- In order to access additional funds from the EC, the Romanian authorities started the procedure to apply the top-up mechanism, which allows a temporary increase by 10% of the reimbursements by the Commission.
- ERDF support is not used for specific measures against youth unemployment.
- The Monitoring Committees approved in 2011 reallocations in order to channel the funding towards the policy areas with better demand and conditions for implementation: the most significant are the reallocations from environment<sup>12</sup> to enterprise support and territorial development, and the reallocation of ERDF funds from Energy policy area and TA to the European project Extreme Light Infrastructure (ELI).

### Developments since the 2012 report

Reallocations in 2012 consisted of a significant increase of the funds for “Enterprise environment” policy area by 7.9%, which is even more important at the level of sub-policy area “Other investments in firms” (+25.6% compared to 2011).

The transport policy area had an insignificant overall gain of 0.25%, but there are more significant changes within the sub-policies areas. The changes consisted of an increase of the allocation for roads transport by 10.8%<sup>13</sup>, a decrease by 3.7% from rail transport and by 36.7% from “Other transport interventions” including naval, intermodal, traffic safety. The reallocations reflect the priority given by the Romanian authorities to road construction, mainly motorways and ring roads. In this sense the Romanian authorities have decided:

- to cancel the implementation of projects for modernization of the naval infrastructure on TEN-T 18 PA<sup>14</sup>, in agreement with the Bulgarian authorities, key stakeholder for the respective projects.

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<sup>12</sup> KAI 4.2 of ROP, a funding scheme, practically designed as “two in one” (one phase for the decontamination and the second one for the preparation of business activities) requires a high financial effort for the 50% co-financing for the second phase, and a significant number of ineligible costs.

<sup>13</sup> Share calculated by reporting the change to the sub-policy area current allocation.

<sup>14</sup> Funded from KAI 1.3 of SOPT.

- to cancel the projects for acquisition of the rail equipment, in agreement with the EC, because this is not a priority until the infrastructure is finalised, and there is a lack of mature projects in the Rail transport KAIs.
- to cancel the roads safety project which failed in the development phase,<sup>15</sup> the original allocation exceeding the mature projects in the pipeline.
- to reduce the allocation for TA, which exceeded the real needs.

In total EUR 425.9 million have been reallocated between KAIs and PAs of SOPT, in favour of roads sub-policy area.

Energy policy area gained an additional allocation of over 36%, i.e. EUR 80 million. A reallocation was made in favour of renewable energy projects, where there is a high demand and many projects on the waiting list to be funded. Funds have been transferred from the KAI “Investments in Large Burning Systems” which has only one project under implementation, blocked until a decision from EC to clarify eligibility regarding the state aid rule.

In 2012, the ROP Monitoring Committee decided to create a new KAI 1.2 “Support for increase energy efficiency of residential buildings”, with an allocation of EUR 150 million from ERDF, equally shared among the eight regions. The amount represents 10% of the 2012 allocation for PA1 of ROP “Support for sustainable urban development – urban growth poles”, and almost 3% of energy and environment policy area. The allocation is made up from savings on other KAIs of ROP and financial corrections applied on ROP projects.

A significant reallocation concerned the ROP regarding the KAI 4.2 “Rehabilitation of unused polluted industrial sites and preparation for new activities”, which proved to be unattractive for potential beneficiaries as it has originally been designed. After the significant reallocation of 2011, an additional EUR 0.59 million has been reallocated towards the enterprise environment in Region South West<sup>16</sup>.

Reallocations have also concerned the TA PAs. A reallocation was proposed from TA on SOPT, which was considered overestimated relative to real needs; overall the decrease of TA reached 12.1%<sup>17</sup>.

No changes in allocations have been made in 2012 in Human resources policy area and European territorial cooperation. Smaller reallocations have been made within the same policy area and PA in order to make the best use of savings on various projects.

In 2012, the procedure for implementation of the top-up mechanism continued with the approval of changes of the OPs, SOPE, SOPT, OPTA, and SOPIEC in order to satisfy the pre-condition of ensuring co-financing for all OPs at 85%, the maximum ceiling allowed by the regulations. Unfortunately the reduced volume of reimbursements from the EC, claimed in 2012, limited the benefits of the additional 10% that could be received through the top-up mechanism.

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<sup>15</sup> Phare funds have been used for the preparation of the project.

<sup>16</sup> Reallocation approved by the EC decision on 12 th August 2011.

<sup>17</sup> The decrease include a reallocation of EUR 20 million from TA SOPIEC decided in November 2011 and operated in the financial allocations in 2012.

## Policy implementation

Main points from the previous country report:

- Romania had a late start and a slow implementation of the Structural Instruments (SI) ranking constantly last among EU MSs regarding the absorption of the EU funds.
- The smooth implementation of the OPs was hampered by bottlenecks in key stages of the cycle. Potentially effective measures have been hampered by various negative factors, which were either acquired from the public administration system or the evolving negative socio-economic conditions.
- The best performer from the start was ROP followed by OPTA. The two infrastructure OPs, Environment and Transport, had a late start and absorption was only around 6% at the end of 2011. SOPIEC after a good progress in 2010 slowed down and almost stagnated in 2011.
- The key problems of the OPs implementation include: poor capacity of the MAs and Intermediate Bodies (IBs), weaknesses of the management and control systems, systemic problems mainly linked with the public procurement control processes which led to pre-suspensions of the OPs, limited capacity of the beneficiaries enhanced by excessive bureaucracy, limited financial capacity, low quality of the projects involving complex technical documentation.

### Developments since the 2012 report

Accelerated progress was made with regard to the implementation of the OPs in 2012, recording significant increases in the implementation rates for all OPs, however against an extremely low level up to 2011. The level of implementation (certified expenditure) achieved by the end of 2012 ranges from 9.23% for SOPT to 22.6% for ROP. Nevertheless it is evident that the delays experienced up until 2011 cannot be recovered even by a markedly improved level of expenditure and that consequently the overall level of programme outcomes will remain substantially below planned outcomes by the end of current SI cycle.

The diagram in Annex Figure A shows the progress in implementation for each OP and reveals an accelerated implementation for most of the OPs, ROP, SOPIEC, Cross Border Cooperation (CBC) RO-BG, SOPE, a linear progress for OPTA and a slower implementation than in the previous year (2011) for SOPT.

ROP continues to be the best performer in terms of implementation. In 2012 the contracting rate<sup>18</sup> increased to 95% for the entire ROP, at regional level the contracting varies between 88% North West and 100% West Region. Project completion increased sharply in 2012, including infrastructure projects with large volumes of payments and a large number of small projects under microenterprises support scheme, being positively reflected in payments to beneficiaries. In 2012 the volume of payments reached the highest level since programme launch at EUR 60 million per month. If this level is maintained the entire ROP allocation will be used by the end of 2015. In this area, the most successful KAI is the Support for microenterprises where the ROP MA with the support of the Regional Development Agency (RDAs) succeeded in identifying the bottlenecks and in reacting quickly with reallocations and changes of funding conditions.

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<sup>18</sup> Total funds contracted by the end of 2012 compared to total funds allocated.

CBC RO-BG OP had a high increase in certified expenditure in 2012, due to the finalisation of a large number of projects but the performance is still low with the 21.5 implementation rate. The slow implementation of the projects contributed to the automatic de-commitment of EUR 4.4 million and a serious threat for further ones.

OPTA continued implementation at the same pace as in 2011; however the existing gap between the PAs has increased. The Evaluation of the Absorption Capacity of OPTA completed in June 2012 revealed the need to reallocate funds from PA2 "Further development and support for the functioning of the Single Management Information System (SMIS)" and PA3 "Dissemination of information and promotion of Structural Instruments" to PA1 "Support to the implementation of Structural Instruments and coordination of programmes"<sup>19</sup>, which is the engine of OPTA.

The SOPE made good progress in general but unevenly across the PAs. PA4 "Implementation of adequate management systems for nature protection" has the best performance, with smaller and simpler projects than the infrastructure projects funded under other PAs. Less advanced but with a significant progress in 2012 are the PA1 and PA2 funding water and waste water infrastructure, waste management, rehabilitation of polluted industrial sites. Three PAs are lagging behind with implementation rates less than 9%: PA3 "Reduction of pollution and mitigation of climate change, by restructuring and rehabilitation of heating systems" PA5 "Implementation of adequate infrastructure of natural risk prevention in most vulnerable areas" and PA6 "Technical Assistance".

SOPT had a slow implementation in 2012, seriously affected by the pre-suspension applied by the EC for irregularities identified in the MA and the key beneficiaries. PA1 "Modernization and development of TEN-T PAs aiming at sustainable transport system integrated with EU transport networks" has the best performance with an implementation rate of 10.4% above the programme average, while PA4 "Technical Assistance" reached only 2.4%. The roads infrastructure projects are the most dynamic and have a good potential to progress quickly, but the slowest KAIs<sup>20</sup> had to be downsized financially and brought into line with real demand i.e. the volume of mature projects actually existing in the project pipeline.

Despite an improvement in the implementation rates in 2012, SOPIEC faces huge difficulties. After preventive corrections in 2011, the EC requested interruption of expenditure statements, payments and pre-suspension. PA1 including aid schemes for enterprises has experienced huge delays in the appraisal process and in verification of reimbursement claims. Suspicions of connivances and unreliable public procurement processes significantly exacerbated the situation. In the third quarter of the 2013 an audit mission was expected to confirm that systemic problems have been resolved and the pre-suspension is expected to be removed.

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<sup>19</sup> PA1 includes support for the salaries of the personnel of the Structural Instruments system, as well as TA support for programmes implementation, e.g. evaluations, training, other kind of direct support.

<sup>20</sup> KAI 2.2. Modernization and development of national railway infrastructure and passenger service; KAI 2.3. Modernization and development of river and maritime ports KAI 3.2.; Improve traffic safety across all transport modes; KAI 4.1. Support for effective SOPT management, implementation, monitoring, and control.

JEREMIE Romania Programme”<sup>21</sup> continued operations in 2012 with two instruments: First Loss Portfolio Guarantee Instrument (FLPG) and a Risk Capital Instrument.

By the end of 2012 the FLPG instrument, operated by three banks, reached an utilisation rate of the agreed portfolio of 35% (i.e. EUR 107.8 million disbursed to SMEs including a contribution from JEREMIE Programme of EUR 21.5 million<sup>22</sup>.) The three banks have different performance levels; the utilisation rate varies between 82% and 10%. In order to speed up disbursement to beneficiaries EUR 14.5 million of JEREMIE funds have been reallocated from the least performer bank to the best one.

The Risk Capital Instrument has been implemented through one operation, “Catalyst”, since December 2011, progress and achievements being limited. By the end of 2012 Catalyst had committed 56%<sup>23</sup> of its allocation and it is expected that it will have a final closure in 2013 marking the commitment of the entire allocation EUR 17.5 million from the JEREMIE Programme. By the end of 2012 no disbursement to the beneficiaries had been made from Catalyst.

In order to improve implementation more flexibility of the FLPG instrument was required, i.e., the extension of the eligibility to include working capital co-financing, extension of the maximum loan maturity to 10 years, increase of the maximum industry concentration to 30%, extension of the maximum SME Exposure, removal of concentration limits for micro-companies, inclusion of revolving credit lines. Two key problems continue to confront JEREMIE Programme: (i) the recognition of the FLPG instrument as a provisioning and credit risk mitigation tool, which makes it less attractive for the banks, (ii) the low attractiveness of the capital risk instrument to private funds.

All OPs are seriously threatened by de-commitments in 2013, when the cumulative effect of N+2 and N+3 kicks in with regard to 2012 spending leading to a level of reimbursement claims that is likely to be impossible to address e.g. a volume of spending equal to the entire spending since the programme start or even higher.

**Looking ahead:** The most recent data reported on implementation indicates progress in 2013 compared to 2012, but the OPs are still far from completing the use of funds with a mere two years to run before the end of the implementation period. While the absorption rate in terms of EC payments varies between 7% and 40% (see Annex Figure B), payments to beneficiaries are only slightly higher between 21% and 45% of total allocation <sup>22</sup>. The contracting rate is encouraging (an average of 90% in the total allocation<sup>24</sup>), but will impose the speed up of the projects implementation, and prevention of additional delays.

JEREMIE Programme seems to proceed well; the FLPG instrument doubled the disbursement in one year from September 2012 to September 2013, (EUR 160 million loans guaranteed out of

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<sup>21</sup> Funded by SOPIEC.

<sup>22</sup> SOPIEC allocation to JEREMIE programme in EUR100 million out of which EUR 80.5 million for FLPG.

<sup>23</sup> Catalyst had a first closing of EUR 14.5 million in 2012 out of which EUR 9.8 million from JEREMIE Programme.

<sup>24</sup> ROP contracting rate of 107% and SOPE 100% followed by SOPIEC, SOPT, and OPTA with contracting rates between 74% and 80%.

EUR 310 million agreed portfolio volume<sup>25</sup>) suggesting that full utilisation of the portfolio by the end of 2015 is feasible. The Risk Capital Instrument Catalyst made by 30 September 2013 only one investment in an SME and two other investments are expected by the end of the year. The target for Catalyst, namely investments in 12 to 25 companies in the technology, media and telecom sectors by the end of 2015, appears to be a formidable challenge.

JEREMIE Programme received in 2013 an additional allocation of EUR 50 million, based on the positive opinion of the Holding Fund Manager regarding the potential of a very good absorption in 2013-2015, in the form of a low-interest liquidity instrument with a risk sharing feature. The Holding Fund Manager representative's opinion is that the target to use the allocation by end of 2015 remains realistic.

Two years remain for completing the OPs implementation, including contracting and project implementation. Full implementation appears to be a difficult task mainly for the policy areas with large projects, i.e. usually projects involving works. From this point of view the higher risks are in transport and environment. The enterprise environment policy area is at a relatively good stage of implementation due to the interventions funded from ROP but is hindered by SOPIEC which is the least performing programme. SOPIEC will need to finalise a large number of projects for SMEs, expected to be contracted by the end of 2013, especially projects funded under the poles for competitiveness intervention which are currently at the stage of call for proposals.

### **Main problems in implementation and measures addressed to accelerate implementation**

Subsequent to the first warnings from the EC regarding irregularities in the implementation of the OPs, which included interruption of payments and pre-suspension, the Romanian authorities undertook some measures but these were insufficient. On 1<sup>st</sup> March 2012 the EC requested interruption of submission of expenditure statements starting with 30<sup>th</sup> June 2012 until adequate measures to address systemic problems on four OPs were taken - ROP, SOPIEC, SOPT and SOPE. In August 2012 the EC requested Romania to initiate the procedures for applying flat rate corrections of between 5% and 25% on the four OPs and the Romanian Government accepted the corrections<sup>26</sup>, with the amounts being deducted from the certified expenditures and the reimbursement claims to the EC. By the end of the year 2012 the interruptions had been removed for SOPE, but for the others they were converted into pre-suspensions and continued into 2013. The interruptions, the suspension of payments and the corrections had a strong negative effect on absorption of EU funds and on the project implementation. This has also resulted in the Romanian Government having to support payments to beneficiaries from the state budget in an effort to ensure the on-going progress of projects.

Despite the measures undertaken by the Romanian authorities (e.g. simplification of the procedures, strengthening the control system, ensuring adequate staffing) problems highlighted in the previous report (such as excessively bureaucratic and complicated procedures, delays and low predictability of the payments, limited capacity to ensure and effectively manage

<sup>25</sup> Estimates at 30<sup>th</sup> September 2013 (source: EIF, Holding Fund Manager JEREMIE Romania).

<sup>26</sup> Government Decisions 1157, 1160, 1200, 1287/2012)

human resources, limited capacity of key beneficiaries) continue to have a negative influence on OP implementation. A key problem is **the limited reliability of the management and control systems**. The irregularities identified in the management and control of public procurement, appear to be of a systemic nature across all OPs. Other irregularities were found in 2011 and 2012 in processes of project appraisal and selection, in implementation, such as fraud, suspicion of conflicts of interest and connivances.

The effects of the financial and economic crisis have engendered additional difficulties for beneficiaries: contraction of markets imposed cancellation or postponement of investments, cash-flow difficulties compounded difficulties in accessing finance from the banking system and all of this has been reflected in high rates of cancellation of contracts and extension of the contract durations.

The capacity of beneficiaries to ensure funding for implementation may be considered a factor beyond the control of the MAs, but it is a real problem nonetheless that frustrates attainment of policy targets. Moreover a more radical simplification of procedures is an essential condition for accelerating implementation and this is, indisputably, the responsibility of programme management. Attempts at simplification and avoidance of duplication of tasks and processes have not been sufficient to date and there is a need for a root and branch approach to ensure administrative simplification of all programmes. One area with a high potential to bring simplification is the use of ICT in the communication between the beneficiaries and authorities and among authorities.

The SI system is properly built on the public administration system, but as such inherits its typical weaknesses including the poor administrative capacity reflected in poor functioning of the systems and inter-institutional cooperation, instability of the structures and managers, limited effectiveness of the human resources and management function, etc. In the absence of a radical and continuous commitment to reduce bureaucratic inefficiency within the SI system, improve the human resources practices and management effectiveness, and in parallel to advance public administration reform, measures to accelerate SI implementation will be hampered and results consequently will be limited.

### **Achievements of the programmes so far**

Main points from the previous country report:

- Considering the current stage of implementation, the achievements of 2011 are modest. In the Policy Area Enterprise Environment, there were reported by the end of 2011 2,660 enterprises that have benefited from a form of financial assistance and 4,360 jobs have been created. The ICT projects implemented led to more than 400,000 users of e-governance, e-health, e-Learning applications. 138 Research and Development (R&D) laboratories were funded. Other outcomes look modest in absolute values; however the projects in implementation have the potential to produce significant achievements if the outcomes planned will be attained.
- Achievements in Transport, Energy and Environment are low, because of the reduced number of projects completed by the end of 2011.
- Territorial development stands better since it is funded through ROP, the most productive OP. The inventory of the outputs and results reveal that 38 education units

have been rehabilitated, with around 17,000 pupils benefiting from them; 22 social centres with 2,730 beneficiaries; 9 medical units rehabilitated with 260,000 beneficiaries and 40 emergency mobile units equipped.

- A number of targets seem to be unrealistic, because not enough information and data were available at the programme preparation time and the negative effects of the economic crisis had a negative effect on the social and economic environment.

### Developments since the 2012 report

**Achievements in 2012** are still modest relative to the stage of implementation of the OPs. There are considerable differences among policy areas. In “Enterprise environment” and “Territorial development” a large number of projects was carried out which reported more significant outputs and results than in “Transport” and “Environment” in which projects are larger. In the policy areas where the investments are mainly based on large infrastructure projects only a small number of projects have been completed and the achievements are very low. Overall, the Cohesion Policy interventions have generated by the end of 2012 **8,151 new jobs**, the largest part, 7,260 in Enterprise Environment. More detailed analysis on each policy area is presented below.

### Enterprise Environment

The Enterprise Environment policy area is implemented through interventions under three OPs: SOPIEC, ROP and CBC Romania-Bulgaria, the programs with the highest implementation rates. CBC counts very little in the total ERDF funding (1.5%) and the outcomes are also marginal.

The Enterprise environment policy aimed at “consolidation and development of the productive sector according to environment requirements”, “creation of a more favourable environment for sustainable development of the enterprises”<sup>27</sup> and “improved competitiveness of the regions as business location”.<sup>28</sup>

The achievements reported by 31<sup>st</sup> December 2012 almost doubled for many of the indicators against 2011 and indicate that **4,205 enterprises have benefitted from a form of direct financial assistance** <sup>29</sup> and **7,260 jobs have been created**.

**865 microenterprises** had been financially assisted **creating 3,855 jobs** in the regions by the end of 2012. Despite low levels of achievements on business infrastructure interventions (workspace centres, incubators, and business parks) the estimates based on the contracts already signed will contribute in the area of enterprise environment to the creation of **more than 15,000 jobs**<sup>30</sup> by the end of 2015.

Jobs created in SMEs reached only 14% of target, which is explained by the very low level of implementation of SOPIEC. By the end of 2012, the competitiveness support interventions had

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<sup>27</sup> SOPIEC specific objectives.

<sup>28</sup> ROP specific objective.

<sup>29</sup> Direct investments, guarantee funds, RDI support, assistance for standardisation, internationalisation of operations, etc.

<sup>30</sup> AIR 2012.

generated **3,323 jobs** against a target of 23,000. While 41% of the indicators of PA1 “An innovative and eco-efficient productive system”, are below 10% achievement, the indicator “jobs created” has greater chances of reaching a higher level because it is generated by smaller projects in SMEs for which the process of implementation has been improved with the designation of new IBs.

Interventions in Research Development and Innovation (RDI) were intended to increase the R&D capacity, to stimulate the cooperation of RDI actors and to facilitate the access of enterprises to RDI, while the interventions in the area of ICT aimed to improve ICT infrastructure, electronic public services development, e-business environment and the ICT market.

In RDI, progress in 2012 was not spectacular. The R&D projects funded increased from 338 to 370 contributing to public spending and mobilisation of private funding in this sector. The number of spin-offs (21) and start-ups supported (60) remain low and insignificant for the size of the country, even though they are ahead of target. Difficulties were experienced both in generating projects and finalising them. A similar situation is found with the 184 SMEs supported in R&D. Difficulties in funding the RDI interventions led to the reallocation of funds to the large ELI project<sup>31</sup>, which will produce results in the longer term. A notable achievement is the number of laboratories modernised or newly built, increasing from 138 in 2011 to 253 in 2012, and the R&D centres funded to improve the public and private research and development infrastructure. The contribution is relevant to needs considering that in Romania the public research infrastructure comprises 130 research and development institutes and centres with a high concentration in Bucharest and the investments in the private sector in research and development are a key weakness.

In the ICT area, outcomes are modest and have made limited contribution to objectives. The contribution to a dynamic ICT market, e-commerce and e-business environment with 14 SMEs using e-commerce and 66 SMEs using integrated management information systems is insignificant. More significant is the number of connected users of e-health, e-governance and e-learning applications, increasing from 412,256, to 568,327 which is above 50% of the target (1 million users). The indicator “connected users” consists of registered users with individual access rights in the systems and includes: registered learners in the case of e-learning systems, citizens using e-governance applications, e.g. taxpayers, or applicants for works permits, etc.

In conclusion, a large part of the outcomes have a low significance relative to the scale of the needs and problems. Achievements progress at the same pace as implementation. In a difficult economic environment where the SMEs hit by the crisis in 2009 have not yet fully recovered, the new jobs created and the number of SMEs assisted are a positive achievement but still too modest in relation to the context.

## Human resources

ERDF resources allocated to this policy area are small and the expected achievements are modest. ROP and CBC RO-BG are the two OPs contributing to the Human Resources policy area.

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<sup>31</sup> ELI a major project in Research and Development approved in 2011 and funded through reallocations from a number of SOPIEC interventions.

ROP continues to have no contracts in this area, (on code 65 Modernisation and strengthening labour market institutions) despite its continuation as a priority into the next programming period. The outcomes from CBC RO-BG increased due to a higher rate of project completion in 2012: 36 partnerships created between education and training centres (above the target: 30), 54 cross border projects developing linkages and exchanges between education/training centres (much above the target: 15), 5 project developing cross border training services for employment (target: 17). In the case of the indicator, the number of people informed about the employment opportunities reached 800. The discrepancy against the target of 360,000 indicates that the target was not realistic. More significant are the 19 partnerships set up between universities, research institutions and businesses in the context of CBC, 24 partnership projects between education and training centres.

Due to the fact that the contributions to the policy area are ensured by CBC the significance of the achievements have to be judged in the context of European Territorial Cooperation. In this sense the achievements are significant to respond to the real needs on the two sides of the Romanian-Bulgarian border.

## Transport

The ERDF and Cohesion Fund contribute to the Transport policy area through the SOPT interventions (with a focus on national level), PA2 of ROP (with a focus on regional and urban infrastructure) and PA1 of CBC RO-BG (with the specific cross border feature). Transport is one of the key target areas of the two funds due to the huge development needs of the transport infrastructure.

There is considerable progress in transport both at regional level – through ROP and at national level through SOPT. 1,048 km of roads/streets, both new and rehabilitated are the main outcomes by the end of 2012. The largest contribution has been made by regional roads (753 km), and motorways (124 km). According to the data provided by Ministry of Transport, in 2012 the length of the road network was 84,185 km, out of which 16,887 km represent national roads and 34,400 km of county road. TEN-T network has 5,091 km, out of which 2,518 km are on TEN-T core network. The investments since 2007 including the SI interventions have contributed to the increase of the asphalt medium and heavy type roads by 50%, from 5,100 km to 7,640 km.<sup>32</sup>

The 124 km of motorway built continue to be disappointing relative to the needs of a large country where the total length of motorways hardly reached 550 km, despite the high priority for motorways development showed by the authorities.<sup>33</sup>

Since 2011 first outcomes have been reported for rail, naval, intermodal and other interventions related to safety needs e.g. 18 railways stations, 98 bridges and tunnels for railway, one port rehabilitated and one intermodal terminal. The investments needs are huge and urgent in rail transport. In 2012, the national railway network had a length of 15,871 km interoperable and 4,206 km non-interoperable lines. Some 23.6% of the total railways length is on core TEN-T

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<sup>32</sup> Source: Partnership Agreement 2014 -2020 first draft.

<sup>33</sup>As detailed in section 2 significant reallocation of funds from various interventions with risk of non-achievements have been made to motorways .

network and 44.1% is on the comprehensive TEN-T network. Some 5,919 km of the current railway network is assessed as obsolete. Traffic speed is approx. 59 km/h for passengers' trains and approx. 39 km/h for freight trains. The new targets set for the SOPT establish rails 209.19 km of rehabilitated /modernised TEN-T rail which has a low relevance against the sizes of the needs.

Still no outcome is reported on airports while the target is 2 airports rehabilitated and modernised. Also, no outcome has been reported on CBC RO-BG transport intervention by 31st December 2012.

### Environment and Energy Policy Area

The ERDF and the Cohesion Fund interventions report very modest outcomes on Energy and Environment. The contributions to these policy areas are generated by SOPE, ROP<sup>34</sup>, and CBC RO-BG and by SOPIEC for Energy. This is a policy area with a very low rate of implementation, but a high allocation of funds. SOPE achievements are limited to water and waste water outcomes as follows:

- 15 new/rehabilitated waste water treatment plants representing 22.5% of the target (170)
- 55 localities benefiting from regional water systems, representing 23% of the target 240 additional localities

All the other KAI are seriously delayed and achievement of the targets by 2015 is a challenge. Higher chances to speed up completion depend largely on implementation of the environment protection management systems (PA4) comprising projects of a smaller size.

No progress has been achieved on solid waste management investments (PA2), reduction of pollution and mitigation of the climate change effects (PA3) and infrastructure for natural risks prevention (PA5). The expected results could ensure the extension of the Black Sea beach with 30%, protection of 10 km of coast, 8 localities with improved quality of the air, and 8 million inhabitants benefitting from improved waste management.

As regards waste management, apart from the landfill closures in rural areas which are no longer relevant due to the national funding allocated, no other achievements have been reported to date. A similar situation is found in the area of floods risk prevention and soil erosion with only two projects in implementation and no achievement to date. No outcomes have been achieved in rehabilitation of polluted industrial sites and heating systems rehabilitation.

#### *Energy sub-policy area*

In the area of energy the aim of the interventions was to contribute to the increase of the share of renewable energy in the consumption to 33% with a contribution from SOPIEC of 200 MW installed by 2015. In 2011 the share of the renewable energy already reached 31.7%.<sup>35</sup>

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<sup>34</sup> KAI 4.2 "Rehabilitation of unused polluted industrial sites and preparation for new activities".

<sup>35</sup> Deloitte Consultanta Romania; Evaluation of the Priority Axes SOPIEC, August 2013.

SOP IEC indicator “installed capacity for green energy production” has exceeded the target, 200 MW for 2015. The evolution of investments in renewable energy renders the target irrelevant, being very low compared with the capacity installed from other funding sources. According to National Agency for Energy Regulation (NAER) in 2012 total installed power capacity at the end of 2012 E-RES accredited production units was 2,327.76 MW (2,028.75 MW of electricity generation license and permit establishment 299.01 MW), with the following structure: 78.22 % wind 18.34% hydro, biomass 1.24%, 2.20% solar. In the year 2012 there is a high share of electricity from wind power, whose installed capacity has increased continuously in recent years.

In the Report Country Attractiveness Indices, Romania is in 14<sup>th</sup> place among the most attractive countries for investments in renewable energy and in 10<sup>th</sup> place for investments in wind energy. The attractiveness is proved by important investments carried on from private funds. CEZ Group, one of the main producers, providers and distributors of energy, invested in South East Romania, in the largest wind farm in Europe, ensuring a capacity of 600 MW.

SOPIEC funded 33 projects in renewable energy with an installed capacity of the projects finalised of 275 MW already exceeding the target of 200 MW. 55% of the projects funded are wind and hydro energy areas where private investors are investing anyway. Public investment is extremely small relative to private (market) investment and can be considered for the most part to constitute deadweight (in other words, the same effects (and more) would (and indeed did) occur irrespective of the public investment.

### Territorial development

In the Territorial Development policy area, ROP could be seen as the “most productive” in terms of physical results and a significant progress has occurred since 2011. Although only 141 projects have been completed by the end of 2012 out of the 941 contracts signed some of the achievements exceed the targets and prove the benefits that a large number of population enjoys. Overall the projects finalised address the needs of more than 1 million people in terms of social education and health services, urban infrastructure, cultural heritage and tourism development. 714,332 inhabitants benefit from urban modern infrastructure and 313,758 will be able to use health services in 16 rehabilitated medical units. 53 education units have been rehabilitated and a further 161 contracts are under implementation. There are already 21,402 students learning in the new rehabilitated schools and it is expected the number of students beneficiaries will reach almost 100,000 by 2015. The investments in emergency mobile units aimed at improving the capacity of response in emergency situations are expected to reduce the reaction time to 12 minutes in rural areas and 8 minutes in urban areas. Only 17% of the emergency mobile units had been equipped by the end of 2012 and the response time is 23 minutes in the rural areas and 12 minutes in urban areas.

Territorial development interventions funded also 10 cultural heritage projects and 28 tourism infrastructure projects creating 568 new jobs. A further 143 contracts are ongoing and these are expected to create more than 2,600 jobs by the end of the OP implementation.

**Table 1 - Achievements of the Cohesion Policy by 31st December 2012**

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved)
Enterprise support and RTDI including ICT	Microenterprises financially assisted (no.)	865 microenterprises financially assisted representing 58% of the target. The contracts signed and the implementation speed indicate an achievement of 1,674 microenterprises assisted representing 129% of the target
	Jobs created (no.)	7,260 jobs created in enterprise environment policy area including jobs created in microenterprises assisted, in SMEs and large enterprises assisted for increased competitiveness and job generated by RDI projects.
	SMEs assisted with financial engineering instruments (no.)	<b>1,246</b> SMEs (employing around 30,000 people) benefitted of 1479 loan guarantees through FLPG instrument. It is expected that the entire allocation for FLPG instrument will reach SMEs beneficiaries by the end of 2015.
	Research laboratories new or modernised (no.)	<b>253 laboratories</b> representing 126.5% of the target; the achievement is significant compared to the total number of research public institutes in Romania, 130. Moreover the spread of the projects across the regions contributes to the mitigation of the disparities of the regional infrastructure.
	Users connected to e-health, e-governance, e-learning systems (no.)	<b>568,327 users</b> connected by the end of 2012 represent an increase of 37% against the previous year and 57% of the target.
Human Resources (ERDF only) Youth unemployment (ERDF only)	Continuous vocational training (CVT) centres rehabilitated, modernized, new, equipped (no.)	The Human Resources policy area is mainly covered by measures co-financed by ESF; the single type of interventions co-financed from ERDF is CVT infrastructure included in ROP. No project in this area has been proposed by potential beneficiaries for this type of operation.
	Partnerships created between education and training centres (no) (ETC objective)	36 exceeding the target of 30 partnerships
	Partnerships set up between universities, research institutions and businesses (no) (ETC objective)	19 exceeding the target of 15 partnerships
Transport	County roads rehabilitated (km)	753 km completed representing 86% of the target. Based on the contracts signed and in progress 2,288 km are expected to be finalised by the end of 2015, representing an estimated 260% of target
	New/modernised TEN-T motorways and national roads (km)	236 km out of 582 km target representing almost 10% of the total TEN-T core network which has a length of 2,518 km
	New built roads, - motorways (km)	124 km representing 32% of the targets and 22.5% of the total motorways network in Romania. 387 km are planned by 2015 to be completed and followed by further motorway networks funded from ESIF 2014-2020
	No. of railway stations rehabilitated	18 representing 100% of the target and 22% of the total number of stations operating for passengers transport <sup>36</sup>
Environment and energy	Energy infrastructure: Renewable energy: Additional capacity of renewable energy production	275 MW additional capacity of renewable energy exceeding the target 200 MW
	Environment: New/rehabilitated waste water treatment plants (no.)	15, representing 22.5% of the target (170 additional treatment plants new or rehabilitated are planned to be achieved by the completion of projects in implementation)

<sup>36</sup> Source [www.cfrcalatori.ro](http://www.cfrcalatori.ro) accessed at 10.09.2013.

Policy area	Main indicators	Outcomes and results (physical outcomes plus brief note on what has been achieved)
	Localities connected to regional water systems (no.)	55 representing 23% of the target of 240 additional localities Despite an implementation rate of only 12.8% for the PA funding the water supply and waste water infrastructure projects, it is still feasible to reach the targets if implementation can be speeded up.
Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development)	<p>Persons benefiting from territorial development projects implemented</p> <ul style="list-style-type: none"> <li>• Inhabitants benefiting from urban development projects implementation</li> <li>• Persons beneficiaries of health infrastructure rehabilitated</li> <li>• Students benefiting of education infrastructure rehabilitation</li> </ul> <p>Response time in emergency situation for provision of competent aid</p> <p>Jobs created (no.)</p>	<p>1,055,000<sup>37</sup> persons benefit from territorial development projects implemented representing only 7% of the estimated number of beneficiaries based on contracts signed. The beneficiaries include: more than 714,000 inhabitants enjoying the benefits of urban infrastructure developed, more than 313,000 persons using health services in rehabilitated medical units, 5,700 persons beneficiaries of social services and more than 21,400 students in rehabilitated education units.</p> <p>23 minutes in rural areas, expected to decrease to 12 minutes and 12 minutes in urban areas expected to decrease to 8 minutes by the end of the programme.</p> <p>568 jobs created in cultural heritage, tourism and social infrastructure representing 57% of the target. The estimates based on contracts signed indicate around 2,600 jobs will be created by the end of the programme implementation representing 260% of target</p>

### 3. Effects of intervention

Main points from the previous country report:

- Since the ERDF and the Cohesion Fund OPs are in the early stages of implementation, it is unlikely that significant wider effects can be produced and measured at this stage or in near future.
- Evaluations carried out until 2011 focused on operations, and not on achievements and effects. No evidence is provided by evaluations regarding wider effects produced/expected by the interventions.
- Implementation of the large infrastructure projects have positive effects in the economy generating jobs, business opportunities and stimulate consumption.

#### Developments since the 2012 report

By the end of 2012, only around 20% of allocated financial resources had actually been spent. The implication of this is that intended outcomes are at this stage significantly under evidenced. There is only one evaluation including impacts and potential impacts and it is limited to SOPIEC PAs. Our desk research and interviews revealed positive current and potential wider effects of the ERDF and Cohesion Fund.

The wider effects are hindered by two key weaknesses of the National Strategic Reference Framework (NSRF) 2007-2013: lack of concentration of funding in 2007-2013 and the poor integration of the OPs interventions with national policies and strategies.

<sup>37</sup> Aggregated from figures of the beneficiaries of health, education, social and urban infrastructure.

The programming documents for 2007-2013 reveal a poor integration with national policies and strategies. In some cases (i.e. Competitiveness) there was no pre-existing strategy, providing rationale to justify concentration of funds and prioritisation of interventions. In regional development neither the OPs nor the implementation mechanisms addressed inter and intra-regional disparities. Interviews confirmed the fact that programming did not have an approach to reduce interregional disparities in the country, but to raise the general level of development of all regions. In such conditions it is obvious that in many cases the most developed regions or specific areas within a region accessed and implemented projects more easily than those which were in greater need. As a consequence we cannot expect a significant contribution of ERDF or Cohesion Fund to diminish the regional disparities, a fact that is confirmed by statistical evidence.

The Evaluation of the PAs of SOPIEC completed in 2013 reveals that even though some impact indicators recorded a positive evolution, the low rate of implementation of SOPIEC (e.g. payments to beneficiaries equivalent to 19% of the total allocation) is likely to depend from exogenous economic dynamics. Labour productivity had a positive evolution and the indicator “contribution of SMEs to GDP”, already achieved the target (increase with 10% by 2015), but we believe the contribution of the 1,253 competitiveness projects completed by 2012 had only a limited contribution. The indicator “Research and development (R&D) expenditure” is stagnating around 0.47% and is still far from the target of 2%, which will remain a challenge for the 2014 -2020 programming period.

Wider social and economic effects of the interventions may be visible in the best performing PAs or KAIs, having higher chances to complete all contracts. The performance of the ROP has been impressive and this programme is broadly on target to meet its implementation and outcome targets. Even though statistics do not allow us to conclude to diminished disparities between the less and more developed regions, some wider positive effects are nevertheless visible. In the territorial development policy area effects are most spectacular because they provide access for large populations to modernised infrastructure as a foundation for better services. Around 14 million people are expected to benefit from new or improved infrastructure in urban areas, health, education, social services and tourism.

**A good example of wider effects of the territorial development interventions is the case of investments for Alba Iulia tourism development.**

Based on a strategic vision of development around a cultural heritage asset little known until recently, that is the Citadel Alba Iulia and its unique Vauban fortifications, the Local Council initiated a first small project in the pre-accession period and created a strong unit for project development and implementation. Five projects with around EUR 18 million ERDF funding were designed and started implementation in 2009; two have been completed in 2011 and 2012 and three are in final stages of implementation and will be completed in 2013 and 2014. The projects ensured the rehabilitation of the fortification, access for tourists, modern urban endowment, lighting, urban art works, and promotion of the citadel including online marketing, branding, promotional fares and exhibitions. As well as focusing on the citadel itself, another project involved the modernisation of a large leisure area including the 0.6 hectares of Dendrology Park, 5.4 km of biking paths and other leisure facilities. An adequate mix of funding was ensured from several ROP interventions: cultural heritage, urban development, tourism

infrastructure and promotion of tourism. Alba Iulia has become in recent years one of the most attractive touristic centres in Transylvania. The museum of the citadel recorded a spectacular increase in tourists after the first project was completed, from 21,900 tourists in 2010 to more than 55,000 tourists estimated for 2013, already 45,000 recorded in the first 9 months. The projects are expected to create also 454 temporary jobs during implementation and 97 permanent jobs. 24 cultural events were hosted in 2013, most of them annually, ensuring a continuous development of the cultural life of the city and the region and stimulating interest of the tourists.

The most disappointing effects to date are perhaps those expected from the major infrastructure in transport and environment. In these cases there was a strong need but implementation is lagging behind. In any case, SOPT will contribute to a large extent to filling the gap in transport infrastructure. All efforts appear to be concentrated on the motorways construction, more exactly the motorways A1 and A2<sup>38</sup>, crossing the whole country from West to East, connecting the border with Hungary and Constanta on the Black Sea Coast. The Cohesion Fund 2007-2013 will contribute to build 50% of the total length and the remaining parts will be included in the 2014-2020 investments priorities.

Large infrastructure works have an important contribution in the economy generating temporary jobs and consumption essential factors for growth and employment, deeply affected by the economic crisis.

### **Final conclusions**

In the absence of an adequate assessment of impacts, a preliminary, cautious judgement on wider effects remains possible. Evidence available at 31.12.2012 and the implementation processes themselves currently point towards significant achievements in all OPs with substantial unevenness across the priority axes. The most significant effects are to be expected in territorial development where not only implementation is most advanced but also achievements appear most pronounced. In the environment policy area, water and waste water infrastructural investment is likely to be the most successful, while difficulties are expected in meeting the financial and result targets in solid waste, reduction of pollution and climate change and with regard to infrastructure for natural risks prevention. In energy and with regard to the highly successful investments in renewable energy the substantial positive developments in the sector cannot all be attributed to successful Structural Fund interventions. In this area the evolutions of the markets has reduced the need for public investments in the most popular types of renewables, namely wind and hydro. In transport all efforts redirected to the motorways investments are expected to lead to the planned effects according to the new targets that have been set, however considerable effort to the speed up implementation is required. SOPIEC is confronted with the greatest problems in implementation but can still obtain good results from the measures addressing SMEs and it may be able to catch up on delays. The RDI Priority Axis has performed well and has a relatively good chance of meeting expected results and even exceeding some of its targets.

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<sup>38</sup> The motorway A1 Bucharest Nadlac 576 km and the motorway A2 Constanta Bucuresti 203 km.

The CBC Romania – Bulgaria OP is expected to produce almost all planned results. By the end of 2012, the achievements have already exceeded a number of targets but risks of non-achievement can be seen from the current level of contracting on the measures for joint protection and management of the environment, for improved access to transport and for ICT networks.

### **Quality of the AIRs**

The quality of the AIRs improved in 2012 compared to 2011 in terms of better structure and accuracy of the information. Nevertheless there is room for improvement considering that the EC recommendations and the Ministry of European Funds (MEF) guidance have not been fully followed by all MAs. Thus, additional information regarding monitoring of SEA indicators should be provided in all OPs and a concise executive summary presenting the OP and stage of implementation would be useful. In many of the AIRs information is largely descriptive without adequate analysis or conclusions. The qualitative analysis, section 2.16, is in many cases incomplete and unclear, while the conclusions regarding achievements, perspectives and contributions to programme objectives are missing. More clarity would be needed in presenting the measures undertaken with a clear link to the specific OP problems and the estimated effects.

## **4. Evaluations and good practice in evaluation**

Main points from the previous country report:

- The previous report covered 11 evaluations completed by the end of 2012.
- Evaluations of the interventions co-financed by support from SI are set out in Multiannual Evaluation Plans at the level of each MA and at the level of the Ministry European Funds, The Central Evaluation Unit (CEU), at present part of the MEF<sup>39</sup>, has the responsibility for evaluations at the NSRF level and the OPTA, as well as the coordination of the SIs' evaluations and provision of support for the evaluation capacity development.
- The evaluation strategy structured activities on two main areas: (i) conducting evaluations according to requirements of the regulations and providing decision-making relevant information and understanding, and (ii) developing evaluation capacity in Romania.
- The evaluations carried out until 2011 covered the following policy areas, RTDI (1), Enterprise support (3), ICT (1) Transport and Environment (1). Energy (1), Territorial Development (3); seven evaluations "multi-area" all evaluations were focused on the arrangements and procedures for managing and administering programmes and support for monitoring and progress made in implementation; no evaluation completed by the end of 2011 used quantitative, cost benefit analysis or counterfactual methods.

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<sup>39</sup> The CEU was part of the Authority for Coordination of the Structural Instruments (ACIS) which has been moved during the last two years from the Ministry of Finance to the General Secretariat of the Government and Ministry of European Affairs. Since January 2013, CEU is part of the Unit for Analysis Programming and Evaluation (UAPE), within the MEF, successor of the Ministry of European Affairs.

- There is limited experience in evaluation in Romania, especially with regard to evaluation of the interventions' effects and impacts. The 2007-2013 programming cycle is the first experience of implementation of Structural and Cohesion Fund (SCF).

### **Developments since the 2012 report**

#### **Evaluations carried out since the 2012 report**

Two evaluations were completed in 2012 and other two by 1st September 2013 (See Table 6):

- Prognosis of the absorption and evaluation of the reallocation options of the funds for NSRF 2007-2103, completed in June 2012
- Evaluation of the absorption capacity of the OPTA, completed in June 2012
- Evaluation of the manner in which provisions regarding equal opportunities have been mainstreamed in the Romanian Framework of SI, completed in March 2013
- Evaluation of the PAs of SOPIEC, on-going evaluation completed in August 2013.

Two projects concerning evaluation capacity development are in progress over a longer period (i.e. 18 months) and have already delivered reports, even if they cannot yet be considered completed.<sup>40</sup>

The implementation of evaluations included in the multi-annual evaluation plans is behind schedule. This is confirmed by the limited number of evaluations originally planned by the CEU that have been finalised by the reporting date. It is clear the plan, which appeared ambitious from the start, has been extremely challenging. The second evaluation report within this Project "Examination of the evaluation culture in the context of EU Cohesion Policy in Romania" revealed difficulties within the evaluation units in the implementation of the multiannual evaluation plans: these were not regularly updated; the degree of accomplishment was not always satisfactory and the average delay between the planned date and the completion date was 6 months.

#### **Main features of the evaluations**

As shown in Table 2 below, evaluations have covered all policy areas under OPs but were generally of an "interim" nature focusing on progress to date. Only a few sector-specific evaluations were undertaken (i.e. Enterprise environment interventions funded from ROP, Environment and Transport, Capacity and institution building).

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<sup>40</sup> "Examination of the evaluation culture in the context of EU Cohesion Policy in Romania" and "Improving the use of evaluation in the process of formulation and decision making of the policies related to the Structural Instruments in Romania." See Table 4.

**Table 2 - Evaluations by policy area**

Policy areas	No. of evaluations covering the respective policy area			
	2011 <sup>41</sup>	2012	2013 <sup>42</sup>	In progress
General, multi - policy area	7	8	9	2
RTDI	1	1	2	
Enterprise support	3	3	2	
ICT	1	1	2	
Human resources (ERDF)	0	0	0	0
Transport	1	1	1	1
Environment	1	1	1	1
Energy	1	1	2	
Territorial development	3	3	3	1
Capacity and institution building	5	6	6	
Ex-ante evaluations for 2014 -2020				1
Other <sup>43</sup>	1		3	

*Note: a number of evaluations covered more than one policy area, for this reason the totals on columns may exceed the number of evaluations reported.*

All the evaluations reported previously (2012 report) used traditional methods: documentary analysis, interviews, and focus groups, analysis of indicators, surveys and case studies. Evaluations completed since the last report bring new features in terms of methods and objectives. The terms of reference show more concern for use of innovative methods and tools and leave room to tenderers to propose the most adequate tools and methods.

Two evaluations<sup>44</sup> include new quantitative methods, i.e., economic models for forecasting the absorption, a mix of participatory and documentary methods, experts' panels, benchmarking against other MSs. Dissemination of information and transfer of knowledge are frequent requirements in terms of reference. A virtual evaluation library has been created under one of the evaluation capacity projects whereby most of the Evaluation Reports are publicly available with search facilities ([www.evaluate-structurale.ro](http://www.evaluate-structurale.ro)). Public debates have been organized in order to present and discuss evaluation findings.

The evaluation of the PAs of SOPIEC widens the evaluation experience in Romania with the first assessment of the outcomes or effects of SOPIEC in terms of results achieved and contribution to attaining socio-economic policy objectives. Under the limited assumption claimed by evaluators, there are limited and sometimes vague opinions regarding the link between the evolution of the OP impacts and the contributions of the interventions.

<sup>41</sup> For 2011, 2012 cumulated figures since 2007.

<sup>42</sup> 1st September 2013.

<sup>43</sup> Evaluation capacity projects.

<sup>44</sup> Evaluation of the absorption capacity of the OP Technical Assistance and Prognosis of the absorption and evaluation of the reallocation options of the funds of NSRF 2007-2103, June 2012.

### **What has been learnt**

The main findings and conclusions of the evaluations completed until now refer to programme management and implementation issues, the level of absorption and administrative capacity of the authorities and beneficiaries.

Absorption of funds was hampered by poor administrative capacity of the authorities; weaknesses among the beneficiaries and difficulties of both parties to ensure the funding for implementation.

Limited effectiveness of the implementation mechanisms in the regions, poor integration with the national and regional policies and limited capacity of the regions to pursue regional development interventions were all highlighted. The indicators system required early improvements regarding clarity of definitions, consistent measurement and reporting and availability of statistical data. The relevance of some indicators to the expected change generated by the intervention remains an issue that will be evident in the impact evaluations (e.g. jobs created is not an adequate outcome indicator when employment is not the intended effect as we find in ROP, in cultural heritage interventions or Energy infrastructure on SOPIEC).

The achievements reported to date suggest that the targets set for some indicators seem far from reality. For example in the case of ROP, there are a large number of indicators for which the targets have already been met, and implementation of all signed contracts signed could lead to exceeding the targets by a factor of 2 or 3 times. Lack of adequate information, limited availability of data and studies made the setting of targets a difficult exercise without appropriate tools.

The negative influence of the economic crisis on implementation increased over time and in tandem with the application of fiscal consolidation measures. Evaluations highlight the fact that the crisis is an important external factor whose influence could be established by the impact evaluations. Significant effort is considered necessary to assess the net impacts of interventions; otherwise the conclusions could have limited meaning.

There is a large amount of knowledge triggering impact and thematic evaluations. Interviews confirmed the programming process would have required information on the impact of specific interventions which was not available in the evaluations performed. The most recent evaluations launched in order to inform the new programming process refer to identification of unit costs and the administrative burden measurement.

### **The use of the results**

Measurement of the evaluation culture includes assessment of the use of the evaluation results. This criterion is being well met - in fact above average. Procedures are in place for the implementation of evaluation results, but there is still room for improvement regarding the implementation of the action plan, especially at NSRF level. Responsibilities are being assigned to a decision making body (Monitoring Committee / MA) and a follow-up mechanism, based on an Action Plan drafted upon approval of the Evaluation Report, is foreseen in the evaluation procedures for all Programmes. The assessment concluded that the degree of implementation of evaluation recommendations is higher at OP level than at NSRF level (e.g.: for ROP, both

recommendations related to the reallocation of funds, produced under the Interim Report, were implemented)<sup>45</sup>.

### **Evaluations undergoing and plans for the future**

The programming process for 2014-2020 established ex-ante evaluations and other evaluations that could inform programmers and decision makers as top priorities.

- Romania decided to undertake an ex-ante evaluation of the Partnership Agreement to assist the entire process even though this was not compulsory. The Ex-ante Evaluation of the PA started implementation in March 2013, and the report on the first draft of the PA is currently being submitted to the EC. To date, assessments of the administrative capacity, of the Electronic Systems, and internal and external coherence of the consultative version of the PA released in May 2013 have all been completed. Ex-ante evaluations of OPs have been tendered and are all being in phase of contracting with an expected start in November 2013.
- As detailed in Table 4, a number of evaluations are in progress including thematic evaluations at the NSRF level and three on-going evaluations at the level of OPs. ROP has launched the tendering procedure for an Evaluation Framework which will include counterfactual impact evaluations, covering all KAIs and capacity building in performing counterfactual evaluations. It is expected that these evaluations will provide valuable information to be applied in the next programming period. The tender is not completed yet and for this reason we believe the first results of the counterfactual evaluations could not be available before the third quarter of 2014.
- Other policy areas remain weak in learning about contributions of the interventions to policy objectives - mainly in RDI, competitiveness and employment, all of which are major funding priorities for the 2014 – 2020 programming period.

### **Final conclusions regarding the evaluation activity**

The evaluation activity is still under development and is part of a process which started in 2007 with the first cycle of the Structural Instruments.

Although there has been progress regarding the quality of terms of reference, evaluation reports, evaluation processes, and the introduction of new methodological solutions, there are still areas where significant improvements are needed.

The number of evaluations in the country is still low and evaluation conclusions and recommendations are too general due primarily to the general nature of the evaluation questions, the limited experience of the evaluators, and the limited availability or inconsistencies of data, mainly regarding the measurement of the results and impacts.

More flexible evaluation contracts that are based on global price instead of fee-based, better planning that is coherent with the implementation processes, and avoidance of lowest price award criteria will all attract higher quality expertise (including from outside Romania where necessary) and promote the use of more sophisticated methods for analysis.

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<sup>45</sup> Source: Measurement Report of the Evaluation Culture- Second Measurement – October 2013.

In order to improve the evaluation activity the Romanian authorities should consider the following main actions:

- Increase the visibility and significance of the evaluation function by developing dedicated evaluation units within organisational structures and increase the recognition and usefulness of their contributions to the decisions made in programming and programme implementation.
- Strengthen the capacity of the evaluation units – the central unit and the MAs' evaluation units - with adequate staffing in terms of quantity and competences, and more effective networking with MA units through stronger coordination from the central level. A taskforce for the indicators system should be created and coordinated at the central level and proper resources allocated at the central level, and in MAs and IBs.

**Table 3 – Evaluations carried out by end 2012 and during 2013**

Title and date of completion	Policy area and scope (*)	Main objectives and focus (*)	Main findings	Method used (*)	Full reference or link to publication
Evaluation of the way in which provisions regarding equal opportunities have been mainstreamed in the Romanian Framework of Structural Instruments March 2013	10 Transversal aspects, gender and equal opportunities	1 To analyse the way in which the principle of equal opportunities has been transposed / mainstreamed in all phases of Cohesion Policy Programmes in Romania under the European Social Fund, European Regional Development Fund and Cohesion Fund	The implementation of the equal opportunities principle is strong under ESF-financed programmes less strong under ERDF programmes and weak under (predominantly) CF-funded programmes, in line with the characteristics of the funds Partnership during the programme implementation is reduced in most cases to the membership of Monitoring Committee; Specific expertise is not involved, and this surely represents a bottleneck and explains the state of affairs except the positive exception in ROP. It is needed to make a better use of evaluations, to ensure competent human resources in programme management, develop effective networks, ensure better representation in the Monitoring Committees, improve information and publicity regarding vulnerable groups needs and interventions	4 Desk research, Experts' panel, Focus groups, Interviews, survey, Benchmarking against other MSs practice	<a href="http://www.evaluare-structurale.ro/images/Y_upload_rapoarte/09_other_documents/EY_Equal_opportunities_EN/2_Evaluation_Report_EN_.pdf">http://www.evaluare-structurale.ro/images/Y_upload_rapoarte/09_other_documents/EY_Equal_opportunities_EN/2_Evaluation_Report_EN_.pdf</a>
Ongoing evaluation of the Sectoral OP Environment	5 Environment	1 The scope of the evaluation is to contribute to the successful implementation of the SOPE, to assess the progress and performance of the programme during 11 <sup>th</sup> July 2007- 10 April 2012	The programme contributes to the environment protection and the engagements assumed according to the Accession Treaty The programme had a late and slow start. The procurement process generates delays in implementation. The programme is efficient with 89% contracting rate. Physical progress is more significant on Priority Axis 1 which represents 61,5% of the total budget. The need to create a buffer fund to ensure the cash flows of the projects in case of interruptions / suspensions of EU reimbursements. Improvements regarding the procedures are needed e.g. the use of the "Diverse and unplanned expenditures" budget line. Improvements of the institutional architecture at the project level on PA2.	4 Qualitative methods including: data collection and documentary analysis, site visits in the eight regions, semi-structured interviews, focus groups with stakeholders	not available but a summary is included in the AIR 2012
SOP IEC ongoing evaluation Evaluation of the PAs August 2013	9 Multi-area mid-term evaluation	2 To analyse the effectiveness and efficiency of the implementation of	Programme implementation was evaluated as generally effective, contributing to achievement of the program indicators targets <sup>46</sup> . The most effective PAs are were identified as PA2 Research and Development, PA4 Energy The level of contracting is satisfactory, but payments to	4 Desk research, interviews, survey	Deliverables not published

<sup>46</sup> Cut-off date 31.12.2012

Title and date of completion	Policy area and scope (*)	Main objectives and focus (*)	Main findings	Method used (*)	Full reference or link to publication
		each PA of SOPIEC, considering the achievement of the physical and financial indicators	beneficiaries less so. A number of operations have large delays and one operation Large Burning Systems has been cancelled. Apart from the TA PA, Implementation was efficient The overall coordination was difficult due to the structure with several IBs located in other ministries than the MA. Significant administrative capacity weaknesses hampered proper functioning.		
Evaluation of the absorption capacity of the OP TA June 2012	8 Capacity and institution building	2 To providing a risk assessment of not fully drawing down the allocated funds of the OPTA, and proposing adequate options of reallocation of the possible unused funds within the programme or to other programmes.	De-commitment risk is significant for the OP starting with 2013 when N+2 commitments overlap N+3. The factors hindering absorption include time consuming procedures, limited capacity of the beneficiaries (PAs 2 and 3), complicated procurement procedures, immature consultancy market, economic crisis, unrealistic forecasting of staff, equipment needs and costs. There were formulated options for reallocation of funds between priorities and areas of interventions.	3&4 Desk research Interviews and focus group Workload and process reengineering analysis Creation of a monitoring and forecasting model "Lothar+" for absorption of the funds (provides information at the level of operations, combines comprehensive information on commitments, payments, contracting, verification, certification, and project appraisal; facilitates analysis of time series; enables forecasting with available projects; provides automatic charts.)	<a href="http://www.evaluare-structurale.ro/images/Y_upload_rapoarte/01_POAT/06_POAT_Eval_Interim_2/Raport_Integral/M01_R06_EN.pdf">http://www.evaluare-structurale.ro/images/Y_upload_rapoarte/01_POAT/06_POAT_Eval_Interim_2/Raport_Integral/M01_R06_EN.pdf</a>
Prognosis of the absorption and evaluation of the reallocation options of the funds of NSRF 2007-2103	9 Multi area evaluations of programmes	2 To provide the policy and decision makers and programme managers in Romania with reliable	The absorption forecasted was between 47 and 57% of the total ERDF, CF ESF funding (based on two methods of the model There have been forecasted the achievement of the NSRF indicators targets, varying for the six indicators between 14%	3&4 Desk research Interviews with Romanian and EC stakeholders, A thorough quality analysis of data sources,	Weblink to the report not available.

Title and date of completion	Policy area and scope (*)	Main objectives and focus (*)	Main findings	Method used (*)	Full reference or link to publication
June 2012		information and knowledge regarding the optimal financial course that Structural Instruments should have, in order to reach the best possible absorption rate by 2015, and to avoid or minimize the automatic de-commitment of funds. The operational objective was to develop a mathematic model to forecast absorption	and 156%. There have been recommendations of reallocation of towards 7 top performing KAIs and the rebalance of the financial plan There have been identified KAIs relevant for the EU 2020 thematic priorities: 9 KAIs for Inclusive Growth, 4 KAIs for Smart growth and 6 KAIs for Sustainable growth.	The construction of a mathematical model consolidating all data sources designed to forecast future absorption, Workshops to discuss the findings and relate them to the realities of implementation.	
“Evaluation of the administrative capacity of the regions in the field of regional development” December 2011	7 Capacity and institution building	1 To support the ROP MA and Authority for Coordination of Structural Instruments (ACIS) in building and formulating the strategy for approaching regional development programming for post 2013 programming period through the role of regions in this process.	Regional development activities outside the SI system will be limited as long as there is no dedicated funding, in addition to EU programme., Should be ensured adequate funding for the whole regional development The centralised approach to ROP has limitations that should be considered for 2014-2020. More clear and coherent mechanism for coordination of the regional plans implementation. Creation of a mechanism of monitoring and evaluation of the progress of the regional plans	4 The methodology used a mix of quantitative and qualitative techniques, analytical tools  The methods included: - Literature review; - Review of the organisational structures; - Stakeholders analysis; - Case studies and benchmarking against other MS.	<a href="http://www.inforegio.ro/evaluation-reports.html">http://www.inforegio.ro/evaluation-reports.html</a>
Analysis of the Current evaluation	8 NSRF	1 To support the	Good performance of Structural Instruments Evaluation System (SIES)	4 Review of the relevant	<a href="http://www.evalua-re-">http://www.evalua-re-</a>

Title and date of completion	Policy area and scope (*)	Main objectives and focus (*)	Main findings	Method used (*)	Full reference or link to publication
System report "Development of the capacity for the evaluation units Within the MAs and ACSI" 3rd. August 2011	Capacity and institution building	strengthening of the Evaluation Working Group. Assessment of SIES, the current performance and recommendations for improvement.	Awareness raising actions are necessary for better integration of evaluation in the decision making process. All evaluation reports should be published in full. A review should be carried out to analyse the data needs of evaluations and bottlenecks of the monitoring systems Strengthen the early warning of the monitoring systems in order to trigger evaluations. More flexible project implementation methods should be used. More significant role of evaluation having in view the planning of the 2014-2020.	documents, to arrive at a baseline analysis <sup>47</sup> of demand and supply, inputs and outputs of SI Evaluation System Data analysis <sup>48</sup> with the purpose to identify problems and possible reasons. Assessment of SIES efficiency and effectiveness, based on the findings of the information analysis; Collecting additional data in interviews Based on results of the desk research and interviews, formulating conclusions and recommendations	<a href="http://www.structurale.ro/images/stories/Documente/SIESAR/evaluare/evaluare_sistem_en.pdf">structurale.ro/images/stories/Documente/SIESAR/evaluare/evaluare_sistem_en.pdf</a>
Synthesis report of the interim evaluations carried out between 2009-2010, 2011	9 NSRF Multi-area evaluation	2 The objective of the synthesis <sup>49</sup> was to summarise the conclusions and recommendations of the interim evaluation carried out.	The economic crisis and changes in socio-economic factors did not have a significant impact on the current implementation of the program. The effects have been more visible on business interventions than other types Inadequate market and credit system conditions. Co-financing is difficult for private and public beneficiaries. The data availability for measuring results indicators remains unresolved.	4 Methodology of each interim evaluation included in the strategy.	<a href="http://www.evaluare-structurale.ro/images/stories/Documente/Exec_summaries/ei%20por.pdf">http://www.evaluare-structurale.ro/images/stories/Documente/Exec_summaries/ei%20por.pdf</a>

<sup>47</sup> Baseline analysis of the demand and the supply.

<sup>48</sup> Examples of data to be added.

<sup>49</sup> The objectives of the evaluations subject of the synthesis are presented for each evaluation described in this table.

Title and date of completion	Policy area and scope (*)	Main objectives and focus (*)	Main findings	Method used (*)	Full reference or link to publication
“Evaluation of the implementation of the priorities and projects within ROP 2007-2013, targeted at the business environment” 25 March 2011	1 Enterprise environment	2 The evaluation objective was: To analyse the effectiveness of the ROP priorities for regional business development in order to achieve specific goals; To accelerate the implementation To identify and promote successful projects	In the case of Growth Poles <sup>50</sup> , there is a low interest for business projects. There are difficulties in the appraisal and selection with mobilization of independent appraisers contracted at very low fees. SMEs have difficulties in accessing loans for project implementation The selection process allows selection of beneficiaries with low financial capacity; this fact leads to implementation difficulties. The cost benefit analyses are costly for beneficiaries and IBs and cannot provide reliable conclusions The demand for business infrastructures is lower than estimated The crisis has considerably affected the results of the projects.	4 The approach narrowed the area of evaluation – to the business environment – in order to provide an in-depth analysis at two levels: the beneficiaries and the implementation system. The evaluation approach was based on process analysis and case studies. The methods included: - Data collection - interviews - seven workshops - online questionnaire sent to over 2,000 applicants and beneficiaries	<a href="http://www.evaluare-structurale.ro/images/stories/Documente/Exec_summaries/business%20environment.pdf">http://www.evaluare-structurale.ro/images/stories/Documente/Exec_summaries/business%20environment.pdf</a>
“Interim Evaluation of the Romania-Bulgaria Cross-Border Cooperation Programme 2007-2013” 30 June 2011.	9 CBC On-going evaluation	2 To contribute to the successful implementation of the “Romania-Bulgaria Cross-Border Cooperation Programme 2007-2013”, To identify issues affecting performance and recommending solutions for improvement.	The Programme strategy is still consistent with the socio-economic environment: needs of the area and intervention logic remain valid. Balanced distribution of the projects in geographical terms, both at national and regional level. The horizontal issues of equal opportunities, sustainable development and climate change are taken into consideration, A high level of commitment of financial resources and a good level of awareness and knowledge regarding the Program among both general public and target audience in Romania and Bulgaria.	4 The methodological approach is based on an evaluation framework structured in the four evaluation themes and included: - documentary analysis, - field activities of data collection; analysis of a sample of 33 projects; - a counterfactual	<a href="http://cbcromania-bulgaria.eu/user/file/Interimevaluatioprobg.pdf">http://cbcromania-bulgaria.eu/user/file/Interimevaluatioprobg.pdf</a>

<sup>50</sup> Growth poles are KAIs designed for a selected number of municipalities selected as “growth poles”, urban locations, benefiting from agglomeration economies, that should interact with surrounding areas spreading prosperity from the core to the periphery; the interventions could include urban infrastructure investments including business support, in compliance with Integrated urban development plans of each municipality.

Title and date of completion	Policy area and scope (*)	Main objectives and focus (*)	Main findings	Method used (*)	Full reference or link to publication
				<p>analysis, based on the interview of five potential applicants has complemented the main methodological approach.</p> <p>Note: even though the authors claimed the evaluation included a counterfactual component, there is no evidence of a real counterfactual method.</p>	
<p>“Challenges in the Capacity of Public and Private Structural Instruments Beneficiaries” March 2011</p>	<p>8 NSRF Capacity and institution building</p>	<p>1 Identification of the main problems and the vectors that could contribute to increase the implementation capacity at each type of beneficiary level.</p>	<p>There is an intense and continuous learning-by-doing process for all stakeholders; Programming and framework implementation documents, procedures, norms and regulations are all in use or in place in Romania; The diversity and the complexity of SI projects, the high expectations are demanding for all stakeholders; Needs have been identified in terms of changes in leadership, shifts in priorities, resource commitments and management; A balanced short - long term approach of commitments is needed.</p>	<p>4 Exploratory approach:</p> <ul style="list-style-type: none"> <li>- documentary review of all OPs, framework implementation documents, implementation process documents, i.e., guides for applicants.</li> <li>- problems analysis at beneficiary level;</li> <li>- Analysis, setting the weight of each factor influencing the beneficiaries' capacity.</li> </ul> <p>Methods used:</p> <ul style="list-style-type: none"> <li>- Process analysis;</li> <li>- Case studies</li> </ul>	<p><a href="http://www.evaluare-structurale.ro/images/stories/Documente/Exec_summaries/exec_summaries_beneficiaries_en.pdf">http://www.evaluare-structurale.ro/images/stories/Documente/Exec_summaries/exec_summaries_beneficiaries_en.pdf</a></p>
<p>“Review of investment in transport and environment Infrastructure” February 2011</p>	<p>9 Multi-area Transport Environment midterm</p>	<p>2 The review was commissioned to provide inputs into the Synthesis Report on</p>	<p>The crisis has affected the traffic and the availability of funding; The current forecasts of full absorption in 2013-14 are unrealistic; The relevance of SOPE is not affected by the economic crisis; Coherence problems have been identified between transport</p>	<p>4 The evaluation was structured on the four criteria: relevance, coherence, effectiveness</p>	<p><a href="http://www.evaluare-structurale.ro/images/stories/Documente/Exec_summaries">http://www.evaluare-structurale.ro/images/stories/Documente/Exec_summaries</a></p>

Title and date of completion	Policy area and scope (*)	Main objectives and focus (*)	Main findings	Method used (*)	Full reference or link to publication
	evaluation	Interim Evaluations (IE); the review was necessary because SOPE and SOPT did not have interim evaluations in 2009.	KAI in terms of supporting multimodal transport, shifts between rail and road; SOPT has a stabilizing effect on the transport sector strategies; Focus on full absorption may reduce the coherence of SOPT and its value as a strategy substitute'. There have been identified delays in implementation, risks of de-commitment, risk of not achieving the targets.	and efficiency. Data collection through desk research, Interviews and workshops with representatives of the MAs, Intermediary Bodies (IBs) and beneficiary entities.	<a href="http://ies/exec_summ_investment_transport_env_en.pdf">ies/exec_summ_investment_transport_env_en.pdf</a>
Interim Evaluation of the OP for Technical Assistance September 2010	8-Capacity and Institution Building	2 The overall objective was: to contribute to the successful implementation of the OPTA. the evaluation was structured on 15 evaluation questions grouped under five main categories: 'relevance', 'consistency', 'efficiency', 'effectiveness' and 'impact', and seven further questions on particular key areas of interventions (KAI).	Despite de effects of the economic crisis, OPTA remains largely relevant for all beneficiaries and for addressing their current needs. The organisational set up of mechanisms and procedures provide a good basis for functioning but an unclear delineation of DTA and OPTA staff could hamper functioning. There is a needed to improve coordination with OPs. Review of the organisation structure is needed in order to ensure separation of functions; preparation of implementation manuals. Progress in implementation is still very weak. There is a need to continue to support the development of the institutional architecture.	4 The methodology consisted of: desk research, use of diagrams, interview s, focus groups, in-depth assessment, and indicators analysis.	<a href="http://www.evaluare-structurale.ro/images/Y_upload_raportarte/01_POAT/05_POAT_Eval_Interim_1/Raport_Integral/M01_R05_EN.pdf">http://www.evaluare-structurale.ro/images/Y_upload_raportarte/01_POAT/05_POAT_Eval_Interim_1/Raport_Integral/M01_R05_EN.pdf</a>
A Formative Evaluation of Structural Instruments in	9 NSRF Multi-area evaluation	2 Strengthening the overall coordination of the SI	High administrative burden in the procurement and financial management and control relative to the complexity of interventions, individual projects and the risk of default and fraud attaching to them;	4 The method included: - De-composition analysis <sup>51</sup> ;	<a href="http://www.evaluare-structurale.ro/images/stories/Docum">http://www.evaluare-structurale.ro/images/stories/Docum</a>

<sup>51</sup> The decomposition analysis involves the calculation of ratios for milestones along the path of approval, contracting, implementation and payment for SI-funded activities. Each of the ratios allows the drawing of conclusions on overall progress of the NSRF at large and the individual OPs involved [for, respectively, Regional Development (ROP), Environment

Title and date of completion	Policy area and scope (*)	Main objectives and focus (*)	Main findings	Method used (*)	Full reference or link to publication
Romania, 2010		implementation and development of an appropriate administrative system aimed at providing a mutual level of knowledge and experience among different actors involved.	The tendency to “gold-plate”, i.e. the system requiring 100% control coverage and many levels of checks; The cost involved in control and audit, in terms of human resources and time, is not always tailored to the financial and moral hazard involved in less-than-perfect enforcement of applicable rules and regulations.	- questionnaire based surveys, interviews, focus groups sessions, workshops and meetings of relevant working groups.	<a href="#">ente/Exec_summaries/exec_summary_formative_evaluation_en.pdf</a>
“Interim evaluation of the OP Increase of economic competitiveness” 2010	9 Multi-area evaluation	2 The evaluation objectives included: evaluation of the outcomes of all the calls launched up to 30th September 2009 evaluation of the management system efficiency analysis of the potential effects of the global crisis.	There is a pressing need to accelerate implementation. Need to focus on implementation of projects rather than on call for proposals. The decommitment risk necessitates improving absorption. Increased relevance for the programme to provide financial assistance to enterprises due to economic conditions. The effects of the crisis affected the applicants by a reduced interest to apply for funding, and the contracting rate. The management and implementation system is functional but affected by insufficient human resources poor capacity to use TA, coordination difficulties over IBs	4 The research was structured in two levels: - “Horizontally”, at OP level: - “Vertically”, at PA level: and included: analysis of the relevant documents, indicators and management and implementation system at IB level, as well as consultations with relevant stakeholders at axis level.	<a href="http://www.evaluare-structurale.ro/images/stories/Documente/Exec_summaries/executive%20summary_ei_posccea_en.pdf">http://www.evaluare-structurale.ro/images/stories/Documente/Exec_summaries/executive%20summary_ei_posccea_en.pdf</a>
“ Interim evaluation of the Regional OP, 01,01,07-30,062009” October 2009	9 Multi-area evaluation	2 The specific objectives of the evaluation are: Examination of relevance Review of the progress in implementing the program / objectives; Assessing the	The progress made so far by ROP is generally low. A more focused approach on specific target groups (potential applicants) could directly contribute to an increase in applications and a high rate of absorption Multipliers network is not yet operational due to lack of availability of its members. For KAI 5.3, relatively low application rate of first call for proposals is due to poor promotion and visibility and lack of interest of the beneficiaries in relatively small projects.	4 The method included  Desk research Interviews Survey Consultations with relevant stakeholders	<a href="http://www.fonduri-ue.ro/res/filepicke_r_users/cd25a597fd-62/Documente_Suport/Evaluari/1_EVALUARI_POR/16_07/1_Evaluare_inte">http://www.fonduri-ue.ro/res/filepicke_r_users/cd25a597fd-62/Documente_Suport/Evaluari/1_EVALUARI_POR/16_07/1_Evaluare_inte</a>

(SOP ENV), Transport (SOPT), Human Resources Development (SOP HRD), Increasing Economic Competitiveness (SOPIEC), Public Administration Development (SOP DAC), Technical Assistance (OPTA) and European Territorial Cooperation (ETC)].

Title and date of completion	Policy area and scope (*)	Main objectives and focus (*)	Main findings	Method used (*)	Full reference or link to publication
		efficiency of ROP implementation; Provide information that meets the request for strategic reporting provided in Article 29 of Regulation no. 1083/2006; Identification of lessons learned			<a href="#">rmediara POR 2009.pdf</a>
Management of Infrastructure Projects for Hospitals in Romania	07- Territorial Development	1 The aim of this report is to serve as guidance for decision makers and stakeholders in the area of hospital infrastructure projects and to suggest how practices in this field in Romania can be improved in the future.	The study concludes that managers' capacity to run infrastructure projects is relatively low due to variety of reasons: •Rather low or no incentives for hospital managers to launch projects in terms of bonuses, promotion, recognition or keeping their position. •Lack of experience in preparing and running infrastructure hospital projects. Lack of communication between institutions and stakeholders. •Inadequate human resources and lack of sanctions in case of non-performance. As a result, many hospitals where such infrastructure projects are funded cannot monitor or influence the work done because the contracts are managed by the local public authorities. The case studies suggest that hospitals should insist on being part of the management of the contracts and have a say in the design and implementation phase.	4 Qualitative methods including: Data collection and documentary analysis Quantitative and qualitative surveys Interviews	<a href="http://ec.europa.eu/regional_policy/sources/docgener/evaluation/evalsed/evaluations/romania/0910_hospital_infra_en.htm">http://ec.europa.eu/regional_policy/sources/docgener/evaluation/evalsed/evaluations/romania/0910_hospital_infra_en.htm</a>

Note: (\*) Legend:

**Policy area and scope:** 1. RTDI; 2. Enterprise support and ICT; 3. Human Resources (ERDF only); 4. Transport; 5. Environment; 6. Energy; 7. Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development); 8. Capacity and institution building; 9. Multi-area (e.g. evaluations of programmes, mid-term evaluations); 10. Transversal aspects (e.g. gender or equal opportunities, sustainable development, employment)

**Main objective and focus:** 1. assess the arrangements and procedures for managing or administering programmes; 2. support monitoring, or check the progress made in implementing programmes, such as many mid-term evaluations; 3. assess the outcome or effects of programmes in terms of the results achieved and their contribution to attaining socio-economic policy objectives

**Method used:** 1. Counterfactual; 2. Cost-benefit analysis; 3. Other quantitative; 4. Qualitative.

**Table 4 Evaluations in progress**

Title	Policy area and scope *	Stage and deliverables, link to publication
NSRF level evaluations		
Examination of the prefinancing rate applied to the projects funded from Structural Instruments	9 Multi area evaluation	In progress Deliverables not published
Evaluation of the contribution of the SI in Romania to ensure the compliance with the acquis	9 Multi area evaluation, 10 transversal	In progress
ROP ongoing evaluation	9 Multi area and capacity and institution building	In progress Deliverables not available
SOPT ongoing evaluation	4 Transport and capacity and institution building	Contract awarded April 2013– signature delayed In progress
Improving the use of evaluation in the process of formulation and decision making of the policies related to the Structural Instruments in Romania.	8 Capacity and institution building	In progress. The evaluation library is completed and functional. One synthesis report and an event for stakeholders involved in programming - on financial instruments have been delivered.
Examination of the evaluation culture in the context of EU Cohesion Policy in Romania	8 Capacity and institution building	In progress, first and second annual measurement performed <a href="http://www.evaluare-structurale.ro/images/Y_upload_rapoarte/09_other_documents/EY_Evaluation_Culture/Evaluation_Culture_-_First_Measurement_Report_EN.pdf">http://www.evaluare-structurale.ro/images/Y_upload_rapoarte/09_other_documents/EY_Evaluation_Culture/Evaluation_Culture_-_First_Measurement_Report_EN.pdf</a>
The Ex-ante Evaluation of the Partnership Agreement	9 Multi area evaluation	In Progress
The ex-ante evaluations of the OPs 2014-2020 and the Regional Development Plans (8 contracts)	9 Multi area evaluation	In progress
ROP Evaluation Framework	9 Multi area evaluation	Procurement in progress – submission of tenders August 2013 The framework includes counterfactual evaluations on each KAI and capacity building in evaluation with a focus on counterfactual impact evaluations
Evaluation on identification of the unit costs	9	In progress
Evaluation of the administrative burden of the ESIF benefit	9	In progress

Note: (\*) Legend:

**Policy area and scope:** 1. RTDI; 2. Enterprise support and ICT; 3. Human Resources (ERDF only); 4. Transport; 5. Environment; 6. Energy; 7. Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development); 8. Capacity and institution building; 9. Multi-area (e.g. evaluations of programmes, mid-term evaluations); 10. Transversal aspects (e.g. gender or equal opportunities, sustainable development, employment)

**Main objective and focus:** 1. assess the arrangements and procedures for managing or administering programmes; 2. support monitoring, or check the progress made in implementing programmes, such as many mid-term evaluations; 3. assess the outcome or effects of programmes in terms of the results achieved and their contribution to attaining socio-economic policy objectives

**Method used:** 1. Counterfactual; 2. Cost-benefit analysis; 3. Other quantitative; 4. Qualitative.

## 5. Further Remarks - New challenges for policy

The implementation of the 2007 – 2013 Cohesion Policy OPs proved to be difficult, and Romania struggled to cope with the scale of the challenge. The main concern was and continues to be focused on process of implementation and on absorption. In 2013 the Romanian authorities succeeded to unblock all OPs and ensured a smooth functioning. Real progress in implementation was made and coordination has been strengthened in the MEF. There is high pressure to speed up implementation, in order complete projects on time and avoid decommitment. Huge efforts are needed for the completion of the large projects and for this more “just in time” TA support is ensured at present from the MEF. There is a **good possibility of absorbing most but not all** of the 2007-2013 SI allocation in view of the trend clearly manifested in 2013 towards significantly improved implementation.

There are **key issues to be learnt and transferred** into next programming and **now is the right time**.

Despite what might have been feared at the start of the programming period – programmes with strong regional inputs (either with regard to regional IBs or more particularly with regard to regional and local project beneficiaries) have performed markedly better than those with overwhelming national/central inputs.

In the absence of national and regional strategies, effectively and consistently implemented, Cohesion Policy provided a stable direction for development in Romania in most of the policy areas. National and regional strategies need to be more coherent and integrated into Structural and Cohesion Funds programming and planning. Both need to be brought together more convincingly and effectively in the next programming period in comparison to the current one. Bringing them together is not only a question of synergy in programming documents: the implementation, monitoring and evaluation approaches also must be brought together. The ex-ante conditionalities will stimulate the authorities to do this, but have to be taken seriously and should not be considered only a formal compliance.

Concentration is a challenge, being difficult to limit the number of fields of intervention in a country like Romania. It is necessary to shift the discussion from “concentration of different sectors or different types of actions” towards an insistence that the entire spectrum of actions required to provide strong effects, are all programmed and built into OPs. The administrative capacity has to be strengthened for the ESIF implementation. By administrative capacity should be understood not only the capacities of MAs and IBs to manage and implement programmes in terms of regulatory requirements but the wider capacity – essential for pro-development public administrations including acting as programme managers or final beneficiaries. For too long the Romanian administration has considered its role being distributing “monies to worthy actions undertaken by others” rather than as leading a national development effort. Wider public administration reform in Romania remains an urgent task, highly relevant to the successful governance of the country and essential to the scale of change implied that is objectively essentially and practically made possible by future ERDF and Cohesion Fund resources.

## References

### **Nation-wide evaluations across OPs:**

Evaluation of the absorption capacity of OPTA, June 2012.

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Prognosis of the absorption and evaluation of the reallocation options of the funds of NSRF 2007-2103, June 2012.

Evaluation of the way in which provisions regarding equal opportunities have been mainstreamed in the Romanian Framework of Structural Instruments, March 2013.

Measurement Report of the Evaluation Culture- Second Measurement – October 2013.

### **Evaluations of specific aspects of OPs:**

SOPIEC, “Evaluation of the PAs of SOPIEC”, August 2013.

“Evaluation of the implementation of the priorities and projects within ROP 2007-2013, targeted at the business environment” 25 March 2011.

JEREMIE Romania, Annual progress report, 2012.

### **Other relevant research studies and impact assessments carried out in the MS:**

Foundation Post Privatisation – Current situation of SMEs, edition 2013.

SOPT, Report Setting baseline, targets and interim milestones of the monitoring and evaluation indicators, June 2011.

### **Other references:**

ROP, SOPT, SOPE, SOPIEC, OPTA Framework Implementation Documents revised versions.

The Partnership Agreement 2014-2020 Romania, first version.

Social and Economic analysis for the Partnership Agreement.

National Bank of Romania – Report on Inflation February 2013.

National Bank of Romania – Annual Report 2012.

## Interviews

Mrs Claudia Magdalena – MEF, Analysis, Programming, Evaluation Unit, Head of CEU.

Ms Angelica Vladescu – MEF, Analysis, Programming, Evaluation Unit, CEU.

Mrs Pompilia Idu – MA ROP, Head of Program Evaluation.

Ms Camelia Dragoi – European Investment Fund, JEREMIE Programme Romania, mandate manager.

Mr Sorin Grigorescu RDA North East, Programming Directorate.

Ms Adriana Muresan – RDA Center, IB for ROP.

Ms Crina Iacob – City Hall Alba Iulia, Programmes Directorate, Director.

## Annex 1 - Evaluation grid for examples of good practice in evaluation

### Evaluation Grid A - Evaluation of the absorption capacity of the OP TA

BASIC INFORMATION	
Country: Romania	
Policy area: Multi area, TA	
Title of evaluation and full reference: Evaluation of the absorption capacity of the OP TA <a href="http://www.evaluare-structurale.ro/images/Y_upload_rapoarte/01_POAT/06_POAT_Eval_Interim_2/Raport_Integral/M01_R06_EN.pdf">http://www.evaluare-structurale.ro/images/Y_upload_rapoarte/01_POAT/06_POAT_Eval_Interim_2/Raport_Integral/M01_R06_EN.pdf</a>	
Intervention period covered (2000-2006; 2007-2013; specific years): 2007-2013	
Timing of the evaluation (when it was carried out): January – June 2012	
Budget (if known): EUR 90,000	
Evaluator: (External evaluator, internal evaluator, EC) External	
Method: (counterfactual analysis, process analysis, case study, econometric model, etc. indicate if a mix of methods) A mix of methods	
Main objectives and main findings:(very short description - 3-4 lines) To providing a risk assessment of not fully drawing down the allocated funds of the OPTA, and proposing adequate options of reallocation of the possible unused funds within the programme or to other programmes	
Appraisal: (Why you consider the evaluation an example of good practice: - 3-4 lines) Despite this is not an impact evaluation, it brings new features into the Romanian evaluation experience. The evaluators used a mix of methods, tailored on the evaluation questions and the type of the interventions, e.g. business workload analysis and business reengineering, benchmarking against other MS practice, absorption forecasting. model. In addition to the traditional methods used before, this evaluations added a quantitative method based on a monitoring and forecasting tool (Lothar+), which will be used further on, by the evaluation unit in MEF.	
CHECK LIST	
Score each item listed below from 0 to 2 as follows: 0: No; 1: Yes, but not fully; 2: Yes	
Report	
Are the objectives, methods and findings of the evaluation clearly set out?	2
Are the findings and recommendations clearly supported by the analysis?	2
Are the methods used suitable given the objectives of the valuation and have they been well applied?	2
Are the quantitative and qualitative data used reliable and suitable for the purpose of the evaluation?	2
Are the potential effects of other factors (e.g. the economic situation) on the outcome fully taken into account?	1
Is a serious attempt made to distinguish the effects of the intervention from these other factors?	0

## Annex 2 – Tables

See Excel Tables 1-4:

Excel Table 1 – Regional disparities and trends

Excel Table 2 – Macro-economic developments

Excel Table 3 - Financial allocation by main policy area

Excel Table 3cbc - Financial allocation by main policy area – cross border cooperation

Excel Table 4 - Commitments by main policy area (by end-2012)

Excel Table 4cbc - Commitments by main policy area (by end-2012) – cross border cooperation

### Annex Table A - GDP change against previous year (%)

Regions (NUTS II)	2007	2008	2009	2010	2011	2012
Nord-Vest	10.3	-0.8	-5.3	-1.4	-0.6	-2.6
Centru	8.6	1.4	-4.4	-1	4.6	1.1
Nord-Est	6.2	3.2	-5.1	-4.8	3.8	1.1
Sud-Est	2.3	9.6	-6.1	-2.1	4.1	-1.5
Sud - Muntenia	4.5	9.3	-3.1	-0.5	3.6	-1.3
București-Ilfov	8.7	19.0	-11.1	-1.2	0.3	3.2
Sud-Vest Oltenia	5.4	5.5	-5.0	-5.1	2.8	1.8
Vest	6.4	1.0	-6.3	1.9	2.5	1.2
Romania	6.9	7.5	-6.6	-1.1	2.2	0.7

Source: National Commission of

Prognosis. [http://www.cnp.ro/user/repository/prognoza\\_primavara\\_2013.pdf](http://www.cnp.ro/user/repository/prognoza_primavara_2013.pdf)

### Annex Table B - GVA change against previous year (%)

Sector	2008	2009	2010	2011	2012
Industry	1.9	-1.4	4	0.1	-1.0
Agriculture Forestry and Fisheries	20.7	-3.3	-5.5	12.4	-21.6
Constructions	26.2	-9.9	-4.5	-6.4	-0.3
Services	5.4	-7.4	-3.6	2.9	4.8

Source: National Commission of Prognosis.

[http://www.cnp.ro/user/repository/prognoza\\_primavara\\_2013.pdf](http://www.cnp.ro/user/repository/prognoza_primavara_2013.pdf)

### Annex Table C - Real labour productivity per hour worked (EUR/hour worked)

	2007	2008	2009	2010	2011	2012
EU27	31.4	31.2	30.8	31.4	31.9	32.2
EU15	38.0	37.8	37.3	38.0	38.5	38.6
Romania	5.2	5.6	5.4	5.3	5.5	5.7
change %	6.1	7.6	-3.6	-0.2	3.7	3.6

Source: Eurostat Labour productivity - annual data [nama\_aux\_lp], accessed 10.09.2013

**Annex Table D - Population at poverty or social exclusion risk, % in the total population**

	2007	2008	2009	2010	2011	Change 2007-2011, %	Change 2010-2011, %
Romania	45.9	44.2	43.1	41.4	40.3	-12	-3
North-West	38.3	33.7	35.2	30.8	34.3	-10	11
Center	37.6	37.2	33.2	30.3	28.5	-24	-6
North East	55.1	54.5	52.9	51.0	51.2	-7	0
South East	51.0	48.6	42.4	51.8	50.0	-2	-3
South - Muntenia	50.3	45.6	48.1	42.7	43.1	-14	1
Bucharest- Ilfov	35.1	36.2	41.9	34.4	28.4	-19	-17
South West Oltenia	55.4	56.5	52.9	48.0	44.8	-19	-7
West	34.2	33.4	30.1	35.5	33.1	-3	-7

Source: Eurostat, at risk of poverty and social exclusion population NUTS II, extracted 10.09.2013

**Annex Table E - Regional disparities\***

GDP per inhabitant by region	2008	2009	2010	2011	2012
North East	61.8	62.8	61.4	62.6	62.7
South East	79.8	80.3	82.2	83.5	81.9
South Muntenia	82.1	85.3	83.0	83.9	82.4
South West Oltenia	74.5	76.1	76.7	77.3	78.4
West	109.4	109.7	113.1	113.5	114.2
North West	90.0	91.2	89.3	86.8	83.9
Centre	94.9	96.9	95.9	96.9	97.3
Bucharest Ilfov	249.3	236.0	237.9	234.1	238.8
Max: min ratio	4.03	3.76	3.87	3.74	3.81

Source National Commission for Prognosis, Prognosis of the main economic and social indicators in territorial profile until 2016, accessed at [http://www.cnp.ro/user/repository/prognoza\\_teritoriala\\_primavara\\_%202013.pdf](http://www.cnp.ro/user/repository/prognoza_teritoriala_primavara_%202013.pdf), on 10.09.2013. and author calculation.

(\*) calculated according to the National Institute of Statistics by reporting the regional level to the national level (%)

**Annex Table F - FDI Flows**

	2008	2009	2010	2011	2012
FDI flows equity capital EUR million	4,873	1,729	1,824	1,512	795
Variation against previous year (%)	37	-65	5	-17	-47
FDI flows including loans EUR million	9,496	3,487	2,219	1,815	2,141
Variation against previous year (%)	31	-60	-36	-18	18

Source [http://www.bnro.ro/Investitiile-straine-directe-\(ISD\)-in-Romania-3174.aspx](http://www.bnro.ro/Investitiile-straine-directe-(ISD)-in-Romania-3174.aspx)

**Annex Table G - FDI stock by region at 31st December 2012**

FDI stock at 31st December 2012: EUR 59 million	share in total stock [%]
North East	3.0
South East	5.5
South Muntenia	7.2
South West Oltenia	3.5
Vest	7.6
North West	4.8
Center	7.8
Bucharest Ilfov	60.6

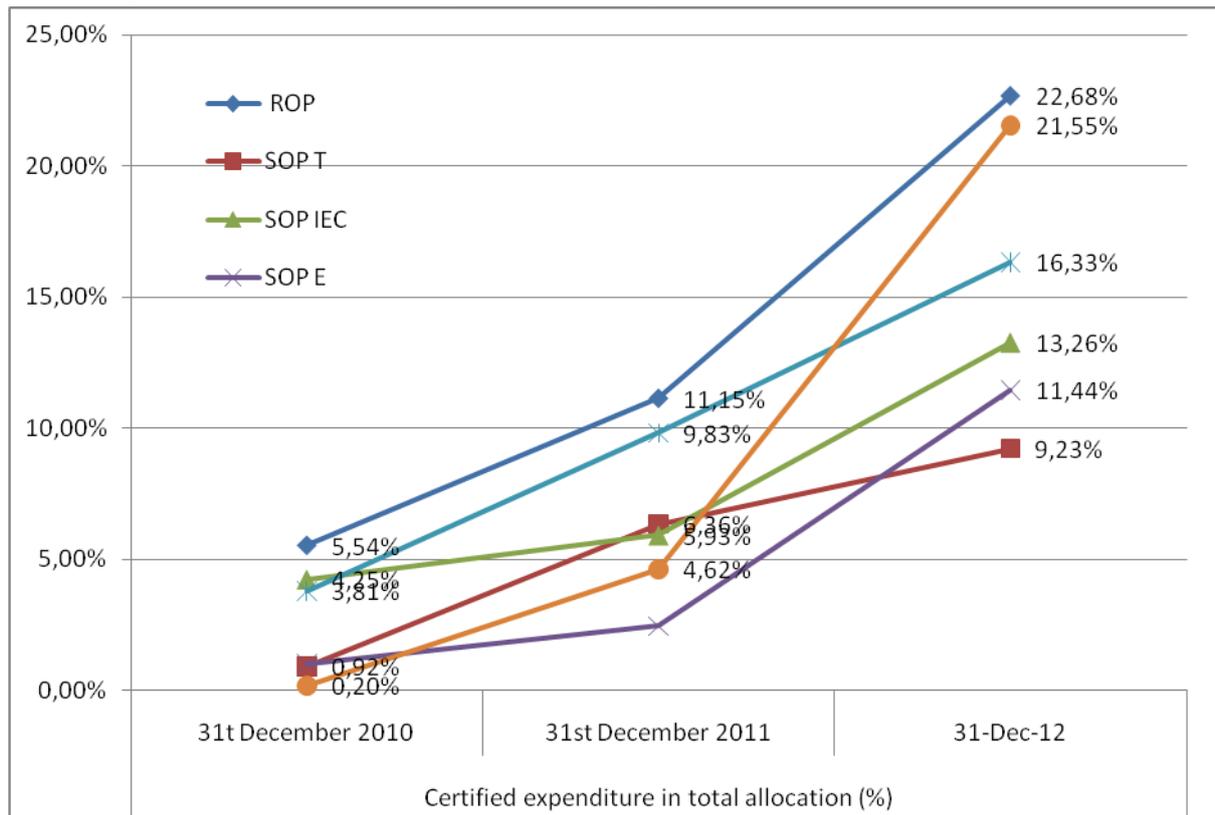
Source National Bank of Romania [http://www.bnro.ro/Investitiile-straine-directe-\(ISD\)-in-Romania-3174.aspx](http://www.bnro.ro/Investitiile-straine-directe-(ISD)-in-Romania-3174.aspx)

**Annex Table H - Broad policy areas and correspondence with fields of intervention (FOI)**

Policy area		Code	Priority themes
1. Enterprise environment	RTDI and linked activities	01	R&TD activities in research centres
		02	R&TD infrastructure and centres of competence in a specific technology
		05	Advanced support services for firms and groups of firms
		07	Investment in firms directly linked to research and innovation (...)
		74	Developing human potential in the field of research and innovation, in particular through post-graduate studies ...
	Innovation support for SMEs	03	Technology transfer and improvement of cooperation networks ...
		04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)
		06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)
		09	Other measures to stimulate research and innovation and entrepreneurship in SMEs
		14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)
		15	Other measures for improving access to and efficient use of ICT by SMEs
	ICT and related services	11	Information and communication technologies (...)
		12	Information and communication technologies (TEN-ICT)
		13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)
	Other investment in firms	08	Other investment in firms
	2. Human resources	Education and training	62
63			Design and dissemination of innovative and more productive ways of organising work
64			Development of special services for employment, training and support in connection with restructuring of sectors ...
72			Design, introduction and implementing of reforms in education and training systems ...

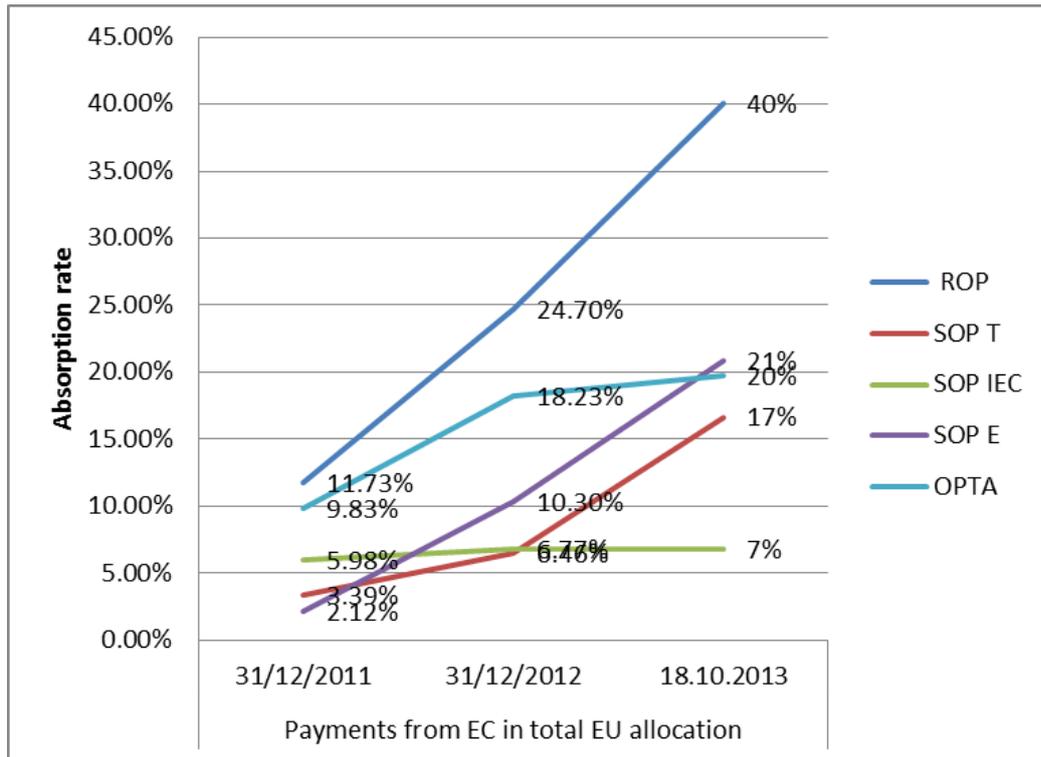
Policy area		Code	Priority themes
	Labour market policies	73	Measures to increase participation in education and training throughout the life-cycle ...
		65	Modernisation and strengthening labour market institutions
		66	Implementing active and preventive measures on the labour market
		67	Measures encouraging active ageing and prolonging working lives
		68	Support for self-employment and business start-up
		69	Measures to improve access to employment and increase sustainable participation and progress of women ...
		70	Specific action to increase migrants' participation in employment ...
		71	Pathways to integration and re-entry into employment for disadvantaged people ...
		80	Promoting the partnerships, pacts and initiatives through the networking of relevant stakeholders
3. Transport	Rail	16	Railways
		17	Railways (TEN-T)
		18	Mobile rail assets
		19	Mobile rail assets (TEN-T)
	Road	20	Motorways
		21	Motorways (TEN-T)
		22	National roads
		23	Regional/local roads
	Other transport	24	Cycle tracks
		25	Urban transport
		26	Multimodal transport
		27	Multimodal transport (TEN-T)
		28	Intelligent transport systems
		29	Airports
30		Ports	
31		Inland waterways (regional and local)	
32		Inland waterways (TEN-T)	
4. Environment and energy	Energy infrastructure	33	Electricity
		34	Electricity (TEN-E)
		35	Natural gas
		36	Natural gas (TEN-E)
		37	Petroleum products
		38	Petroleum products (TEN-E)
		39	Renewable energy: wind
		40	Renewable energy: solar
		41	Renewable energy: biomass
		42	Renewable energy: hydroelectric, geothermal and other
	43	Energy efficiency, co-generation, energy management	
	Environment and risk prevention	44	Management of household and industrial waste
		45	Management and distribution of water (drink water)
		46	Water treatment (waste water)
		47	Air quality
		48	Integrated prevention and pollution control
		49	Mitigation and adaption to climate change

Policy area		Code	Priority themes
		50	Rehabilitation of industrial sites and contaminated land
		51	Promotion of biodiversity and nature protection (including Natura 2000)
		52	Promotion of clean urban transport
		53	Risk prevention (...)
		54	Other measures to preserve the environment and prevent risks
5. Territorial development	Social Infrastructure	10	Telephone infrastructure (including broadband networks)
		75	Education infrastructure
		76	Health infrastructure
		77	Childcare infrastructure
		78	Housing infrastructure
	Tourism and culture	79	Other social infrastructure
		55	Promotion of natural assets
		56	Protection and development of natural heritage
		57	Other assistance to improve tourist services
		58	Protection and preservation of the cultural heritage
		59	Development of cultural infrastructure
	Planning and rehabilitation	60	Other assistance to improve cultural services
		61	Integrated projects for urban and rural regeneration
	Other	82	Compensation of any additional costs due to accessibility deficit and territorial fragmentation
		83	Specific action addressed to compensate additional costs due to size market factors
6. TA		84	Support to compensate additional costs due to climate conditions and relief difficulties
		81	Mechanisms for improving good policy and programme design, monitoring and evaluation ...
		85	Preparation, implementation, monitoring and inspection
		86	Evaluation and studies; information and communication

**Annex Figure A – The rates of implementation by OP**

OP	31.12.2012		Certified expenditure in total allocation (%)		
	Allocation 2012 (EU + national) EUR million	Certified public expenditure (EU + national) EUR million	31st December 2010 <sup>52</sup> (%)	31st December 2011 <sup>57</sup> (%)	31st December 2012 (%)
ROP	4,383.6	994.2	5.54	11.15	22.68
SOPT	5,371.7	495.8	0.92	6.36	9.23
SOPIEC	3,005.0	398.4	4.25	5.93	13.26
SOPE	5,308.8	607.5	1.01	2.47	11.44
OPTA	200.3	32.7	3.81	9.83	16.33
CBC ROBG	255.2	45.8	0.20	4.62	21.13

<sup>52</sup> Calculated based on the data presented in the 2012 report.

**Annex Figure B - The rate of absorption by OP<sup>53</sup>**

<sup>53</sup> Source: Ministry of European Funds [http://www.fonduri-ue.ro/res/filepicker\\_users/cd25a597fd-62/rezultate/std\\_abs/Anexa.1.18.octombrie.2013.cu.DLC.trimise.la.CE.si.plati.CE.pdf](http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/rezultate/std_abs/Anexa.1.18.octombrie.2013.cu.DLC.trimise.la.CE.si.plati.CE.pdf)