

Romania

**Programmes covered:
National and Cross
Border Co-operation
Programmes 1999-2001,
with a Brief Review of
Post-2001 Allocations**



The views expressed are those of the MWH Consortium and do not necessarily reflect those of the European Commission.
This report has been prepared as a result of an independent evaluation by the MWH Consortium contracted under the Phare programme.

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GLOSSARY OF ACRONYMS

AAMRD	Agency for Agricultural Markets and Rural Development
<i>acquis</i>	<i>acquis communautaire</i>
CAP	Common Agriculture Policy
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CBC	Cross Border Co-operation
CC	Candidate Country
CDMS	Central Database for Civil Servants
CFCU	Central Finance and Contracting Unit
CMR	Comprehensive Monitoring Report
CPER	Country Phare Evaluation Review
DG	Directorate General
DIS	Decentralised Implementation System
EDIS	Extended Decentralised Implementation System
ERDF	European Regional Development Fund
ESC	Economic and Social Cohesion
ESF	European Social Fund
EU	European Union
IB	Institution building
IE	Interim Evaluation
JHA	Justice and Home Affairs
M€	Millions Euros
MIPD	Multi-annual Indicative Planning Document
MOLSSF	Ministry of Labour, Social Solidarity and the Family
NAC	National Aid Co-ordinator
NACS	National Agency for Civil Servants
NDP	National Development Plan
NGO	Non-governmental Organisation
NIA	National Institute of Administration
NMS	New Member State(s)
NPO	Non-profit Organisation
NSRF	National Strategic Reference Framework
NUTS	<i>Nomenclature des Unites Territoriales Statistiques</i>
OPRC	Oil Pollution
PAA	Pre-accession Adviser
PAJC	Public Administrative and Judicial Capacity
PCM	Project Cycle Management
PIFC	Public Internal Financial Control
PIU	Programme Implementation Units
REPA	Regional Environmental Impact Agency
RR	Regular Report(s)
SAPARD	Special Accession Programme for Agriculture and Rural Development
SAR	Search and Rescue
SME	Small and Medium Size Enterprise(s)
SMIS	Single Management Information System
SOP	Sectoral Operational Programme
ToR	Terms of Reference
VAT	Value-added tax
WWTP	Wastewater Treatment Plant
YPS	Young Professional Scheme

PREFACE

The purpose of this *ex post* evaluation is to assess the contribution of the 1999-2001 Phare national and cross-border co-operation (CBC) programmes to support Romania in meeting the Copenhagen criteria so as to facilitate its accession to the European Union. This is an in-depth evaluation and will also include an analysis of post-2001 allocations.

This report has been prepared between December 2005 and June 2006,¹ and reflects the situation where the Phare national Programmes have ended. The evaluation is based on an analysis of documents provided at the start, during and on completion of the national Programmes, including previous interim evaluations, on the results of questionnaires, and on interviews with beneficiaries, contractors, and stakeholders. It examines the performance of the programmes in addressing the objectives stated in the formal programming documents, provides a general assessment of the programmes and draws conclusions and lessons learnt from them.

Normally, an *ex post* evaluation such as the present one would not focus below sectoral or sub-sectoral level. However, in the case of Romania, there is a crucial, programme level intervention which was the largest single Phare intervention in Romania. The RICOP project was designed as a grant scheme to counter the adverse effects of reforming 60 state enterprises. RICOP was so wide-ranging and so costly (Phare allocation of € 100 m, over 8% of the total for the period covered by this evaluation) as to justify specific attention, and a case study on this project is annexed to the report.

The evaluation of Romanian national and CBC programmes is one of a series of ten evaluations in the eight new member states, and in Romania and Bulgaria. The evaluations of the eight new member states will feed into a consolidated evaluation of Phare national and CBC programmes, which, together with the in-depth evaluations of Romania and Bulgaria, will form part of a consolidated *ex post* evaluation of the Phare programme.

¹ The report was prepared by Colm Dunne, assisted by STIE Martin Warner and Senior Local Expert, Eugen Perianu. It was edited by Lead Evaluator, Richard Thomas and reviewed at MWH Central Office by Martin White.

EXECUTIVE SUMMARY

Romania National and Cross Border Co-operation Programmes 1999-2001

Scope and objectives

The purpose of this *ex post* evaluation is to assess the contribution of the 1999-2001 (“earlier period”) Phare national and cross-border co-operation programmes to support Romania in meeting the Copenhagen criteria in order to facilitate its accession to the European Union. A review of post-2001 programmes (“later period”) is also provided. The overall objective of this evaluation is to provide accountability with respect to the use of European Commission funds, and lessons learned for decision-making on improvements of pre-accession aid to remaining and future candidate countries.

Key Evaluation Findings

Phare Performance has been better for acquis sectors than for horizontal public administrative and judicial capacity.

Overall, Phare was able to achieve only mixed performance. Sector performance was stronger in respect of the establishment of new or modernised institutions designed to address the implementation of the *acquis* and these are generally beginning to find their feet with continuing Phare support. There was a strong performance in sectors related to the economic criteria, and some good performance in the social affairs sector. The performance of Cross-Border Co-operation assistance is mixed. Although Phare helped set up Economic and Social Cohesion systems adequately, related structures and responsibilities are not yet fully defined.

The restructuring of the Romanian public and judicial administration progressed intermittently and slowly throughout the earlier period, and indeed until recently. The lack of human and other resources, and the pervasive delays in programme implementation, evident in many programmes were, however, only symptomatic of the underlying problems, which were essentially a lack of sufficient political will from successive governments to push through reform and an inability or unwillingness to separate political and administrative functions. The lack of reforms had a restraining effect on impact and sustainability of all Phare support, both to *acquis* sectors and to horizontal administrative and judicial capacity building.

Generally positive immediate and some intermediate impact, but limited wider impact.

There are indications of good immediate, and some intermediate impact in *acquis* sectors. Phare assistance contributed to the establishment of new regional structures in the agriculture, environment and labour market sectors, which are operational. Progress has been less in transport where some investment assistance has been completed behind schedule. The Romanian administration is in a stronger position to build on the achievements supported by Phare, and the allocation in 2006 of more staff (trained through Phare) to reform assistance has strengthened the capacity to launch further reform initiatives without Phare support. Impact measurement and monitoring systems are weak, which makes assessment of wider impact problematic.

Preconditions for sustainability of Phare assistance are building up.

Phare has strengthened the legal, organisational and administrative pre-conditions for sustainability in many sectors. There is logical connectivity between successive interventions in a sector and there are examples where the Romanian beneficiaries have continued, using

their own budgets, some of the actions initiated by Phare or where Phare has financed pilot assistance. The Romanian administration's recent commitment to sustainable progress in public administration reform appears solid. The late acceleration of activity in Economic and Social Cohesion in preparation for structural funds has had a positive effect on the prospects for sustainability of Phare-supported achievements.

Phare assistance was disbursed with pervasive delays.

The allocated Phare funds were fully committed but disbursement performance was more mixed. Highly visible outputs were produced in all sectors in the early period but timely implementation of assistance was the exception. Implementation delays were caused by a number of factors, including initial inadequate staffing levels in the implementing agencies, the time taken to approve assistance documentation and delays in the contracting process. The 2001 assistance for economic and social cohesion was only approaching completion in early 2006. Timeliness and absorption capacity remained issues in the post 2001 period. In particular, delays in the administration of some grant schemes affected their efficiency and had a negative knock-on effect on subsequent assistance.

Conclusions

The conclusions include overall Phare performance in Romania, and three key issues:

- Whether Phare support in practice addressed the *ex post* needs of Romanian beneficiaries;
- Building public administrative and judicial capacity to apply the *acquis*;
- Supporting economic and social cohesion including preparation for Structural Funds.

Conclusion 1: The design of Phare programmes and the deployment of the instruments of support have been satisfactory, but overall performance of Phare has been disappointing.

There was a good linkage and continuity in Phare assistance between the earlier and later periods. Programme design had clear and direct links to the closing of *acquis* chapters and to building capacity to take on the obligations and opportunities of EU membership. An appropriate mix of Phare instruments was used. For the earlier period under consideration, much of the effort was concerned with legal approximation and the creation of new structures, and substantial progress had been made by 2004. In terms of needs' assessment, the availability of the Accession Partnership and gap analyses for the *acquis* chapters have partly compensated for an absence, until recently, of sectoral or other strategies. However, the overall performance of Phare in Romania, in both the earlier and the later period, has been disappointing, essentially because of insufficient commitment by the government to underpinning reforms of public and judicial administration. Recent improvements have come too late in the pre-accession period to alter this overall *ex post* assessment of Phare performance.

Conclusion 2: Ex post support to meet the requirements of the acquis has generally been provided by Phare, but more assistance should have been given, earlier, to embedding a strategic approach to national and sectoral policy making.

Phare has generally been effective in supporting the creation or modernisation of *acquis*-related structures and procedures, and in the training of staff and provision of equipment and other capital items, reflected by the closing of *acquis* chapters. However, there is continuing concern at the high incidence of the use by the Government of emergency ordinances to correct errors or omissions in primary legislation, which are an indication of imperfect gap-filling arising from poor strategic and policy planning in the past.

The strategic approach to policy and support planning has been adopted too late. The existing sectoral and other strategies are generally too embryonic or recent to have had a significant impact in the period under reference, although they are beginning to produce outputs in a number of areas. Inevitably this lack of strategy has been most disadvantageous for issues arising under the political criteria, such as Public Administrative and Judicial Capacity where there is neither *acquis* nor a standard template to build on, and those issues where the *acquis* absolutely requires, but does not define, a national strategic framework covering the areas of responsibility of a number of ministries, such as Economic and Social Cohesion.

Conclusion 3: Phare support was crucially needed to initiate reforms to public administration and the judiciary but only inadequate progress has been made.

While successive governments have strongly supported civil service reform in principle, actual progress in the creation of an independent public service is incomplete, in spite of Phare assistance going back to 1996. However, some progress has been made and there is now support and capacity strengthening to continue and accelerate the reforms. Progress in decentralization reform is also slow, but the foundations created with support from Phare 2001 and Phare 2002 have been deepened by current assistance under Phare 2003 and 2004 that is performing well so far. After a slow start, progress in strategic planning reform is accelerating due to twinning under Phare 2003.

The underperformance of some horizontal public administrative and judicial capacity assistance has had a pervasive retarding effect on the performance of *acquis*-related assistance. Some public administrative and judicial capacity interventions, particularly in respect of civil service reform, have potentially far reaching effects for the overall performance of the Romanian public sector, and therefore for the ability to manage *acquis* processes speedily and effectively. The slow pace of progress with these interventions has consequently had a negative effect on the intermediate impact on other sectors.

Conclusion 4: The recent acceleration in preparations for Structural Funds owes most to national activity and the imminence of accession.

Phare assistance did not perform very well in the earlier years of support to ESC. It was not sufficiently strategically conceived or sharply focused. However, once the Romanian authorities mastered how significant the Structural Funds would be for them following accession, and applied more human and financial resources to that end, the context was improved for Phare to contribute effectively to specific preparatory activities, both in institution building and in drafting the necessary Structural Funds documentation. Because of the high degree of national commitment, the prospects for impact and sustainability of such assistance are good.

While it must be appreciated that the *modus operandi* of Phare limits its suitability as a tool for preparing for Structural Funds, the performance of Phare for this purpose in Romania has, taking the period under evaluation as a whole, been disappointing, both in its failure to provide the country with a sufficiently clear overview of the nature and extent of the membership requirements and of the underpinning national and regional policies and structures needed at a sufficiently early stage, and in the failure of the Romanian authorities for too long to pay sufficient attention to the essential need for reforms to prepare the way for structural fund preparation.

Conclusion 5: Phare did not contribute enough to ensuring that national co-ordinating structures and procedures were in place.

The overall management capability to pursue a modernising agenda in the reforming institutions has been a dominant limiting factor influencing the performance of Phare in Romania. In some cases, there is inadequacy at the political-administrative interface which suggests a lack of political commitment. In other cases, there has been inadequate horizontal co-ordination of Phare interventions between complementary institutions.

One of the contributory reasons for, and consequences of, the general absence of a strategic approach was the persistence of traditional administrative hierarchies reluctant to participate in the collaborative policy-making and implementation required by many aspects of the pre-accession agenda. Phare should have provided stronger support for co-ordination and collaboration, and conditionality in relation to it, when planning assistance, and provided it from early in the pre-accession period.

Recommendations

To address the key findings and conclusions of the evaluation, the following actions are recommended in respect of pre-accession assistance planned for current or future candidate countries. There are two groups of recommendations; strategic and operational. There are four strategic recommendations which are based on a number of common problems which emerged separately during the *ex post* evaluation process for both Bulgaria and Romania and which are relevant to future candidate and potential candidate countries. The second group are operational recommendations, which could usefully be taken into account in programming and implementing remaining Phare and Transition Facility assistance in Romania.

Strategic recommendations

Recommendation 1: Future programming of assistance should be strategy-based.

Assistance should not be started until the relevant national sectoral or other strategy is in place to provide a secure basis of information about national needs and capacities to enable the Commission and the national authorities to set the priority, sequence, balance, content and pace of assistance. The only exception should be comprehensive EU assistance to such strategy development and project cycle management throughout the public administration concerned, centrally and regionally.

In planning for assistance, the balance of support to Public Administrative and Judicial Capacity and other aspects of the Political Criteria and to *acquis* chapters, and the balance of support across the *acquis* chapters, should take account of the relative difficulty which Romania (and other candidates) have found with the issues concerned.

Recommendation 2: The preparation of Multi-annual Indicative Planning Documents for the Instrument for Pre-Accession should take full account of lessons learned from Phare.

In order to maximise the value-added of Multi-annual Indicative Planning Documents as a needs'-based strategic document, a checklist should be prepared by the Commission Services, and used by those responsible for programming, of the lessons learned recorded in this (and other thematic) evaluations. Priority points are: the need to assess country resources and capacities and adapt the extent and pace of programming to absorption capacity, and to

progress public administrative and judicial capacity reform in step with acquis institution building.

Recommendation 3: Public Administrative and Judicial Capacity assistance should be given from the start.

From the start of pre-accession assistance, and throughout the pre-accession period, a high priority should be afforded to assistance to improve public administrative and judicial capacity, throughout the public administration concerned, centrally and regionally.

Recommendation 4: The approach adopted to assistance to Structural Funds' preparations should be revised.

Future enlargements should support preparations for SF using instruments and methodologies which are, so far as possible, the same as those which will apply under membership conditions. Candidates should be assisted to develop multi-annual strategies, both for investments and for administrative structures and human and financial resources, before assistance is given to structural fund-type operations.

Operational recommendations

Recommendation 5: Horizontal Public Administrative and Judicial Capacity should be a high priority for remaining Phare and Transition Facility assistance.

This evaluation has demonstrated the pervasively debilitating consequences of weak horizontal Public Administrative and Judicial Capacity. If the current overload on the national administration is not to persist for the remainder of the Phare and Transition Facility periods, urgent reconsideration is needed of what can be realistically achieved and a specific and comprehensive Public Administrative and Judicial Capacity strategy and assistance action plan should be prepared by the Commission Services and the Romanian national authorities together, taking account of measures already in hand.

Recommendation 6: The Commission Services, in agreement with the Romanian authorities, should provide comprehensive training in strategy development and implementation.

Some training has been provided on this subject. However, a major effort should be made in the remaining period of Phare and Transition Facility assistance to embed the culture and practice of strategy and programme development and implementation throughout the public administration, in the regions as well as in the capital.

Recommendation 7: Good practice from Phare programming and implementation should be more widely applied.

The Romanian administration should apply the project cycle management approach, in particular the needs' based problem analysis techniques for setting desirable and attainable objectives, on a wider basis in its national programmes to optimise the value added of national and EU resources. The prospects for sustainability should be realistically assessed at design stage and provisions included in assistance to maximise the probability of sustainability.

Much more attention should be paid by those with responsibilities for programming to setting indicators of achievement which relate to the achievement of objectives and the attainment of impact which can be used as management tools. Regular, formal assessment of the extent to

which agreed indicators are being achieved should be built into Joint Monitoring and Sectoral Monitoring Sub-Committee procedures.

Similarly, those with responsibilities for programming should ensure that cost-effectiveness indicators are defined before approving investments in infrastructure, and they need to be measured after the assistance is completed and the newly-built infrastructure becomes operational. Otherwise the only measurement of success is the completion of the works *per se*, which is not an adequate indicator of effective spending of EU or national funds. The 'rate of return' tool should be more widely used and properly assessed before assistance is approved.

Recommendation 8: Every effort should be made to minimise delays in the contracting and implementation processes.

The long duration of the contracting process and other implementation delays have become endemic and, in many cases, have significantly reduced the achievement of assistance's objectives, impact and sustainability. This is not only a technical or logistical matter: delays can often be indicative of a lack of commitment to make the necessary preparations, or a lack of ownership of the intended programme or project. A determined effort should be made, both by Commission Services and National authorities, to improve project readiness. There needs to be: stricter requirements for evidence of project justification and viability; better understanding of the critical path of the contracting and implementing periods and the management of slack time; stricter enforcement of document processing response deadlines; improved communication between beneficiaries, implementing agencies, the NAC and the ECD, and encouragement of the beneficiaries not to wait for final approval before starting on the preparation of necessary documents. Future institution building assistance should provide training in effective time management and project preparation for those concerned in pre-approval activities.

Recommendation 9: The co-ordination between the beneficiaries and those in the national administration and the Commission Services responsible for assistance management should be further improved.

This co-ordination has a major effect on the functioning of Phare assistance through its various phases. The particular elements that could be considered jointly by the Commission Services and National authorities (apart from more focused training in project cycle management methods as already mentioned) are a better communications mechanism, including use of an intranet between the various parties, improved networking between the parties (with more emphasis on ad hoc meeting and less on formal correspondence) to resolve routine difficulties more quickly and share elements of good practice that can have wider application.

REZUMAT

Programele Naționale și de Cooperare Trans-frontalieră 1999-2001

Conținut și Obiective

Scopul acestei evaluări de tip *ex-post* este de a studia și evalua contribuția programelor naționale și de cooperare trans-frontalieră 1999-2001 ("perioada de început") la efortul României de îndeplinire a criteriilor de la Copenhaga, pentru a facilita procesul de aderare a țării la Uniunea Europeană. Evaluarea include și o trecere în revistă a programelor post-2001 ("perioada recentă"). Obiectivul general al acestei evaluări este de a justifica modul în care au fost folosite fondurile Comisiei Europene și de a formula lecțiile care se pot desprinde și care pot fi folosite în luarea unor decizii mai bune privind posibile îmbunătățiri ale sprijinului de tip pre-aderare acordat țărilor candidate actuale și viitoare.

Principalele constatări ale evaluării

Rezultatele programelor Phare au fost mai bune pentru sectoarele legate de acquis decât pentru sectorul orizontal administrație publică și capacitate judiciară

În general, Phare a obținut rezultate mixte. Rezultate mai bune au fost obținute în domeniul înființării sau modernizării de instituții în scopul implementării *acquis*-ului, acestea fiind în curs de stabilizare, cu sprijin Phare care se derulează în continuare. Rezultate bune au fost de asemenea obținute în domeniile legate de criteriul economic, iar în sectorul social rezultatele au fost destul de bune. Rezultatele obținute în domeniul cooperării trans-frontaliere au fost mixte. Deși Phare a sprijinit în mod adecvat dezvoltarea unor sisteme de coeziune economică și socială, structurile și responsabilitățile legate de acestea nu sunt încă definite complet.

Până recent, progresul în restructurarea administrației publice și sistemului judiciar românesc a fost intermitent și greoi. Lipsa de resurse umane și materiale, precum și întârzierile sistematice în implementare, observate în cazul multor programe, sunt de fapt doar simptome ale unor probleme fundamentale, acestea fiind, în esență, lipsa unei voințe politice adecvate de a stimula procesul de reformă din partea guvernelor care s-au succedat la putere și incapacitatea sau lipsa de voință în separarea funcției politice de cea administrativă. Insuficiența reformelor au afectat impactul și durabilitatea rezultatelor obținute cu sprijin Phare, atât în cazul domeniilor legate de *acquis* cât și în cazul dezvoltării orizontale a capacității administrative și judiciare.

Impactul imediat în general pozitiv, impact intermediar destul de bun, impact general limitat

Există dovezi ale unui impact imediat bun și a unui impact intermediar destul de bun în domeniile legate de *acquis*. Asistența Phare a contribuit la înființarea de structuri noi în sectoarele agricultură, protecția mediului și piața muncii, acestea fiind acum operaționale. Progresul a fost mai mic în sectorul transporturi, unde unele investiții au fost finalizate cu întârziere. Administrația românească e mai capabilă acum să continue realizările obținute cu sprijin Phare, iar alocarea în 2006 de personal suplimentar (instruit prin Phare) pentru implementarea programelor de asistență a întărit capacitatea de a lansa inițiative de reformă viitoare, fără sprijin Phare. Sistemele de monitorizare și măsurare a impactului sunt slabe, ceea ce face dificil studiul impactului general.

Se dezvoltă premisele pentru creșterea durabilității rezultatelor asistenței Phare

În multe sectoare, Phare a sprijinit dezvoltarea premiselor legale, organizaționale și administrative necesare pentru asigurarea durabilității rezultatelor asistenței primite. Există o bună conexiune logică între intervențiile succesive într-un anumit sector și există exemple de situații în care beneficiarii asistenței au continuat, cu bugete proprii, unele dintre acțiunile

inițiate de Phare sau unde Phare a finanțat proiecte pilot. Angajamentul recent al administrației românești de a sprijini un progres durabil al procesului de reformă a administrației publice pare solid. Accelerarea recentă a activității în domeniul coeziunii economice și sociale, ca pregătire pentru fondurile structurale, a avut un efect pozitiv asupra șanselor de durabilitate ale rezultatelor asistenței Phare.

Întârzieri generalizate în derularea asistenței Phare

Fondurile Phare alocate au fost contractate în totalitate dar cheltuirea efectivă a fondurilor a suferit întârzieri. În toate sectoarele au fost obținute rezultate vizibile, dar derulare la timp a asistenței a avut loc doar în cazuri excepționale. Întârzierile în implementare au fost cauzate de mai mulți factori, printre care lipsa de personal suficient la nivelul agențiilor de implementare (în perioada de început), timpul necesar aprobării documentelor de program și întârzieri ale procesului de contractare. Programele de asistență din 2001 se apropiau de finalizare de-abia la începutul anului 2006. Încadrarea în grafice și capacitatea de absorbție au rămas problematice și după 2001. Un caz special îl reprezintă întârzierile în implementarea unora dintre schemele de fonduri nerambursabile (*grants*), fiind astfel afectată eficiența acestor scheme și ducând la propagarea întârzierilor către asistențele ulterioare.

Concluzii

Concluziile se referă la derularea asistenței Phare în România în general și la trei elemente în particular:

- Dacă asistența Phare a adresat în mod concret nevoile *ex-post* ale beneficiarilor români;
- Dezvoltarea capacității judiciare și a administrației publice de a pune în aplicare *acquis*-ul;
- Sprijinul pentru coeziune economică și socială, inclusiv pregătirea pentru Fonduri Structurale.

Concluzia 1: Design-ul programelor Phare și modul de utilizare a instrumentelor de asistență au fost satisfăcătoare, dar performanța generală a programului Phare a fost sub așteptări

Legătura și continuitatea între asistența Phare din perioade succesive a fost bună. Design-ul programelor a fost bine conectat la cerințele capitolelor din *acquis* și la nevoia de dezvoltare a capacității de asumare a obligațiilor și folosire a oportunităților create de statutul de membru al UE. Gama de instrumente de asistență folosită a fost adecvată. La începuturile perioadei evaluate, o mare parte a eforturilor s-a concentrat pe aproximarea legislativă și pe crearea de noi structuri, obținându-se până în 2004 un progres substanțial. În ceea ce privește analiza de nevoi sectoriale, documentul *Accession Partnership* și analizele de nevoi sectoriale pentru capitolele din *acquis* au compensat parțial, până recent, absența unor strategii sectoriale sau de altă natură. Cu toate acestea, activitatea Phare în România, atât la începutul cât și la finalul perioadei evaluate, a fost sub așteptări, în special datorită insuficienței voințe guvernamentale pentru sprijinirea reformei justiției și administrației publice. Îmbunătățirile recente în acest sens au fost tardive pentru a mai putea influența această evaluare *ex-post* a asistenței Phare.

Concluzia 2: Sprijinul ex-post acordat pentru a îndeplini cerințele din acquis a fost acordat de Phare în general, dar era necesară mai multă asistență, mai devreme, pentru a dezvolta o abordare strategică a politicilor la nivel național și sectorial.

În general, Phare a fost eficace în sprijinirea dezvoltării sau modernizării de structuri și proceduri legate de cerințele din *acquis* și în instruirea personalului și furnizarea de echipamente și alte bunuri de capital, fapt reflectat de închiderea capitolelor din *acquis*. Continuă însă să fie îngrijorătoare folosirea de către Guvern a unui număr mare de ordonanțe de urgență pentru corectarea erorilor sau omisiunilor din legislația primară, care sunt un

simptom al unei abordări imperfecte cauzate de slaba planificare strategică și politică din trecut.

O abordare strategică a planificării politicilor și asistenței a fost adoptată prea târziu. Strategiile sectoriale sau de altă natură sunt în general într-un stadiu embrionic sau sunt prea recente pentru a putea avea un impact semnificativ în timpul perioadei evaluate, deși, ce-i drept, acestea încep să dea roade în unele domenii. Lipsa acestor strategii a constitui în mod inevitabil un dezavantaj major pentru problematicile care țineau de criteriul politic, cum ar fi capacitatea administrativă și judiciară, pentru care nu există nici *acquis*, nici un model standard care să poată fi preluat și deasemenea pentru domeniile unde *acquis*-ul cere în mod expres, dar fără să îl definească, un cadru național strategic care acoperă domenii de responsabilitate ale mai multor ministere, spre exemplu *Coeziunea Economică și Socială*.

Concluzia 3: Asistența Phare era crucială pentru a iniția reforme în administrația publică și justiție, dar progresul obținut a fost insuficient.

Deși diverse guverne care s-au succedat la putere au sprijinit, în principiu, reforma funcției publice, progresul efectiv obținut în crearea unui serviciu public independent este incomplet, deși Phare a sprijinit acest domeniu încă din 1996. Trebuie totuși menționat că au fost făcute progrese și că în prezent există un sprijin continuu și o dezvoltare a capacității de a continua și accelera reforma. Progresul în procesul de descentralizare este deasemenea lent, dar realizările cu sprijin Phare 2001 și 2002 au fost continuate și dezvoltate în cadrul asistenței Phare 2003 și 2004, care este bine implementată. Deși a avut un start lent, progresul în ceea ce privește reforma planificării strategice a fost accelerat datorită unui proiect de twinning finanțat prin Phare 2003.

Rezultatele sub așteptări ale unora dintre programele din domeniul dezvoltării capacității administrative și judiciare au avut drept efect o întârziere generalizată a realizărilor asistenței direct legate de *acquis*. Unele dintre intervențiile pentru dezvoltarea capacității administrative și judiciare, în spezial cele legate de reforma funcției publice, pot avea efecte profunde asupra performanțelor generale ale sectorului public și prin urmare asupra capacității de a gestiona procesele legate de *acquis* în mod rapid și eficace. Progresul lent al unor astfel de intervenții a avut un efect negativ asupra impactului la nivel intermediar al altor sectoare.

Concluzia 4: Accelerarea recentă a pregătirilor pentru Fonduri Structurale este în cea mai mare parte datorată eforturilor naționale și iminenței momentului aderării.

Asistența Phare nu s-a derulat prea bine în primii ani de sprijin în domeniul coeziunii economice și sociale, nefiind suficient de bine gândită din punct de vedere strategic și nici destul de bine ținută. De îndată însă ce autoritățile române au înțeles suficient de bine semnificația fondurilor structurale după aderare și au alocat în acest sens mai multe resurse financiare și umane, s-a creat posibilitatea unei mai bune contribuții Phare la anumite activități pregătitoare, atât în ceea ce privește dezvoltarea instituțională cât și în ceea ce privește pregătirea documentelor necesare Fondurilor Structurale. Datorită faptului că voința la nivel național este evidentă, există șanse mari ca impactul și durabilitatea acestei asistențe să fie bune.

Deși trebuie ținut cont de faptul că modul său de operare face ca Phare să nu fie cel mai potrivit instrument de pregătire pentru Fonduri Structurale, rezultatele obținute de Phare în acest sens în România, per ansamblul perioadei evaluate, au fost sub așteptări, atât datorită faptului că nu au reușit să ofere o imagine suficient de clară asupra naturii și anvergurii cerințelor statutului de membru și a politicilor și structurilor naționale și regionale de bază care sunt necesare din timp, cât și datorită faptului că pentru prea mult timp autoritățile române nu au acordat

suficientă atenție nevoii esențiale de reforme pentru pregătirea în vederea fondurilor structurale.

Concluzia 5: Phare nu a contribuit suficient la dezvoltarea structurilor și procedurilor necesare pentru coordonare națională.

Capacitatea generală managerială de a urmări agenda modernizării în instituțiile supuse procesului de reformă a reprezentat un factor dominant limitator, care a afectat performanțele Phare în România. În unele cazuri a fost vorba despre deficiențe la nivelul de interfață politico-administrativ, sugerând o posibilă lipsă a voinței politice. În alte cazuri a fost vorba despre o slabă coordonare a intervențiilor Phare între instituții complementare.

O cauză și totodată un efect al absenței generalizate a unei abordări strategice a fost persistența structurilor ierarhice tradiționale, care evită implicarea într-un proces participativ, pe baze de colaborare, de elaborare a politicilor și de implementare, proces necesar în cadrul multor aspecte ale agendei de pre-aderare. Încă de la începuturile perioadei de pre-aderare Phare ar fi trebuit să ofere un sprijin mai substanțial pentru îmbunătățirea coordonării și colaborării și să pună condiții legate de aceste aspecte la momentul în care asistența era în faza de planificare.

Recomandări

Ca urmare a principalelor constatări și concluzii ale evaluării, au fost formulate următoarele recomandări care privesc asistența de pre-aderare planificată pentru țările candidate actuale sau viitoare. Recomandările sunt grupate pe două categorii: strategice și operaționale. Cele patru recomandări strategice se bazează pe o serie de probleme comune identificate separat în timpul procesului de evaluare *ex-post* atât pentru Bulgaria cât și pentru România și care sunt relevante pentru țările candidate viitoare și potențial candidate. Cea de-a doua categorie, cea a recomandărilor operaționale, pot fi utile pentru programarea și implementarea asistenței Phare care a mai rămas de derulat și pentru asistența *Transition Facility*.

Recomandări Strategice

Recomandarea 1: Programarea asistenței viitoare ar trebui să aibă o bază strategică.

Derularea asistenței ar trebui să înceapă doar atunci când există o strategie național sectorială sau de altă natură care să poată furniza o bază solidă de informații privind nevoile și capacitățile naționale, permițând astfel Comisiei și autorităților naționale să stabilească prioritățile și ordinea lor, conținutul și graficul asistenței. Singura excepție ar trebui să fie asistența destinată unor astfel de exerciții de dezvoltare de strategii și management de proiect, acordată administrației publice respective, la nivel central și regional.

Atunci când se planifică asistența, echilibrul dintre sprijinul acordat administrației publice și capacității judiciare și altor aspecte ale criteriului politic și cel acordat altor capitole ale *acquis*-ului și echilibrul între sprijinul acordat diverselor capitole din *acquis* ar trebui să țină cont de relativele dificultăți întâmpinate de România (și alte țări candidate) în respectivele domenii.

Recomandarea 2: Pregătirea documentelor de planificare indicativă multi-anuală pentru instrumente de pre-aderare ar trebui să țină cont de toate lecțiile desprinse din experiența Phare.

Pentru a folosi la maximum valoarea adăugată a documentelor de planificare indicativă multi-anuală ca document strategic, bazat pe nevoi reale, Comisia ar trebui să pregătească o listă de verificare care să fie folosită de către cei responsabili cu programarea, conținând lecțiile învățate identificate în această evaluare (și în alte evaluări tematice). Punctele prioritare sunt: necesitatea de a estima resursele și capacitățile naționale și de a adapta programarea volumului

și graficului asistenței la capacitatea de absorbție; de a progresa în dezvoltarea capacității administrative și judiciare, în același ritm cu dezvoltarea instituțională legată de *acquis*.

Recomandarea 3: Asistența pentru dezvoltarea capacității administrației publice și justiției ar trebui să fie acordată de la bun început.

Încă de la începutul asistenței de pre-aderare și pe tot parcursul perioadei de acordare a acestei asistențe, ar trebui acordată o prioritate deosebită asistenței pentru îmbunătățirea capacității administrației publice și justiției, în toate sectoarele administrației, atât la nivel central cât și local.

Recomandarea 4: Abordarea folosită pentru asistența de pregătire a Fondurilor Structurale ar trebui revizuită.

În cadrul viitoarelor faze de largire a UE, sprijinul acordat pentru pregătirea pentru Fonduri Structurale ar trebui să folosească, pe cât posibil, aceleași instrumente și metodologii care vor fi aplicabile în cadrul statutului de membru. Înainte de a fi acordată asistență pentru operațiuni de tip fonduri structurale, țările candidate ar trebui sprijinite să își dezvolte strategii multi-anuale, atât în domeniul investițiilor cât și în domeniul structurilor administrative și resurselor umane și financiare.

Recomandări operaționale

Recomandarea 5: Dezvoltarea capacității orizontale a administrației publice și judiciare ar trebui să constituie o prioritate deosebită pentru asistența Phare care a mai rămas de derulat și pentru asistența Facilitatea de Tranziție.

Evaluarea de față a demonstrat consecințele negative generalizate ale unei capacități orizontale slabe ale administrației publice și justiției. Dacă nivelul curent de supra-încărcare a administrației naționale nu va persista în cadrul perioadei de derulare a asistenței Phare care a mai rămas și a Facilității de Tranziție, este necesară o regândire urgentă a ceea ce poate fi în mod realist îndeplinit, iar o strategie și un plan de asistență concrete și complete pentru dezvoltarea capacității administrației publice și judiciare are trebui să fie pregătite în colaborare de către Comisie și autoritățile naționale române, ținând cont de măsurile deja inițiate.

Recomandarea 6: Comisia, în acord cu autoritățile române, ar trebui să furnizeze un program de instruire detaliat în domeniul elaborării și implementării de strategii.

Deși un anumit nivel de instruire a fost deja furnizat pe aceste subiecte, totuși ar trebui depus un efort major în perioada Phare și Facilitatea de Tranziție care a mai rămas, pentru a implementa cultura și practica elaborării și implementării de strategii și programme, în toată administrația publică, la nivel central și local.

Recomandarea 7: Bunele practici dobândite în programarea și implementarea Phare ar trebui aplicate pe o scară mai largă.

Administrația română ar trebui să utilizeze pe o scară mai largă în cadrul programelor sale naționale abordarea de tip management al ciclului de proiect, în special tehnicile de analiză a problemelor bazate pe nevoi care permit identificarea de obiective relevante și realiste, pentru a optimiza valoarea adăugată a resurselor naționale și europene. Șansele de durabilitate a rezultatelor ar trebui estimate în mod realist de la bun început, din faza de design, și ar trebui prevăzute măsuri în cadrul programului de asistență care să mărească șansele durabilității.

Cei care răspund de programare ar trebui să acorde o atenție mult mai mare indicatorilor de realizare care reflectă atingerea obiectivelor și obținerea impactului și care pot fi folosiți ca instrumente manageriale. Evaluări formale și la intervale regulate a gradului de atingere a

indicatorilor stabiliți ar trebui să facă parte integrantă din agenda comitetelor *Joint Monitoring* și *Sectoral Monitoring*.

În mod similar, cei care răspund de programare ar trebui să se asigure că au fost stabiliți indicatori de eficacitate a costurilor înainte de aprobarea investițiilor în infrastructură, iar aceștia trebuie măsurați la încheierea asistenței, când infrastructura nou-construită devine operațională. Altfel, singura măsură a succesului este doar finalizarea lucrărilor în sine, care nu reprezintă un indicator adecvat al cheltuirii eficiente a fondurilor comunitare sau naționale. Instrumente de tip "rată de profit a investiției" ar trebui utilizate pe scară mai largă și ar trebui analizate temeinic înainte de aprobarea investiției.

Recomandarea 8: Trebuie depuse toate eforturile pentru a minimiza întârzierile în procesul de contractare și implementare.

Durata mare a procesului de contractare precum și alte întârzieri în implementare au devenit un fenomen generalizat și în multe cazuri au afectat gradul de atingere a obiectivelor asistenței, impactul și durabilitatea. Acest fenomen nu este doar o problemă tehnică sau logistică: întârzierile pot adesea fi un simptom al lipsei voinței de a efectua pregătirile necesare, sau o lipsă de asumare a responsabilității programului sau proiectului. Comisia și autoritățile naționale ar trebui să facă un efort hotărât în direcția îmbunătățirii etapei pregătitoare a proiectului. Sunt necesare: cerințe mai stricte privind elementele care demonstrează justificarea și viabilitatea proiectului; o mai bună înțelegere a graficului critic al perioadelor de contractare și implementare și a gestionării marjelor de siguranță privind termenele; o aplicare mai strictă a termenelor de răspuns în procesarea documentelor; îmbunătățirea comunicării între beneficiari, agențiile de implementare, coordonatorul național al asistenței și Delegația Comisiei Europene și stimularea beneficiarilor de a începe pregătirea documentației necesare înainte de aprobarea finală a asistenței. Asistența viitoare pentru dezvoltare instituțională ar trebui să includă cursuri de instruire pentru cei implicați în activități pregătitoare pe teme managementului eficient al timpului și pregătirea proiectelor.

Recomandarea 9: Coordonarea dintre beneficiari și cei din administrația națională și responsabilii din Comisie de managementul asistenței trebuie îmbunătățită în continuare.

Această coordonare are un efect major asupra funcționării asistenței Phare în toate etapele sale. Aspectele particulare asupra cărora ar trebui să se concentreze împreună Comisia și autoritățile naționale (pe lângă instruirea mai bună în metode de management a ciclului proiectelor care a fost deja menționată) sunt un mecanism de comunicare mai bun, care să includă utilizarea intranet-ului de către diversele părți implicate, îmbunătățirea colaborării între părțile implicate (cu un accent mai mare pe întâlniri ad-hoc, nu doar pe corespondență formală) pentru a rezolva probleme de rutină mai rapid și pentru a facilita împărtășirea bunelor practici care pot avea o aplicare mai largă.

MAIN REPORT

1. INTRODUCTION

1.1. Objectives

1. The purpose of this *ex post* evaluation is to assess the contribution of the 1999 – 2001 (“earlier period”) Phare national and cross-border co-operation (CBC) Programmes to support Romania in meeting the Copenhagen criteria in order to facilitate its accession to the European Union. The evaluation also includes an analysis of post-2001 allocations (“later period”). The evaluation of the Romanian national programmes is one of a series of ten similar evaluations in the ten candidate countries (CC). The results of this evaluation will form part of a consolidated *ex post* evaluation of the Phare programme.

1.2. Background and Context

2. The key objectives of the Phare Romanian national and CBC programmes during the period under review were to provide assistance in the following areas:

- The political criteria, including strengthening democracy, the judiciary, civil society and human rights, the development of child welfare services, and education for disadvantaged groups focusing on Roma;
- Economic reforms / capacity to withstand competitive pressures, including reinforcement of the privatisation process, market regulation and liberalisation of selected sectors, and strengthening of public administration
- Meeting the obligations of the *acquis* including border management, support to the ministry of finance (including internal financial control), anti-corruption, agriculture and the environment *acquis*.
- Economic and social cohesion, including support for the *Romanian National Development plan (NDP)*, and regional development investments.

3. The specific objectives of the CBC programmes between Romania and Hungary and Romania/ Bulgaria 1999-2001 were the improvement of infrastructure, in particular energy and transport, environmental protection, and the identification of future regional development assistance. In the case of Romania-Hungary cross border cooperation, the programmes included a flexible mechanism of “people to people projects” to support local socio-economic development and technical assistance for the implementation of a multi annual strategy between the countries.

4. National and CBC Phare programmes were financed through successive annual allocations. The total financial assistance amounted to M€ 727 during the evaluation period (1999-2001).² The total financial assistance in the period 2002-2004 amounted to M€ 913. A summary of the Phare programmes from 1999 to 2004 is set out in Annex 2.

5. The Romanian national and CBC programmes were subject to interim evaluations (IE) regularly undertaken by the EMS Consortium, which were summarised in a Country Phare

² See Annex 1 for details. The programmes to be evaluated include so-called *Other Financing Memoranda*, which were implemented by national authorities and subject to previous interim evaluation, but excludes participation in Community programmes and nuclear safety programmes. Romania benefited from Phare-funded multi-beneficiary programmes, such as TAIEX and SIGMA, which are also outside the scope of this evaluation.

Evaluation Review³ (CPER). The CPER confirmed that Phare assistance played an important role in the accession preparation process. It noted that interventions were most effective where assistance was to part of agreed strategies and action plans. The CPER highlighted that most notable effects have been achieved related to harmonisation of legislation and to investments in banking, financial services, environment, justice and home affairs and telecommunications. However, institutional capacity building and know-how absorption have been poor within some ministries, compounded by the lack of clear Government strategy. Moreover, key concerns reported included inconsistency of programme preparation and assistance design, over ambition related to limited absorption capacities, poor indicators of achievement and implementation problems. Low levels of co-financing and, in certain cases, a lack of cooperation and cohesion among implementing bodies, were also noted.

6. The 2005 Regular Report⁴ stated that Romania had taken decisive steps to further reform the judiciary system towards more independence but significant efforts were needed to reform public administration, implement the reform of the justice system and enforce the fight against corruption. In the area of human rights and the protection of minorities, further efforts were also needed. Romania had made very significant progress in aligning its legislation with the EU legal order but increased efforts were needed, notably on state aid control, the implementation of customs rules and the need to ensure proper financial control. There were serious concerns about the structures and mechanisms for participation in European structural funds, industrial pollution, the fight against corruption and the need to ensure a high level of food security.

1.3. Evaluation Questions

7. This evaluation focuses mainly on the outputs produced by the national and CBC programmes for Romania. It assesses the impact and sustainability of these outputs. The evaluation also assesses the effectiveness and efficiency of the contribution of the national and CBC programmes towards the actual performance of services in the beneficiary country, taking into account EU standards as benchmarks where relevant.

8. Evaluation questions were established in a Terms of Reference (ToR – see Annex 1) for the evaluation, and these were divided into performance evaluation questions, and thematic/cross-cutting questions. The methodology is also given in the ToR. A list of the documents studied is at Annex 8, and a list of those interviewed is at Annex 9.

9. Following a sampling approach, a number of projects for the reference period were selected by the Steering Group for this evaluation⁵ covering the following eight sectors: Agriculture, Cross Border Co-operation, Economic and Social Cohesion, Energy and Transport, Environment, Internal Market, and Social Affairs. As the scope of this evaluation was in-depth, a further sample of projects, drawn from each sector, covering the post-2001 period was also selected for review. The sampling approach enabled conclusions on impact and sustainability to be based on the most recent experiences of Phare assistance and the current position in the Romanian administration. The evaluation planning summary is in Annex 3 and the reference evaluation indicators are in Annex 4. Details of the sample projects referred to in the evaluation are set out in Annex 5, including a summary of their operational results.

³ RO/CPER/03111 issued 14 November 2003.

⁴ European Commission: 2005 Regular Report on Romania's Progress Towards Accession

⁵ The Steering Group consists of a representative of DG Enlargement country team, the EC Delegation, and the appointed national representative of the exercise, with DG Enlargement Evaluation Unit as the chair.

2. PERFORMANCE OF PHARE ASSISTANCE

10. This chapter examines the overall performance of Phare national and cross-border co-operation programmes in the 1999-2001 period,⁶ and reviews the continuation of Phare assistance in the post 2001 period.⁷ It assesses sectoral performance by reference to the performance evaluation questions set in the Terms of Reference (See Annex 1). These require a methodical consideration of needs' assessment and design, inputs, outputs, impact and sustainability.

2.1. Overall, Phare could only achieve mixed performance.

11. The overall performance of Phare in Romania in the financing period 1999 – 2001 and in subsequent years to date has been mixed. Programme design had clear and direct links to the closing of *acquis* chapters and to building capacity to take on the obligations and opportunities of EU membership. For the earlier period under consideration, much of the effort was concerned with legal approximation and the creation of new structures, and substantial progress had been made by 2004. However, in terms of needs' assessment, the availability of the Accession Partnership, and gap analyses for the *acquis* chapters, only partly compensated for an absence of local sectoral or other strategies.

12. Performance was generally stronger in the sectors directly linked to *acquis* chapters, creating satisfactory immediate impact and some intermediate impact. Phare supported the establishment of new or modernised institutions for implementing the *acquis*, and these are generally beginning to find their feet with continuing Phare support. There was a strong performance in sectors related to the economic criteria, and some good performance in the social affairs sector. The performance of cross-border co-operation assistance was mixed. Although Phare helped set up ESC systems adequately, related structures and responsibilities for the Structural Funds are not yet fully defined. Performance in areas supporting judicial capacity has been disappointing. In some sectors, including agriculture, good progress for the closing of *acquis* chapters was made in the early period and programmes in the later period emphasised the preparations for benefiting from *acquis* regimes after accession. In other sectors, including environment and internal market, the work on institutional building to close the *acquis* chapters continued into the later period.

13. The slow pace of progress in the restructuring of the Romanian public administration has had a restraining effect on Phare sectoral performance as well as on administrative and judicial capacity generally. There have been capacity absorption issues with some aspects of the proposed reforms. However, recent outputs from Phare assistance have put the Romanian administration in a stronger position to build on the achievements supported by Phare.

14. The Phare assistance contributed to immediate impact in the establishment of new regional structures in the agriculture, environment and labour market sectors but their ability to deliver intermediate, and eventually wider, impact in the form of EU funds to ultimate beneficiaries of EU Common Agricultural Policy, Structural Funds and other supports schemes, will not be clear before accession.

2.2. Assistance was not strategically based until recently

15. This section examines the needs' assessment and design of the Phare programmes in the 1999/2001 and post-2001 reference periods. It focuses on the extent to which the objectives/

⁶ This is also referred to as the "earlier period".

⁷ This is also referred to as the "later period".

strategies of the national programme addressed identified needs and the involvement of the stakeholders in the design (ownership). The key considerations were the clarity of objectives set, the quality of strategic planning documentation with particular reference to the availability of a needs' assessment, and the degree of consultation with stakeholders.

16. ***Sector strategies, to provide context and priority for Phare assistance, were developed late in the pre-accession period, if at all.*** Strategic documents have had little impact on support programming over the pre-accession period as a whole and, where they do exist (which is not for all sectors) are only very recently beginning to bear fruit in terms of better focused outputs and have yet to have impact on the sectoral performance of assistance.

17. It is really only in the post 2001 period that Phare has begun consistently to emphasise the value of sectoral strategies, both for national planning and for Phare assistance purposes and to promulgate guidance on what they should contain. Multi-annual programming, introduced in 2004, was a considerable step forward, though very late. In consequence, it is not surprising that some sectoral strategies have been ill-suited as guidance for planning assistance. To take an example from a key sector, in April 2004, the Government of Romania drew up a 'Strategy for Sustainable Development of Agriculture and Food Industry in Romania for 2004-2025'. Whilst broadly stating the objectives to be achieved, the strategy only marginally touches upon key issues of Romanian agriculture and rural development, such as the fragmentation of farm structures, and does not address technical issues which need policy decisions if the CAP is to function properly in Romania.

18. As regards the overarching issue of public administrative and judicial capacity (PAJC), it is only in the context of the (updated) Strategy of the Government concerning the Acceleration of Public Administration Reform for the period 2004-06 that the 2004 PAJC-related projects have been set in a strategic context. In the area of economic and social cohesion, which is crucial in terms of the potential financial benefits of EU membership, preparations for the use of the Structural Funds have been essentially driven by chapter 21 negotiations, with one exception in relation to the labour market, where European employment policy documents such as the Joint Implementation Memorandum (JIM) and the Joint Action Plan (JAP) have pointed the way for strategic programming of the Sectoral Operational Programme (SOP) for Human Resources Development, funded by the European Social Fund (ESF).

19. ***In the period 1999-2001, the need to bring accession negotiations to an end sharpened the focus of Phare programming.*** The repositioning of Phare as an instrument to support the closing of *acquis* chapters and the general progress towards accession provided a strong reference point for programming. From a Romanian national perspective, this new focus greatly enhanced the importance of the Phare instrument. The change in government in 2000 provided new strategic thinking on the general modernisation of the administration. There were also external factors that influenced the programming for the years in question. For example, in the late 1990s the restructuring and privatisation of large state industries was an enormous challenge to the modernisation of the economy along market economy lines and the macroeconomic stability. The largest single area of Phare assistance was part of the response to providing economic and social support to the displaced workforce (see 28 below).

20. ***Phare programming for the earlier period suffered from the same design weaknesses and challenges as in other candidate countries.*** The expertise of final beneficiaries in the use of the technical toolkit for studying needs, identifying problems and converting them into coherent sectoral responses was limited. Accordingly, there were weaknesses in the use of Logframes, notably in setting objectives for assistance, particularly at higher levels. Indicators

of achievement were usually weak, although some good examples existed in the CBC and transport sectors. While training in programming methods (supported by Phare) has been provided throughout the period, this was not always co-ordinated well as there was no central actor assigned responsibility for training the final beneficiaries in the techniques for programme design. The limitations in objective-setting were compensated to some extent by the co-operative working relationships between the EC Delegation and the Romanian Administration and by the underpinning of programme design by an increased clarity about the accession agenda through the Accession Partnerships, gap analysis for *acquis* chapters and the refocusing of the Phare instrument on investment and institution building.

21. ***The programming of Phare in the later period gradually improved as experience was gained in the application of Phare procedure.*** In many sectors, the discipline of annual programming meant that later assistance followed on from earlier activities under the 1999-2001 period. The discipline in the programming documentation of providing a list of previous Phare and other donor support, and learning its lessons assisted with this. However, the lessons learned from interim evaluations were usually too late to influence the next wave of assistance.

22. ***The change to a multi-annual programming perspective in 2004 had a generally beneficial effect,*** as it helped to reinforce the need to think in terms of a longer term sectoral perspective (the absence of which had been a criticism of annual planning) and place a higher weight on the specific purposes (immediate impact) and broader results (intermediate impact) of assistance rather than just on outputs. The new programming approach aimed to ensure that strategies would be in place before programming would commence but it is recognised by the EC that insufficient support was provided to assist with the production of the strategies. It also exposed areas where there was no medium-term strategy and this was addressed in the preparation of the NDP and the Sectoral Operational Programmes (SOPs).

23. ***It was clear how to programme Acquis chapters with highly specified requirements.*** The sectors supported by Phare can be divided into two groups, the first being those with a direct link to the closing of *acquis* chapters with very specific requirements. These included agriculture, environment, energy and transport, internal market and economic development/finance.⁸ In these sectors, programme design was directly linked to accession priorities and the overall objectives were usually stated in terms of meeting the objectives of a relevant chapter of the *acquis*. There was a clear sense of direction and a specifically verifiable endpoint.

24. Much of the assistance in *acquis* driven sectors was concerned with legal approximation and support to the creation of new structures, for the enforcement of regulatory obligations. For example, the accession partnership priorities for the environment sector are related mainly to legal approximation and to developing the enforcement capacity and the assistance focused on these priorities. Similarly, in the internal market sector, Phare support has been directed towards the stated accession priorities and has focused on institution building and legal approximation. The design of assistance in the financial markets sector specifically reflected the needs identified in the EC Regular Reports and the requirements for harmonisation of legislation.

25. ***It was less clear how to programme support to the political criteria and related sectors.*** A second group of sectors supported the progress towards accession, that is, *acquis*

⁸ These sectors are referred to as “*acquis*-driven sectors”.

chapters with less clearly defined requirements, or activities directed to meeting the Copenhagen criteria, including public administration and judicial capacity, the justice and home affairs sector, social affairs and economic and social cohesion (ESC).⁹ In these sectors, the Phare assistance often supported interventions that might not have occurred but the combined Phare and national resources allocated to these sectors was limited in relation to the ambitious overall objectives. Although there were clearly articulated objectives (for example in the justice and home affairs sector and the public administration sector), the roadmap of interventions to achieve the objectives was less clear. Progress in these sectors also depended on a high degree of political commitment, including an ability to bring fundamental reforming legislation through parliament. A practical example of this commitment is the National Agreement for Regional Development (1998) which was produced under the chairmanship of the Prime Minister and the subsequent changes in ministerial responsibility for regional development in 2001 (Ministry of Development and Prognosis) and 2003 (Ministry of European Integration). The interaction between the EC and the National authorities, as reflected through the regular reports, was important to maintain the focus and sense of priorities for these sectors.

26. The justice and home affairs sector and the public administration sector both required significant inputs in capacity building. Despite the recognised need in the 1999-2001 period, Phare support to capacity building for the core reform of the judiciary started in the post 2001 period and will be ongoing into the medium term. Assistance for Justice and Home Affairs in the earlier period addressed pressing needs where immediate impact could be achieved, for example, in the penitentiary system and the capacity for the fight against drugs. In contrast, The 1999/2001 public administration assistance focused on creating the key institutions that would underpin civil service reform, the National Agency for Civil Servants (NACS), civil service training, the National Institute of Administration (NIA) and the structures for local decentralisation. However, insufficient funding was provided for strengthening two further bodies directly concerned with key aspects of the reforms (the Unit for Public Policy and the Central Unit for Public Administrative Reform (CUPAR)). The sector strategy was updated in 2001.

27. ***The social affairs sector benefited from stakeholder participation, but suffered from modest funding and programme objectives.*** In the social affairs sector, even though at the design stage there was no national strategy, a worthwhile programme emerged, based on good stakeholder participation. Interventions in these sectors require a long time horizon to achieve wider impact. The annual programming cycle used for Phare up to 2004, the limited funds available and the low absorption capacity, of necessity meant that the Phare programme objectives in the earlier period would be limited in scope and focused on making initial progress in improving the sector. Later social affairs assistance, building on the earlier work, originated from priorities within the NPAA.

28. ***A very large, flagship grant scheme had over-complex design and proved unmanageable.*** Normally, an ex-post evaluation such as the present one would not focus below sectoral or sub-sectoral level. However, in the case of Romania, there is a crucial, programme level intervention which is so wide-ranging and so costly (Phare allocation of € 100 m, over 8% of the total for the period covered by this evaluation) as to justify attention. The RICOP project was the largest single Phare intervention in Romania. A case study on this project is included at Annex 7. RICOP was designed as a grant scheme to counter the effects of reforming 60 state enterprises. There were three specific objectives covering the

⁹ These sectors are referred to as “accession-driven sectors”.

implementation of government policy for the restructuring of state enterprises, an emergency response to the alleviation of the hardship caused by loss of employment in local communities and support the establishment of SMEs and micro enterprises as a solution for the economic regeneration of communities affected by the policy. The objectives of RICOP have clear links to implementing government economic policy which was complementary to the Copenhagen criteria for development of a market economy. The inclusion of an emergency social response to the hardship of mass unemployment caused by the policy complicated the design of the project which was, in consequence, subject to considerable delays. The use of a grant scheme on this scale was unsuitable for an emergency response and with the benefit of hindsight, the component of RICOP, and particularly the emergency component, would have been more successful if they had been designed as separate interventions.

2.3. Assistance was disbursed with pervasive delays.

29. In this section, the efficiency with which inputs/activities have produced outputs is considered. The reference criteria used were the choice of Phare implementation method (twinning, technical assistance, and grant schemes), the rates of commitment and disbursement of funds, implementation scheduling, the visible quantification of outputs and the relative cost-effectiveness of the programmes.

30. ***An appropriate mix of instruments was used.*** The Phare and CBC programmes were implemented through a mix of technical assistance, twinning, grant schemes and supply contracts. Technical assistance worked best where it supported management, and was not used as a substitute for management or for inadequate local manpower. The overall experience of technical assistance in Romania for both the earlier and later periods, from an *ex post* perspective, is neutral, with few examples of exceptionally positive or negative experiences. One positive example of good use of technical assistance was the assistance to implementation of the environment *acquis*. The use of twinning in the later period has been appropriate and it is viewed as a successful instrument in Romania with many positive examples covered in the sample review (e.g. in the finance, internal market and JHA sectors) (see Box 1). Twinning has continued to be used up to the present. Some of the New Member States are now involved in knowledge transfer in areas such as the preparation for structural funds (Hungary) and the introduction of a strategic planning framework (Latvia).

31. ***Inputs have been fully committed, disbursement performance is mixed.***

According to information received from the National Fund, the allocated Phare funds for the programming years 1999 to 2001 have been substantially committed and disbursed (See Table 1). A good rate of commitment has continued for Phare 2002 and 2003. The rate of disbursement for 2002 was affected by the cancellation of a grant scheme worth around M€ 10.

32. The assistance to RICOP had a low rate of disbursement because of the strict

Box 1: Views on the use of Phare instruments obtained through the evaluation fieldwork.

Twinning was a successful instrument, for example with the banking sector projects. Those involved in JHA were pleased with their twinning (penitentiary system). Other successful twinning examples concern assistance for the fight against drugs and for maritime safety (energy & transport). One case was noted where performance was affected by the rigidity of the views of the twinning advisers.

Technical assistance was successful in implementing the environment *acquis* – updating legislation and drafting secondary legislation. There was a mixed experience (no major positives or negatives) in most other sectors, with some difficulties with complex database assistance.

A frequent problem with **grant schemes** was the gap between the timing of the call for proposals and payment of the money (in RICOP up to three years) as no retroactive funding was possible under Phare. This had a negative impression on beneficiaries that affected the credibility and take-up of follow-on schemes.

enforcement of the conditionality that linked the allocated budget to the progress achieved in restructuring enterprises. As a result of regular assessments of the restructuring progress, the budget was adjusted to match this progress. In consequence, only 80 M€ were eventually spent, against the original budget of 100 M€.

33. The management of RICOP (a PIU located at the Ministry of Finance) was outside the mainstream institutional approach in most of the areas it addressed: SME development, employment development, infrastructure funding, social support. In that sense, RICOP repeated the experience of the 1997 Phare-funded PAEM (Programme for Active Employment Measures) which was managed by an NGO, an entity that was not amongst the usual implementing structures.

Table 1.- Commitments and disbursement of Phare and CBC allocations – 1999–2003

Year	Instrument	Budget (M€)	At 30 April 2006	
			Committed (%)	Commitment disbursed (%)
1999	Phare	55.2	83.76	99.38
	RICOP	100.0	80.33	100.00
	CBC RO-BG	5.0	99.74	100.00
	CBC RO-HU	5.0	99.13	93.77
2000	Phare	215.0	90.90	99.02
	CBC RO-BG	8.0	97.92	100.00
	CBC RO-HU	5.0	96.92	99.99
2001	Phare	255.7	92.30	84.45
	CBC RO-BG	8.0	97.32	97.52
	CBC RO-HU	5.0	90.84	85.19
2002	Phare	248.2	88.30	74.81
	CBC RO-HU	5.0	95.24	61.44
	CBC RO-BG	8.0	91.03	45.04
2003	Phare	242.6	96.53	43.32
	CBC RO-HU	3.0	98.88	29.32
	CBC RO-BG	8.0	97.80	39.86

34. *Good linkage between the earlier and later periods.* There are many examples of linkages between Phare supported interventions in the earlier period that are continued through in the later period. For the *acquis* driven sectors, (for example, agriculture, environment, internal market) work on institution building to enforce the *acquis* continued into the later period. Phare assistance in the later period also focused more on sustainability (the wider application of new procedures) and the preparation for Sectoral absorption of post accession assistance.

35. The nature of Phare assistance for the accession driven sectors provided for good continuity between the two periods. For example, in the social affairs sector, the contractors involved in assistance to Roma won a subsequent contract to extend the assistance concepts supported by Phare 2003. Similarly, the lead contractor for the Young Professionals Scheme (Phare 2001) was successful for the second cycle of the scheme (Phare 2003).

36. Progress arising from 2001 interventions in preparing for fiscal and administrative decentralisation (public administration) was modest. Some of the outputs in this area were also supported by bilateral funding. A 'network of modernisers' at the local level was supported and a reform of the activities of the Prefectures is in progress. Later twinning and technical assistance funded through Phare 2003 and extending to Phare 2004-06 are building on these earlier outputs to push through a wider implementation of local administration reform.

37. Phare support to information systems development usually requires a good linkage between programming years, as assistance is divided into phases that can often take more than one year to complete and also may involve separate technical assistance and supply components. The experience of Phare assistance to the development of large databases is mixed, especially where these systems have a wide beneficiary basis. Although there has been significant Phare support for development of a central database of civil servants (CDMS), problems remain as only a minority of units are able to input data directly and more work is needed to produce the defined end product. There is further support from Phare 2004 to continue work on the database.

38. A Case and Document Management System (CDMS) for the operations of the Courts (justice and home affairs) is now in the final stage of being put in place, replacing the previous manual handling of cases and documents with an electronic system. Provision was not made for training the magistrates in the use of the system.

39. ***But timely implementation of assistance was the exception.*** The key reasons for delays by those responsible for programming, both within the Commission Services and the national authorities, included slow processing of project documents, which frequently went through quite a few iterations, staff inexperience and turn-over¹⁰. Some delays could have been avoided or reduced through better planning and work scheduling. In one case in the economic development sector, contracting was delayed pending a review by the EC Delegation with the ToR taking almost a year to produce. A contributory factor was that initial resources allocated to the CFCU were insufficient for the workload.

40. Some delays are unavoidable. Bad weather and the 2005 floods affected assistance to infrastructure, including CBC. However, an avoidable factor that contributed to the delays on occasion was belated availability of co-financing pledged by the beneficiaries.

41. Programming delays in reaching agreement on assistance put subsequent pressure on contracting and implementation which may threaten the quality of outputs. For example, outputs to support the development of policy formulation were affected by too few resources allocated to this important area.

42. ***Timeliness and absorption capacity remain as issues in the post 2001 period.*** The effect of long delays between the production of programming documents and the completion of implementation has been of concern for many years. There is a tendency for implementation to take place 2-3 years after the initial programming.

43. As the amounts available have increased, absorption capacity has also become a current growing concern. The signing of the 2005 FM was delayed because it was felt that the volume of funds available was not matched by sufficient management resources on the Romanian side. There is also pressure to apply resources for the managing authorities and implementing bodies

¹⁰ The causes and consequences of project implementation delays, which were pervasive, are considered in detail in Annex 6.

for structural funds. There has been a good effort on the Romanian authorities to address the management capacity issues. In the second half of 2005, there was a major recruitment campaign. A large number of the new Public Managers who came on stream were allocated to Phare management work or to managing authorities for structural funds.

44. ***Delays in the administration of some grant schemes affected their efficiency and had a negative knock-on effect on subsequent assistance.*** This mechanism was used to reach out to final beneficiaries with relatively small sums of money. Grant schemes were heavily used in ESC. There were difficulties with the implementation of grant schemes, particularly in the early period, due the delays in the processing of applications. For example, in the RICOP assistance the elapsed time between launching a call for proposal and when beneficiaries received the first payments was excessively long. The evaluation grid under the PRAG rules applies a “one-size-fits-all” approach whereas many of the target beneficiaries were small. This had a negative effect on the efficiency of implementation. The end result was frustration of beneficiaries and a cost to them in terms of time and resources lost to comply with the scheme requirements and a potential loss of relevance of their original business idea, which may have been overtaken by events. This had a negative effect on subsequent schemes, for example the 2003 HRD grant scheme received fewer applications than the 1999 HRD scheme and the applications were considered to be of poorer quality. Also a number of smaller applicants withdrew because of the administrative delays.

45. Nevertheless, not all assistance was subject to delay. For example, at the time of the evaluation, the bovine registration under the Bovine Identification & Registration System (Agriculture) was 90% completed, ahead of schedule. The “Roma” assistance (Social Affairs) stayed broadly within plan and there were no major implementing delays. The duration of the implementing period has, however, been long. In general, Phare 2001 assistance was implemented in 2004 but there were many extensions into 2005. At the time of the evaluation, the 2001 ESC assistance was only just approaching completion.

46. In the later period, the experience of the administration of grant schemes has led to some improvements. For example in the public administration sector a grant scheme to support local decentralisation was recently successfully concluded with 674 grants awarded. A further scheme is planned. The experience in the administration of grant schemes is particularly important for the preparation for the absorption of structural funds and there is no doubt that administrative capacity in this area has improved.

2.4. Phare sectoral institution building for the *acquis* generally performed well.

47. This section considers the Phare programmes in terms of the improvements in legislative/ administrative structures, systems and resources with specific reference to the ability of the Romanian administration to take on the obligations of the *acquis*.

48. Overall, Phare sectoral institution building in the early period was successful.

There is considerable evidence of the delivery of outputs from both institution building and investment interventions in the 1999/2001 period which are now mostly closed (see Box 2). In some sectors (for example, agriculture and energy) Phare support for the transposition of EU standards into new legislation led to the establishment of new institutions. This involved the creation of new structures, development of systems and procedures (both manual and electronic), staff training and investment in equipment (e.g. laboratory equipment). There were also sectors (for example transport, economic development) where existing institutions were modernised. Where this work has continued in the later post-2001 period, (for example in agriculture, environment, energy and internal market sectors) performance has been good.

49. The outputs from twinning and technical assistance for institution building were highly visible. For example, the outputs of institution building assistance concerned with the management of regional development and for the Ministry of Economy and Trade include hundreds of persons trained, numerous procedures and systems revised or newly drafted and numerous manuals prepared. The procurement rules generally ensured that supply contracts delivered appropriate tangible outputs of the required quality. In the case of equipment for laboratories or for training institutions Phare supported supply was essential to produce the results.

50. **More mixed results from assistance to investment.** For investments, grant schemes provided funding to hundreds of business projects, covering a wide area of sectors, notably SME, infrastructure of various types, including roads, rehabilitation of buildings, rehabilitation of industrial sites, business centres, water works; social services; support for schools in general and for vocational schools in particular. For infrastructure investments, it was not uncommon for rehabilitation works to be confronted with the need to issue variation orders because the original design had not been of adequate quality. The implementing agency demonstrated capacity to take corrective measures and managed the assistance well.

51. Where assistance to investment has been finalised, the planned outputs were delivered and, where indicators of achievement were specified, these were for the most part achieved in relation to completed works (roads, water works in place, rehabilitated buildings) and improved administrative capacity. The assessment of performance is, however, frequently limited by the lack of specification of indicators (see Box 3).

Box2: Examples of Phare outputs from assistance examined for this report	
Sector	Output
New Institutions	
Agriculture	National Authority Sanitary Veterinary and for Food Safety
Energy	National Regulators for Gas and for Energy (Energy and Transport Sector)
Justice and Home Affairs	National Anti-drug Agency
Public Administration	National Agency of Civil Servants National Institute of Administration
Modernised Institutions	
Transport	Romanian Naval Agency (RNA)
Internal market	Competition Council (merging two agencies) National Centre for Epidemiology
Investment outputs (equipment and systems)	
Agriculture	equipping new food control laboratories Bovine Identification & Registration system
CBC	Arad airport cargo terminal
Energy and transport	Electricity communication links (the off-grid links); Supervisory Control and Data Acquisition system (SCADA) to supervise the power network; Energy Management System EMS software; GIS and a MIS system to operate the power transmission system Boats and other equipment for SAR (Search and Rescue) and OPRC (Oil pollution) operations Database software for a National Register of Ships A Navtex system to transmit weather data

52. Strong performance in sectors related to the economic criteria.

In the energy sector, the Phare support has resulted in an ability to regulate the electricity and gas markets, both of which are operational. The power transmission system has been upgraded which is a further essential step towards the restructuring of the electricity sector. A market concept for the gas market, a commercial code of the electricity market and revised methodologies for tariffs have all been introduced. Two regional electricity distribution companies and two regional gas distribution companies were privatised. In the internal market sector, the restructuring of the Competition Council is considered to have brought it up to the EU requirements. The provision of state aid is now clearly regulated. The Ministry of Economy and Trade has improved its capacity to prepare and implement modern industrial policies, upgraded its structure by setting up a new department for industrial policies and has prepared and utilised a manual on industrial policies. Legislation in the financial market sector meets EU requirements and systems to support the banking and securities sectors have been introduced.

Box 3: Investment performance

Procurement rules ensure delivery of good results:

- Agriculture: laboratory equipment.
- Energy sector – IT systems – good delivery but impossible to measure impact.

Public Administration: NACS – database system was tagged on to other deliverables – main risk was for poor design and the effect of delays on technology leaps. There is a general problem with complex databases (example: JHA case management system).

Generally some good examples of immediate impact but impossible to measure due to a lack of a baseline – an exception is the rate of retention of Romanian ships in foreign ports.

The ‘Rate of Return’ heading in the project fiche was not addressed.

Source: Synthesis of evaluation evidence

53. Achievements in the transport sector include an improved capacity to enforce the maritime safety *acquis*, specifically on Flag State Implementation and Flag State Control, Port State Control, Search and Rescue and the monitoring of Oil Pollution incidents. Newly installed equipment and systems are operational. The database systems and procedures developed with Phare assistance have been put in use leading to an improved capacity to respond to EU standards.

54. The revised or transposed environment legislation is being enforced through a parallel structure of supporting the law enforcing bodies, developed with Phare assistance (see Box 4). The Local Environmental Impact Agencies (LEPA) and Regional Environmental Impact Agencies (REPA) have been strengthened. Methodologies for drafting environmental protection plans were made available. The agencies are operational and have started to issue integrated environmental permits to industry. The National Agency for Environmental Protection has been set up to oversee the implementation of legislation and carry out controls. Communication between these institutions is good and their roles and relationships were clarified.

Box 4: Outputs in the Environment Sector

In the environment sector, the relevant legislation was transposed or revised (e.g. IPPC¹ directive, water framework directive, environmental impact assessment law, waste management, landfill and incineration etc). Strategies and plans were prepared, for, *inter alia*, a National Strategy for waste management, River Basin Management Plans, cost assessment for implementing directives and subsequent plans for investments. The National Action Plan for Environmental Protection was updated. Law enforcement guidelines are in place, including guides for applying the Environmental impact assessment law in 9 sectors and guidelines and manuals for the enforcement of the newly transposed IPPC directive.

Source: Interviews with Project Implementation Officials and the ECD Task Manager

55. **Progress too in the social affairs sector.** Initial reactions to the “Roma” programme in the social sector were good

with Roma communities starting to become involved with the education of their children. The introduction of a school mediator played a big role in this change. It was generally agreed by the Romanian authorities and the EC Delegation that the programme has represented good value for money and provides a platform on which to build further interventions. All three MoLSSF programmes have been successfully completed. For example, the technical assistance programme for “The House of Pensions” carried out an extensive training programme across the country which is only now starting.

56. ***The performance of CBC assistance is mixed.*** There are some good examples of CBC interventions but there have been delays to implementation in some border crossing assistance and poor co-ordination in the specification of equipment and in the timing of its installation. For example, One Romania-Bulgaria CBC project (*Border Crossing Facilities*) was intended to procure and install new equipment that would improve the exchange of information between the authorities of the Romanian and Bulgarian side (customs and border police) and harmonisation of procedures of the two sides. This was expected to reduce the time needed for border checking procedures. The equipment has been procured and installed by both sides, but they are different on each side of the border which prevents full achievement of the intended objectives. The equipment is in use and improved efficiency of the border check procedures on the Romanian side.

57. ***Performance in relation to the justice and home affairs’ acquis has been disappointing.*** In the area of justice and home affairs *acquis*, some assistance has been successful in capacity building. The capability of the ministry for planning further interventions has also improved. However, the limited resources applied until now and the prioritisation of assistance have restricted improvements in terms of the functioning of the Courts’ system. Progress in this sector has lagged behind. However, the sequencing of Phare funding should mean that Phare 2004/06 outputs will continue progress in this sector. Nevertheless, it is acknowledged by both the EU and the Romanian Authorities that more remains to be done in the areas of the training of the judiciary and improving the efficiency of the operation of the courts. Within this sector, Phare support for the fight against drugs has delivered an improved strategy and a new organisation, which is now operational, acting as national contact point for the European anti drug agency.

58. ***Phare helped set up ESC systems adequately but structures and responsibilities are not yet fully defined.*** ESC institution building assistance eventually resulted in a good transfer of know-how, upgraded internal procedures and improved internal documents. Co-operation between the central level organisation and the newly created regional development agencies has recently been improved and there is now a better and clearer relationship between the two, supported by contractual arrangements. The regional development agencies have a stronger position in their respective regions. The support for the preparation for structural funds started late and the initial commitment of resources was low. However, there are a number of Phare supported interventions (mainly twinning) that have made progress, with the consequence that the targets for the production of the structural funds programming documents were met. There is considerable on-going support for the development of managing authorities and implementing bodies, including the preparation for accreditation of these bodies. There are doubts about the strength of some regional bodies to undertake their proposed role. The Romanian authorities have moved quickly to attract more resources to these new structures. The main information system (SMIS) for monitoring the implementation of structural funds interventions is not expected to be ready until November 2006.

59. ***The negative experience at least provided local stakeholders with useful - though excessively expensive - lessons learned for the Structural Funds.*** It is unclear if the lessons from the implementation of RICOP have been absorbed at the level of central authorities that manage regional or local development programmes, but good lessons were learnt at local level, in those areas where RICOP was active, improving the preparedness of local level organisations – local authorities, employment organisations, NGOs etc – in view of the role that they are expected to take up in implementing structural funds. The final beneficiaries of RICOP also learned a lot of useful lessons about design, applying for funding and project management. However, this is a disastrously small yield from a M€ 100 programme.

2.5. Positive immediate and some intermediate impact, but limited wider impact.

60. This section provides an updated view of the progress being made of Phare support in terms of impacts achieved.¹¹ While substantial progress has been made in achieving immediate impact with direct beneficiaries, issues of political commitment of the beneficiaries, absorption capacity, co-financing and retention of key staff have been identified as restricting factors for achieving intermediate and wider impacts.

61. ***There are significant immediate impacts from sectoral, acquis-related administrative structures, systems and resources.*** . In the majority of sectors, the outputs of projects have been taken forward by the beneficiaries, resulting in immediate impact; the skills and knowledge acquired with Phare support have been deployed, and the new systems or capital facilities are in use and providing benefits. The Phare assistance to the creation of new institutions and the harmonisation of others has led to a better allocation of roles and responsibilities between the structures. Many of the sectors (agriculture, environment, economic development, social affairs) are developing a clearly delineated policy reference and the systems to enforce the newly transposed EU *acquis* are in place.

62. By way of illustration, in the agricultural internal market sector, the results of interventions to improve food quality control are that the whole food chain is now under control. The newly set-up Agency operates well in terms of the strategy, systems and structures that are in place and its capacity to enforce control and measures is improved. Phytosanitary capacity has also improved as a result of a combination of the beneficial transfer of know-how, new systems, and better equipment to monitor plant health. The capacity to carry out inspections (including inspections at border points), to detect and prevent problems and to enforce measures has been enhanced. The successful implementation of the Bovine Identification & Registration System provides the possibility for Romania to continue meat exports to the EU as well as to benefit from further EU aid. However, systems for the Common Agriculture Policy (CAP), the Paying Agencies and Integrated Administrative and Control System (IACS) have proved difficult to install, are substantially delayed and have yet to be tested operationally.

63. In transport, there was visible progress towards meeting EU requirements through improved maritime and inland waterway safety. One available impact indicator is the decreased rate of detention of Romanian ships in foreign ports, which has gone from 35% before the Phare-funded assistance to a much better level of just 4% at present.

¹¹ The *immediate impact* concerns results, i.e. the extent to which assistance has delivered change to the direct beneficiaries of the assistance. The *intermediate impact* relates to the extent to which the project has influenced, or is likely to influence, peoples' behaviour beyond the envisaged scope of the direct beneficiaries of the project. The *wider impact* concerns the extent to which immediate and intermediate impacts contribute to a wider overall effect on larger numbers of people in the sector or region or on society as a whole.

64. ***However, slow progress with the restructuring of the Romanian administration has constrained the impact of Phare support.*** Slow progress has been made in civil service reform; in shifting the balance between central and local administration, and in separating policy-making from service delivery through both reform of the deconcentrated agencies and fundamental changes to the role of the prefectures. Support for public administration reform in Romania, on which secure sectoral (as well as horizontal) impact ultimately depends, commenced in the mid 1990's through assistance not only from Phare but also a number of other donors, with disappointing results (as already noted above). The resources to achieve what needs doing, in the main, now exist within the Civil Service but have, until recently, lacked clear top-down direction, adequate co-ordination between reform priorities and sufficient authority. More could have been achieved had there been better leadership, particularly in the earlier years. Despite considerable efforts to foster change, impact has been less than might have been hoped and this might be attributed to, amongst others, the following strategic and structural factors:

- lack of any clear direction under the *acquis*;
- lack of sufficient “political will” from successive governments in Romania;
- inability or unwillingness to separate “political” and “administrative” functions;
- limited continuity particularly across senior positions;
- weaknesses in the capacity and status of the Civil Service.

65. As civil service reform and decentralisation reform are horizontal in nature, this has a pervasive effect on all sectors. Under the 2001 Phare interventions, for example, the first batch of Public Managers is now working in the administration although there was considerable institutional resistance in some areas. There has been considerable learning from the experience of early assistance which is informing the choices for future reform priorities. There is no progress to date in the important area of public policy formulation and the introduction of strategic planning. This is an area where Phare support in the later period is helping to catch up with an important piece of the reform agenda.

66. ***Key bodies for administrative improvement are beginning to find their feet, with Phare support.*** Interventions prior to 2001 had limited success in the absence of a coherent reform strategy. The Phare 2001 interventions were an important impetus to the establishment of the NACS and the NIA. The NIA has been operational since 2002 supported by twinning and has organised training courses for high civil servants and supported the training of young professionals. Further Phare support is addressing the operating capabilities of the NIA in terms of curriculum development and course quality assessment. The NIA is also receiving bilateral support. A new training strategy covering 2007 to 2009 has recently been approved. The NIA supports a network of eight Regional Training Centres. A Phare 2004 allocation to support the equipping of a new NIA campus is now in some doubt as a suitable alternative building has so far not been found.

67. ***Intermediate impacts in areas supporting the strengthening of the economic sector are strong*** and the need for further Phare support in the internal market sector is considered small. The privatisation of gas and electricity distribution companies and the strengthened market regulators in the energy sector has contributed to significant progress towards the restructuring of the electricity and gas sectors and towards the introduction of more competitive, free market mechanisms. This is important as it satisfies the priorities identified in the Accession Partnership, to prepare for the internal energy market.

68. Under Competition and State Aid, satisfactory intermediate impact has been largely achieved, including at sectoral level. Legislation is now in place, institutional capacity is adequate, systems and structures are operational. Industry awareness about competition and state aid has been increased through a strategy for the promotion efforts of the Council. The financial sector interventions are also delivering intermediate impacts. One exception concerns interventions to strengthen the epidemiological system, where there was satisfactory immediate impact. However, an important part of the assistance was support to the establishment of the National Centre for Epidemiology. While the activities to strengthen the epidemiological surveillance system resulted in better prepared specialists and increased technical capacity of the reference laboratory, at the time of the evaluation, there was some doubt over the future direction of the new agency which may put the initial results at risk.

69. In CBC there are practical examples, like the Arad airport cargo terminal, of positive intermediate effects on local development. It is too early to determine the extent of this impact due to the non-availability of target performance indicators or of assessments concerning the economic or other benefits of the terminal. Elsewhere in the CBC sector, assistance to Border Crossing Facilities failed to achieve any intermediate impact. There is a limited intermediate impact from the upgrading of the equipment of the border crossing point in Giurgiu which has led to an increased speed of border check procedures on the Romanian side.

70. All of the objectives for the environment sector set out in the Phare programming documents have been achieved. The institution building process has reached its objectives, EU legal provisions have been transposed as planned, plans and strategies have been prepared and put to use. Overall, progress towards meeting the EU requirements has been remarkable and the role of Phare in supporting this process has been crucial.

71. ***In the acquis driven sectors, there were limits in the allocated budgets and in absorption capacity which in turn restricted the scale of intermediate impacts.*** Phare support to these sectors is continuing and, under the Transition Facility, will do so for some time. The experience of Phare in the social sector in Romania is positive although there are several difficulties in programming assistance in this sector. The earlier restriction of single year programming is ill-suited to social change activities and the specification of measurable impact objectives is problematic as there are a large number of variables outside the control of the assistance. The Phare interventions in this sector suffered from the above problems but the flexibility of implementation and the quality of individual outputs seen has contributed to real intermediate impact on the sector as a whole in consequence of good immediate impact on the ground from “Roma” assistance under 1999-2001 programmes, which has been continued by post-2001 programmes. A strategy of “Inclusive Education” has been developed which aims to extend the involvement of other partners e.g. parents. The core of the assistance is a long term objective to improve the access of disadvantaged groups to education – particularly Roma. It is too early to judge how far this has been achieved or whether a critical mass of achievement has been reached but the indicators show that more Roma families are involved with the education of their children as a result of the programme, demonstrating a degree of intermediate impact.

72. ***Slow progress in horizontal Phare assistance has held back intermediate impact.*** The lack of progress in public administration reform has weakened intermediate (and therefore global) impact. While there is probably sufficient overall capacity in the Romanian administration, the lack of management skills in a largely unreformed sector has restricted the allocation of resources, achievement of results and impact of assistance. Important areas of reform like human resource management have contributed little. The lack of progress in the

recruitment, assessment and promotion systems for civil servants hold back the prospects for intermediate impact. Remuneration reform has been a particular problem. Phare support alone has not been sufficient to create sufficient impact on these issues, to which other donors have also made contributions. There are signs that the next few years will bring important changes as much of the current Phare assistance will cross the line from planning and design of reform to implementation and delivery of results. This is particularly the case in all three pillars of the accelerated strategy for public administration reform.

73. Progress in the justice and home affairs has been slow to deliver intermediate impact in terms of the functioning of the Courts system but important steps have been taken for the reform of the judiciary. For the case management database assistance (CDMS) it is too soon to assess the results or impact, as the system is only now being finalised at national level and the need for further systems development has already been identified.

74. ***Expected impacts have generally been poorly specified at design stage.*** It is evident that the logframe methodology has been largely neglected when the expected impacts of Phare assistance have been described in the course of programme and project design. Impacts, particularly intermediate and wider socio-economic impacts, have mostly been described in very general terms unrelated to what the activities and outputs may reasonably be expected to deliver. Indeed, for some types of assistance including infrastructure, social services, and support to vocational schools, the objectives, even the immediate objectives, were often defined in terms more appropriate to wider socio-economic impact, which impacts can be seen only in the longer term and in consequence of a range of assistance, not just one intervention.

75. ***Lack of impact measurement constrains both evaluation and the analysis of cost-effectiveness.*** No system is currently in place to measure impact. Provision was not made for the external data gathering activities that are essential to supply the information needed to study wider impact. The internal evaluations carried out are mainly quantitative in nature, indicating the quantity of works and deliverables that have been completed. A good example of learning from experience is that recently (starting with the 2004-2006 programmes) the Implementing Agency has decided to request that cost-benefit analysis (expected returns on investment) are included in the applications for infrastructure development. Another example of good practice (but which does not directly measure the impact) is that assistance is monitored for a time-period of two years after completion, with the purpose of recording longer-term progress after the end of the Phare funding.

2.6. Pre-conditions for sustainability are building up.

76. This Section considers sustainability in terms of the long term viability of institutional reforms following the withdrawal of Phare support. The preconditions for sustainability include the level of beneficiary commitment, consolidated and stable administrative capacity (including levels of staff turnover), timely provision of co-financing and the integration of the assistance with local strategies.

77. ***Phare has strengthened the legal, organisational and administrative pre-conditions for sustainability in many sectors.*** Where the nature of the deliverables was the creation of new or upgraded structures, these organisations are functioning. In the energy and transport sectors the commitment to change is good, as represented by the implementation of improved systems, methodologies, and regulations, and the installation of new or upgraded equipment, software applications and databases. Similarly, under Competition and State Aid, the institutions funded by Phare are operational and sustainable. Each subsequent programme built on the

achievements of the previous ones, which contributed to strengthening and expanding the achievements.

78. The achievements in the agriculture sector embed many of the pre-conditions necessary for sustainability, such as:

- the newly created institutional structures, systems, and procedures are formalised (e.g. through application for ISO accreditation);
- legislation has been enacted that sustains the requirement to implement changes in all the areas addressed by the Phare support;
- legal harmonisation groups who have worked to transpose the EU legislation are maintained and continue on a regular basis to adopt the changes in the EU legislation;
- the operational costs of the newly installed equipment were adequately budgeted.

79. Institutional structures for the environment sector are stable and the chances for sustainability are good, particularly through the prospects of continued support from the structural funds post-accession. Sustainability was enhanced through good links between early and later programmes. The commitment to sustainability is demonstrated by an expansion of the achievements generated by Phare support (e.g. further investment in equipment for other sites, or continued process of preparing plans based on Phare methodologies) with national funding. There are examples where the local or regional agencies have already proven their operational capabilities.

80. In other cases, while sustainability has yet to be assured, the prospects for sustainability are good. This is especially true where the wider objectives are associated with specific targeted sectors like tourism revenue growth, or the general increase the economic activity in a border region (see Box 5). Phare support to the supply of Border Crossing Facilities and equipment is sustainable as the equipment is currently in use and it is probable that it will continue to be operated on a permanent basis. For the Border crossing between Calarasi and Silistra, sustainability depends on whether the anticipated wider indicators of the expected economic and social benefits of the new border crossing point (which were identified in the planning documents) are met.

Box 5: Sustainability of CBC in Romania

Protection and promotion of the meadows of Mures river covers two areas – that of improving the environmental monitoring capacity and the management capacity of the natural reservation; and the attraction of tourism. The sustainability of achievements in the former area is dependent on the capacity of the reservation management to maintain and properly operate all of the new facilities. As for the latter area, sustainability depends on the level of success in attracting tourists to the area.

Sustainability of the Arad cargo terminal will depend on the level of commercial activity and revenues achieved. The potential for further development of the terminal after accession is promising and its economic sustainability and impact should improve.

Source: Synthesis of evaluation evidence

81. While the achievements in the social affairs sector are positive to date, further progress and sustainability of these achievements will depend on the level of continued interventions and investment in the sector. Continued Phare support to the sector is important but will not, on its own be sufficient. It is recognised that further investments will be needed. Much will depend on the capability to provide strong leadership, good strategic planning based on policy national priorities and further investment in institutional capacity. There are some inhibiting factors to sustainability that will need to be overcome, including funding and the turnover of teachers particularly in the poorer localities.

82. ***The Romanian administration's recent commitment to sustainable progress in public administration reform appears strong.*** Although intermediate impact arising from Phare supported activity in public administration reform is limited, the government's commitment to the reform programme has recently become strong and the prospects for sustainability are consequently potentially good. There were good linkages between the public administration sector assistance included in the Phare 2004/06 MAP and the earlier 2001 assistance. The capacity of the implementing agencies to build on Phare supported achievements is growing. The availability of a SOP for administrative capacity development has been used as an opportunity to extend the strategy out to 2015. The potential overlaps between Phare and structural fund interventions are understood and there is a reasonable prospect of a good migration from a pre-accession to a post-accession context in this area. Much of the legislation supporting civil service reform has been in place for several years but the need for the Government to resort to ordinances to amend primary legislation and the experiences of new member states suggest that further major revisions of legislation (for example to integrate the conditions of employment of public managers in the general civil service law) will be required.

83. Current Phare supported interventions for fiscal and administrative decentralisation reform are approaching the practical implementation of the reforms. This priority received a boost in the restatement of the public administrative reform programme of the current government at the end of 2004. The reforms have reached a critical stage where consultation with other key stakeholders (e.g. the Ministry of Finance for fiscal decentralisation) is in progress. The current twinning assistance and an increased commitment of resources in the final beneficiaries enhance the prospects of a sustainable outcome.

84. ***The acceleration of activity in ESC in preparation for structural funds has had a positive effect on the prospects for sustainability of Phare-supported achievements.*** The necessary documents, including six SOPs were completed within the set deadline. This necessitated a reconsideration of the current position in the sectors, which should have a positive impact on the programming of the remaining Phare assistance, particularly in key sectors such as justice and home affairs. The establishment of the managing authorities and implementing bodies for the SOPs includes Phare assisted capacity building for newly assigned staff to these bodies. The networking within the sectors is considerably strengthened and there are initial steps being taken to develop sector specific networks across the member states. All of these activities have the effect of bringing the newly created regional structures closer to operational reality.

3. THEMATIC/ CROSSCUTTING FINDINGS

85. Having examined overall and sectoral performance of the Phare Programme in Chapter 2, this chapter reviews progress made, with the support of Phare, towards three key thematic areas of the pre-accession strategy:

- Phare's factual contribution to Romania's improved performance in the pre-accession process,
- Building public administrative and judicial capacity (PAJC) to apply the *acquis*, and
- Supporting ESC and the preparation for the SF.

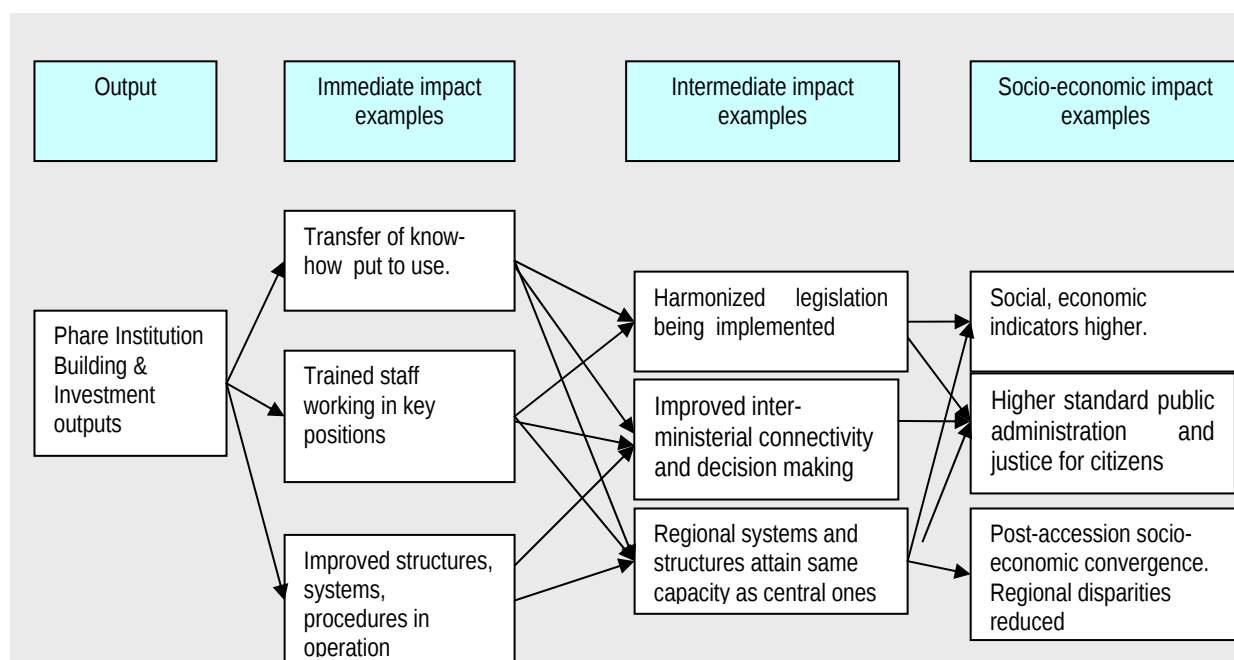
3.1. Romania's pre-accession process was heavily dependent on Phare assistance

86. The first thematic cross-cutting criterion is to assess whether Phare support in practice addressed the *ex post* needs of the Romanian beneficiaries. The evaluation sought to assess whether the original objectives (*ex ante* needs) of the programme were appropriately set. The essence of this evaluation criterion is to consider the extent to which Phare support improved the performance of the Romanian beneficiaries.

87. ***The contribution of Phare to the pre-accession process in Romania was very important.*** There are clear signs across many sectors that the use of Phare as a tool to prepare the required institutions for accession was both essential and successful. Where progress was slow in some sectors, for example agriculture and ESC, the Phare allocations in the later period successfully built on earlier work and delivered stronger results. Intermediate impacts in terms of readiness to assume membership obligations are becoming good.

88. Much of the Phare 1999-2001 assistance was concerned with preparing the ground in terms of legislation, harmonisation and approximation, creation of new structures and institution building activities. In most of the sectors directly concerned with the closing of *acquis* chapters (agriculture, environment, economy, internal market, and energy and transport), the evaluation has found a good linkage between the elements of programme logic (outputs and impacts) and progress towards catering for the *ex post* needs from both a legislative and administrative perspective and a socio-economic perspective. This can be represented through the impact cause and effect diagram shown in Figure 1.

89. Figure 1 is a basic representation of the underlying logic for Phare interventions. A combination of institution building and investment outputs should provide a transfer of knowledge, skills and expertise from member states to the candidate countries. By combining this knowledge transfer with the development of new or upgraded structures and more efficient administrative systems (supported by investments in office information and communication technology), an immediate impact is achieved transforming the operating capabilities of the supported institutions. This new capability is disseminated beyond the immediate beneficiaries to deliver the essential intermediate impacts that are relevant to the accession process. The wider socio-economic impact of Phare assistance should follow.

Figure 1.- Impact Cause and Effect diagram

90. The findings in Chapter 2 show that, for the sectors directly concerned with the closing of *acquis* chapters, from a bottom-up perspective, the Phare assistance in the earlier period (1999-2001) set the scene for putting in place the necessary legislative and administrative structures for membership. From a top-down view (the *ex-post* perspective), the actual intermediate impact is close to that planned in these sectors. The socio-economic impact of an improved Romanian administration depends to a large extent on making further progress with public administration reform (this is discussed in the next section).

3.2. Phare's achievements undermined by slow progress on horizontal administrative and judicial capacity

91. The second thematic/ cross-cutting evaluation criterion is the scale of Phare's contribution to the horizontal public administrative and judicial capacity (PAJC) of the Romanian beneficiary administrations. Horizontal PAJC issues are non-sector specific but are needed to meet the requirements of the first Copenhagen criterion – the 'Political Criteria'¹².

92. **Limited progress on horizontal PAJC.** Although key civil service reform legislation is in place, the enactment and implementation of some key provisions has been slower than anticipated. Progress on remuneration reform has also slowed down other related civil service reform initiatives. Progress in the other public administration priorities (decentralisation and public policy reform) has not reached the stage of wide scale implementation but Romanian commitment to these reforms is strong. Phare assistance will continue to support training and operational efficiency of the courts' system up to 2009 and consideration for further post accession assistance to this sector is in hand. A key Phare contribution has been to strengthen the capacity to develop intermediate plans and design suitable development assistance.

93. While the immediate objectives of the Phare programmes were for the most part achieved, there remains considerable concern about the lack of progress in strengthening

¹² As emphasised in the Commission's 2000 Phare Review communication, these would involve general public administration reforms including civil service reforms, inter-ministerial coordination and anti-corruption programmes.

general (as opposed to *acquis*-related) judicial capacity. This applies to both the training of the judiciary and to steps to improve the operational efficiency of the Courts.

94. The factors that limited the impact of support to horizontal judicial capacity can be summarised as:

- Delays in execution – 2001 assistance was being implemented in 2004 with some extensions to 2005.
- Lack of progress in civil service reform (including remuneration reform) has affected the ability to recruit lawyers. In one competition where 900 positions were available, only 9 places were filled.
- The investment in equipment has not been matched by sustainable capacity for the training of the magistrates. The National Institute for Training the Judiciary needs further institutional support (which has been planned).
- There were significant delays in implementing the computerised case management system (CDMS) due to delays on the Romanian side in providing the pledged co-financing. This led to a situation where the CDMS is only now being completed. Accordingly, the expected operational impact for use of the system has not been realised.

95. There is, nevertheless, some intermediate impact at institutional level. The newly created National Anti-drug Agency is an independent body, with regular funding, with a complete organisational structure in place. The National Administration of Penitentiaries has put to use the new policies, systems and knowledge gained through the Phare assistance and their impact is visible.

96. Notwithstanding the delay in implementing the CDMS system, there is strong commitment by the Romanian authorities to eventual achievement of the wider impacts sought. At this early stage, there is immediate impact as reflected by the satisfaction and confidence amongst the various stakeholders that the new system means a big step towards fighting corruption by a random, computerised allocation of trial cases. The pre-conditions for impact have, for the most part, been fulfilled, such as: commitment of the Romanian side (in spite of the belated co-financing), and a favourable attitude of the people who will be using the new system. However, one key pre-condition which is not yet fulfilled is the need to develop the capacity to manage the new CDMS system (i.e. the IT administration capacity).

97. Much more remains to be done, too, in terms of judicial capacity. The remaining Phare programming is heavily committed to this topic and consideration of further assistance from Structural Funds and from other donors is ongoing.

98. ***The slow progress in national public administration reform has hindered achievement of intermediate and wider national and Phare sector objectives.*** This, in turn, has severely limited the contribution sectoral institutional building activities have been able to make to horizontal PAJC.

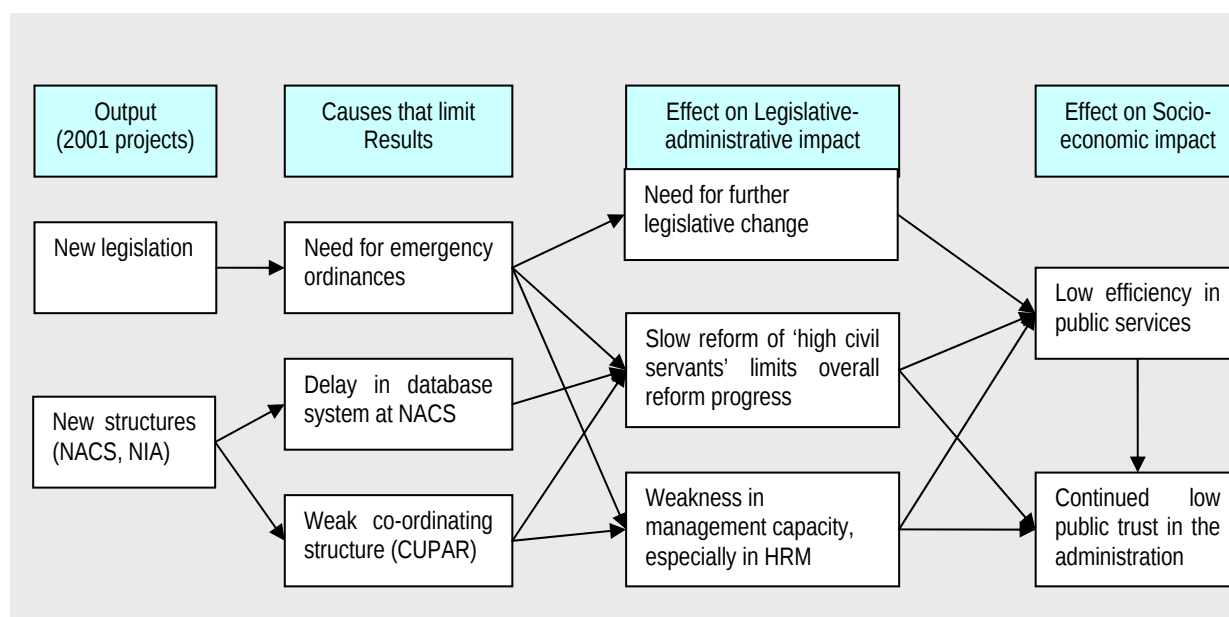
99. On a positive note, the original accelerated strategy for Public Administration Reform that was adopted in 2001 correctly identified three important priorities: civil service reform, fiscal and administrative decentralisation, and the strengthening of capacity for public policy formulation and implementation. There has been good continuity at the strategic level as the strategy was reconfirmed in 2004 and refocused on service delivery and the interface between the administration and citizens when a new Government took office in December 2004. Many of the objectives, especially for civil service reform, have been met in terms of both the passing

of legislation for civil service reform and the creation of implementing structures like the NACS and the NIA. Relatedly, Romania's recent efforts to develop a national strategy for evaluation covering all interventions implemented by their public administration, regardless of the funding source, has the potential to strengthen sound financial management and make a contribution to improved good governance.

100. Overall, the 2001 Phare-supported initiatives have been successful. Some objectives from the early period were also met for decentralisation in terms of legislation and the creation of networks on which to build the practical elements of the implementation of the decentralisation strategy. Little progress was made on the third reform priority, strengthening of capacity for public policy formulation and implementation, as the resources committed to it were too small and lacked capacity to push forward with the implementation of improvements to public policy making. This led to the planned assistance in Phare 2004 being deferred. A recent twinning and a strong commitment to this priority are rapidly changing the situation.

101. The following impact cause and effect diagram (Figure 2) illustrates the weaknesses in intermediate and wider impacts in one priority of the public administration sector (civil service reform).

Figure 2.- Impact Cause and Effect Diagram: Civil Service Reform



102. Figure 2 shows that, while the Phare 2001 assistance delivered the planned outputs, in terms of new legislation and structures, there were institutional factors that limited the achievement in terms of impacts. An example of the consequences is the ongoing need for the Government to make 'emergency ordinances' to address unforeseen effects or omissions in primary legislation. The number of ordinances and the time consumed on legal matters are a further indication of weaknesses in the public administration. The assistance to the database at NACS is very ambitious and the organisation does not have sufficient technical resources to manage this assistance. The lack of progress with the database means the quantity and quality of data on civil servants is poor and unreliable. The absence of reliable human resource information holds back the planning of wider human resource reform. This has a consequent effect on the quality of resource analysis and deployment decisions. There were weaknesses in the co-ordination of the reforms by the Central Unit for Public Administration Reform (CUPAR) due partially to inadequate resources.

103. ***The horizontal adverse effects of the slow performance in public administration reform are pervasive across all sectors.*** For example, the delay in finalising the remuneration reform affected the recruitment competition for lawyers, as mentioned above. One of the main legislative/ administrative effects is the slow progress in improving the capacity of ‘high civil servants’. This was seen as an essential step to complete the transformation of the relationship of the political and administrative roles in the Romanian Public Service. When the reforms were planned it was estimated that a new cadre of up to 10,000 High Administrative Civil Servants would be needed to drive this reform forward. The delays in assistance such as the Young Professional Scheme (YPS) and in the development of training courses at the NIA has meant that alternative approaches have been pursued, including a conversion course for existing serving officials. A linked limitation in intermediate impact is the slow progress in Human Resource Management reform. The contributing factors to this are delays in following through with outputs from 2001 assistance to NACS that designed the elements of this reform. In some cases, elements of Human Resources Management reform were bundled in other modernisation assistance in other sectors, including in the creation of new structures. This has led to a fragmented approach to a vital horizontal area of reform and a certain loss of control over the pace of reform by NACS.

104. Phare support to the public administration sector is continuing through the 2004-06 multi-annual programme. An Administrative Capacity Sector Operating Programme has also been drafted to continue this work after accession. There are plans to continue the Public Manager activity – a second cycle of YPS is currently being supported by Phare. Further schemes to provide fast-track access to the ranks of high civil servants are being considered for the future but, given the considerable costs involved, it is likely that the focus will change towards current managers who have been assessed as having potential, as well as internal recruits. However, until HRM is recognised as a basic fundamental tool in the management of the Public Service, progress is likely to be limited. A recent evaluation of the YPS has recommended that a new Civil Service Statute Law should be produced that merges the statutes that apply to public managers with the general civil service statutes. Even if the new civil service legislation is successfully enacted, the civil service reform will continue to be weak at the level of intermediate impact (with consequent effects on wider socio-economic impacts) until a comprehensive modern Human Resource Management system supported by good data is in place.

3.3. National preparations for Structural Funds have recently accelerated with encouraging results.

105. The third thematic/crosscutting criterion addresses the extent to which Phare contributed to the strengthening of ESC and to the preparation for the use of structural Funds. The particular focus in this report is to provide an update on the preparation for structural funds. Previous evaluation and assessment reports have noted that further efforts were required to make the structures at central, regional and local level fully functional and that Romania needed to focus on administrative capacity and preparing the whole system from the managing authorities and intermediate bodies through to the final beneficiaries for efficient management of the Structural funds.

106. ***The contribution of Phare to ESC institution building and ESC investments has had some local impacts.*** It was not planned, and could not be expected, that Phare would be able to deliver measurable positive macroeconomic effects. It is also acknowledged that the impact on regional indicators was too small, even for grant schemes. In spite of this, there are many

positive immediate impacts from Phare support to the strengthening of organisational structures managing regional development programmes. These include examples of improved internal methodologies and systems, better procedures and operational manuals, and corrective measures taken as a result of learning from experience.

107. Overall, it is difficult to evaluate the degree of achievement of the stated objectives for ESC investments. In some cases, such as SME financing, the ultimate aim was not directly to create employment, but to foster the environment in which employment could be created. It is clear, however, that some new jobs have been facilitated through Phare interventions, though their sustainability depends on the commercial viability of the grant recipient companies. The current practice of monitoring the assistance for a two-year period after completion is providing useful immediate and intermediate impact data.

108. ***Romania has shown a determined capability to plan and prepare for the use of SF after accession.*** The preparation of a NDP, NSRF and SOPs in line with the EC timetable was a good achievement. Institution building for strengthening the managing authorities and implementing bodies is continuing with substantial Phare assistance, including for the development of monitoring information systems (SMIS) and evaluation capacity. The increasing ability of the Romanian Authorities to provide trained staff for these new institutions is partially an impact of previous Phare supported interventions.

109. ***There have been significant positive changes since 2005.*** An aggressive recruitment campaign was launched in the third quarter in 2005 and was successful. Emergency ordinance number 1 in 2006 provided a financial incentive of 75% of salary for positions connected with the administration of EU Funds. This has been sufficient to attract some public managers to give up their rights to a special bonus, in order to take up positions in the new managing authorities and implementing bodies. All the managing authorities have been created and good progress has been made. Work on the administrative capacity SOP started in October 2005 and was completed on time with assistance from SIGMA¹³ and through the allocation of two public managers to the incoming managing authority team. The managing authority had 80% of its staff complement (30 persons) in place by May 2006. Twinning assistance at the Ministry of Finance has supported the overall management and co-ordination of the process. The main challenges have been the very short period of time to train a large number of staff in the framework for structural funds. A further challenge is that this training comes at a time when there is pressure for the delivery of key documents and interaction with Commission officials. Phare support is contributing to the establishment of the systems, processes and procedures for the managing authorities and implementing bodies.

110. ***There is an absence of robust impact evaluation systems for ESC interventions.*** It is clear that the contribution of Phare has been important for the local communities where assistance was implemented. The recipients of Phare grant funding have learned useful lessons in project management – how to design assistance, how to seek funding, how to implement the assistance, of value for the Structural Funds. Many of the investments would have been very difficult to complete without the support of Phare. However, it is questionable whether lessons equally important for successful access to the Structural Funds, with regard to the need for due diligence in terms of the cost-effectiveness and rate of return of proposed investments, have been learned through Phare interventions.

¹³ SIGMA = Support for Improvement in Governance and Management in Central and Eastern European Countries.

4. CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS

111. This chapter sets out the conclusions on strategy and performance of Phare support in Romania. It is crucial that lessons are fully learned about the strengths and weaknesses of the way Phare support for Romania was programmed and realised, in order to optimise the approach to future pre-accession support in the context of the Multi annual Indicative Planning Documents (MIPD) to be developed for the Instrument for Pre-Accession (IPA) for candidate and pre-candidate countries. As a way forward, this evaluation recommends four sets of actions and provides lessons learnt from the Romanian example.

4.1 Conclusions

112. The conclusions include the overall Phare performance in Romania, and three key issues:

- Whether Phare support in practice addressed the *ex post* needs of Romanian beneficiaries;
- Building public administrative and judicial capacity to apply the *acquis*;
- Supporting economic and social cohesion including preparation for Structural Funds.

Conclusion 1: The design of Phare programmes and the deployment of the instruments of support have been satisfactory, but overall performance of Phare has been disappointing.

113. There was a good linkage and continuity in Phare assistance between the earlier and later periods. Programme design had clear and direct links to the closing of *acquis* chapters and to building capacity to take on the obligations and opportunities of EU membership. An appropriate mix of Phare instruments was used. For the earlier period under consideration, much of the effort was concerned with legal approximation and the creation of new structures, and substantial progress had been made by 2004. In terms of needs' assessment, the availability of the Accession Partnership and gap analyses for the *acquis* chapters have partly compensated for an absence, until recently, of sectoral or other strategies. However, the overall performance of Phare in Romania, in both the earlier and the later period, has been disappointing, essentially because of insufficient commitment by the government to underpinning reforms of public and judicial administration. Recent improvements have come too late in the pre-accession period to alter this overall assessment of Phare's performance.

Conclusion 2: Ex post support to meet the requirements of the acquis has generally been provided by Phare, but more assistance should have been given, earlier, to embedding a strategic approach to national and sectoral policy making.

114. Phare has generally been effective in supporting the creation or modernisation of *acquis*-related structures and procedures, and in the training of staff and provision of equipment and other capital items. Phare interventions have been more likely to have been successful where the objective of assistance was clear, defined by the *acquis* and widely accepted as necessary nationally. There was a rapid transposition of the *acquis* into legislation, reflected by the closing of *acquis* chapters. There has, however, been limited achievement of intermediate and wider impact, which has reduced Phare's overall performance. The *ex post* perspective is that Phare delivered strong outputs that had some good immediate impacts, but that intermediate and wider impact was limited in many areas (and the prospects for sustainability were frequently weak). The achievement of intermediate impact was affected by several factors, including: the absence, in most cases, of implementation-based impact indicators, the lack of a strategic context for cascading the benefits beyond immediate beneficiaries, and the weakness of horizontal PAJC. These issues are considered further below.

115. Some risks to coherence arise where old legislation was not repealed and there is continuing concern at the high incidence of the use by the Government of emergency ordinances to amend primary legislation, which are an indication of imperfect gap-filling arising from poor strategic and policy planning in the past.

116. Strategic concepts have been introduced too late and are generally too embryonic or recent to have had a significant impact in the period under reference, although they are beginning to produce outputs in a number of areas. Inevitably this lack of strategy has been most disadvantageous for issues arising under the political criteria, such as PAJC where there is neither *acquis* nor a standard template to build on, and those issues where the *acquis* absolutely requires, but does not define, a national strategic framework covering the areas of responsibility of a number of ministries, such as ESC.

Conclusion 3: Phare support was crucially needed to initiate reforms to public administration and the judiciary but only inadequate progress has been made.

117. While successive governments have strongly supported civil service reform in principle, actual progress in the creation of an independent public service is incomplete, in spite of Phare assistance going back to 1996. However, some progress has been made and there is renewed support and capacity strengthening to continue and accelerate the reforms. Progress in decentralization reform is also slow, but the foundations created with support from Phare 2001 and Phare 2002 have been deepened by current assistance under Phare 2003 and 2004 that are performing well so far. After a slow start, progress in strategic planning reform is accelerating due to twinning under Phare 2003. The implementation of sector plans to achieve measurable results in improved efficiency of the operations of the Courts system will be supported by Phare assistance up to 2009.

118. The underperformance of some horizontal PAJC assistance has had a pervasive retarding effect on the performance of *acquis*-related assistance. Some PAJC interventions, particularly in respect of civil service reform, have potentially far-reaching effects for the overall performance of the Romanian public sector. The importance of the interventions programmed for Phare 2001 was underestimated with a number of unfortunate consequences. For example, the slow pace of progress with these interventions had a negative effect on the intermediate impact on other sectors. For example, the delay in remuneration reform could have affected the staff retention rates of new institutions. It is not possible to quantify the effect this has had on the various sectors.

Conclusion 4: The marked recent acceleration in preparations for Structural Funds owes most to national activity and the imminence of accession.

119. Phare assistance did not perform very well in the earlier years of support to ESC. It was not sufficiently strategically conceived or sharply focused. However, once the Romanian authorities mastered how significant the Structural Funds would be for them following accession, and applied more human and financial resources to that end, the context was improved for Phare to contribute effectively to specific preparatory activities, both in institution building and in drafting the necessary Structural Funds documentation. Because of the high degree of national commitment, the prospects for impact and sustainability of such assistance are good.

120. While it must be appreciated that the *modus operandi* of Phare limits its suitability as a tool for preparing for Structural Funds, the performance of Phare for this purpose in Romania

has, taking the period under evaluation as a whole, been disappointing, both in its failure to provide the country with a sufficiently clear overview of the nature and extent of the membership requirements and of the underpinning national and regional policies and structures needed at a sufficiently early stage, and in the failure of the Romanian authorities for too long to pay sufficient attention to the essential need for reforms to prepare the way for structural fund preparation.

Conclusion 5: Phare did not contribute enough to ensuring that national co-ordinating structures and procedures were in place.

121. While there are many factors that have influenced the performance of Phare in Romania, the overall management capability to pursue a modernising agenda in the reforming institutions has been a dominant limiting factor. The effects of a weak management capability are seen in various different ways. In some cases, there is inadequacy at the political-administrative interface which can be indicative of a lack of political commitment. In other cases, there has been inadequate horizontal co-ordination of Phare interventions between complementary institutions.

122. One of the contributory reasons for, and consequences of, the general absence of a strategic approach was the persistence of traditional administrative hierarchies reluctant to participate in the collaborative policy-making and implementation required by many aspects of the pre-accession agenda. Phare should have provided stronger support for co-ordination and collaboration, and conditionality in relation to it, when planning assistance, and provided it from early in the pre-accession period. Some of the lessons learned included here are also common to Bulgaria.

4.2 Lessons Learned

123. This report has demonstrated areas where the lessons to be learned from the experience of Romania so far have been taken on board by the Commission Services and the national authorities. However, many of these lessons, which are set out below, need to be taken into account at the start of, or much earlier in, any pre-accession period. They are therefore principally of relevance to future enlargements and they are of two kinds, strategic and operational.

Strategic Lessons.

Lesson 1: Start assistance to the most difficult accession topics earlier.

124. The time needed to prepare for accession, particularly in the more difficult areas (PAJC, ESC, Agriculture) has been seriously underestimated, resulting in the unlikelihood (as was the case for the 1 May 2004 candidates) that preparations will be completed by the time of accession and leading to the need for a Transition Facility. Everything possible should be done to avoid such a situation recurring in future enlargements. This requires, *inter alia*:

- strategies which accurately assess the country's needs and capacities and reflect them in the Multi annual Indicative Planning Documents (MIPD) to be developed for the Instrument for Pre-Accession (IPA) for candidate and pre-candidate countries, before assistance starts;
- a realistic rate of deployment of assistance and funding in relation to the growth in national capacities and resources, and
- an adequate time for testing systems (e.g. paying agencies, IACS, ESC bodies) before accession.

125. Remaining support to Romania, under Phare and the Transition Facility, should be carefully monitored with a view to prioritising assistance to key areas in proportion to the remaining difficulties they are experiencing.

Lesson 2: Adopt a strategic approach from the beginning of the pre-accession period.

126. Coordinated sector strategies should be put in place with Phare-type assistance before support is given to the sectors concerned, which should be on a multi-annual basis from the start.

Lesson 3: Give more support to horizontal PAJC including coordination arrangements.

127. In future, EU support to candidates should do far more to help them to appreciate the nature, scale and financial and human resource implications of operating PAJC to the standard needed to meet the Copenhagen Political Criteria and underpin satisfactory operation of the *acquis*. Such support should include assistance with high-level networking and peer support and support for a benchmarking approach to the improvement in national PAJC.

128. Candidates should be encouraged and assisted to establish adequate machinery of government to ensure that the cooperation and collaboration which EU policies require between ministries and agencies for policy development and implementation can be fostered.

Operational lessons.

Lesson 4: Invest in staff resources for PIUs and better co-ordination to enhance the performance of pre-accession assistance.

129. Many of the causes of poor performance in the programming and implementation of Phare assistance can be traced back to weaknesses in staff allocation and poor co-ordination between the final beneficiaries and the central actors (NAC, IA, ECD). Sufficient staff should be identified to participate in Programme Implementation Units (PIUs) to ensure good staff continuity and reduce the risk caused by concentrating a lot of responsibility in the hands of a small number of staff. The training of PIU staff in the rules and regulations of pre-accession assistance (including PCM techniques) should be allocated to a central national actor (possibly the NAC). Training also needs to be provided to the more senior managers who oversee the work of PIU staff. Finally, PIUs can often work in isolation from their peers in other sectors. Some investment in networking of PIUs and in improving co-ordination and communication with the NAC and IAs would be worthwhile.

Lesson 5: Use indicators of achievement to manage the development of Phare impact.

130. Indicators of achievement, where they exist, have not been used at all adequately in the management of interventions. For example, better use of cost-effectiveness indicators could be made in investment assistance if they were defined before approving infrastructure assistance, and were monitored after the completion. Otherwise the only measurement of success is the completion of the works *per se*, which is not an adequate indicator of effective spending of EU and Romanian funds. Nor is it a good training for use of the Structural Funds, for which due diligence, in terms of the cost-effectiveness and rate of return of proposed investments, has to be demonstrated.

131. In many interventions, particularly those with a long time horizon for achievement of impact, the activities stopped short at installation of the new systems or arrangements. There would be a better chance for impact if assistance was programmed to include some assessment of the quality of implementation.

132. In some cases, although good indicators were identified, the systems to provide the data to measure the indicator (e.g. conducting a survey) were not provided for. In the validating of programming documentation, particular attention should be paid to the availability of sources of information to calculate the identified indicators.

4.3 Recommendations

133. To address the key findings and conclusions of the evaluation, the following actions are recommended in respect of pre-accession assistance planned for current or future candidate countries. There are two groups of recommendations; strategic and operational. There are four strategic recommendations which are based on a number of common problems which emerged separately during the *ex post* evaluation process for both Bulgaria and Romania and which are relevant to future candidate and potential candidate countries. The second group are operational recommendations, which could usefully be taken into account in programming and implementing remaining Phare and Transition Facility assistance in Romania.

Strategic recommendations

Recommendation 1: Future programming of assistance should be strategy-based.

134. Assistance should not be started until the relevant national strategy (sectoral or PAJC) is in place to provide a secure basis of information about national needs and capacities to enable the Commission and the national authorities to set the priority, sequence, balance, content and pace of assistance. The only exception should be comprehensive EU assistance to such strategy development and project cycle management throughout the public administration concerned, centrally and regionally.

135. In planning for assistance, the balance of support to PAJC and other aspects of the Political Criteria and to *acquis* chapters, and the balance of support across the *acquis* chapters, should take account of the relative difficulty which Romania (and other candidates) have found with the issues concerned.

Recommendation 2: The preparation of Multi-annual Indicative Planning Documents for the Instrument for Pre-Accession should take full account for Lessons Learned from Phare experiences.

136. In order to maximise the value-added of MIPD as a needs' based strategic document, a checklist should be prepared by the Commission Services, and used by those responsible for programming, of the lessons learned recorded in this (and other thematic) evaluations. Priority points are: the need to assess country resources and capacities and adapt the extent and pace of programming to absorption capacity, and to progress public administrative and judicial capacity reform in step with *acquis* institution building.

Recommendation 3: PAJC assistance should be given from the start.

137. From the start of pre-accession assistance, and throughout the pre-accession period, a high priority should be afforded to assistance to improve public administrative and judicial capacity, throughout the public administration concerned, centrally and regionally.

Recommendation 4: The approach adopted to assistance to SF preparations should be revised.

138. Future enlargements should support preparations for SF using instruments and methodologies which are, so far as possible, the same as those which will apply under membership conditions. Candidates should be assisted to develop multi-annual strategies, both for investments and for administrative structures and human and financial resources, before assistance is given to Structural Fund-type operations.

Operational recommendations***Recommendation 5: Horizontal PAJC should be a high priority for remaining Phare and Transition Facility assistance.***

139. This evaluation has demonstrated the pervasively debilitating consequences of weak horizontal PAJC. If the current overload on the national administration is not to persist for the remainder of the Phare and Transition Facility periods, urgent reconsideration is needed of what can be realistically achieved and a specific and comprehensive PAJC strategy and assistance action plan should be prepared by the Commission Services and the Romanian national authorities together, taking account of measures already in hand.

Recommendation 6: The Commission Services, in agreement with the Romanian authorities, should provide comprehensive training in strategy development and implementation.

140. Some training has been provided on this subject. However, a major effort should be made in the remaining period of Phare and Transition Facility assistance to embed the culture and practice of strategy and programme development and implementation throughout the public administration, in the regions as well as in the capital.

Recommendation 7: Good practice from Phare programming and implementation should be more widely applied.

141. The positive aspects of Phare programming include the adoption of the project cycle management (PCM) approach to target setting and resource planning. The Romanian administration should apply this approach, in particular the needs' based problem analysis techniques for setting desirable and attainable objectives, on a wider basis in its national programmes to optimise the value added of national and EU resources. The prospects for sustainability should be realistically assessed at design stage and provisions included in assistance to maximise the probability of sustainability.

142. Much more attention should be paid by those with responsibilities for programming to setting indicators of achievement which relate to the achievement of objectives and the attainment of impact which can be used as management tools. Regular, formal assessment of

the extent to which agreed indicators are being achieved should be built into JMC and SMSC procedures.

143. Similarly, those with responsibilities for programming should ensure that cost-effectiveness indicators are defined before approving investments in infrastructure, and they need to be measured after the assistance is completed and the newly-built infrastructure becomes operational. Otherwise the only measurement of success is the completion of the works *per se*, which is not an adequate indicator of effective spending of EU or national funds. The 'rate of return' tool should be more widely used and properly assessed before assistance is approved.

Recommendation 8: Every effort should be made to minimise delays in the contracting and implementation processes.

144. The long duration of the contracting process and other implementation delays have become endemic and, in many cases, have significantly reduced the achievement of assistance's objectives, impact and sustainability. This is not only a technical or logistical matter: delays can often be indicative of a lack of commitment to make the necessary preparations, or a lack of ownership of the intended programme or project. A determined effort should be made, both by Commission Services and National authorities, to improve project readiness. There needs to be: stricter requirements for evidence of project justification and viability; better understanding of the critical path of the contracting and implementing periods and the management of slack time; stricter enforcement of document processing response deadlines; improved communication between beneficiaries, implementing agencies, the NAC and the ECD, and encouragement of the beneficiaries not to wait for final approval before starting on the preparation of necessary documents. Future institution building assistance should provide training in effective time management and project preparation for those concerned in pre-approval activities.

Recommendation 9: The co-ordination between the beneficiaries and those in the national administration and the Commission Services responsible for assistance management (ECD, NAC, IA) should be further improved.

145. This co-ordination has a major effect on the functioning of Phare assistance through its various phases. The particular elements that could be strengthened jointly by the Commission Services and National authorities (apart from more focused training in PCM methods as already mentioned) are a better communications mechanism, including use of an intranet between the various parties, improved networking between the parties (with more emphasis on ad hoc meeting and less on formal correspondence) to resolve routine difficulties more quickly and share elements of good practice that can have wider application.

ANNEXES

Annex 1. Terms of Reference

[These terms of reference were approved 19 October 2005, and have not been updated to take account of small changes, for example, in the time line, which have occurred in the meantime.]

OBJECTIVES

The purpose of the *ex post* evaluation is to assess the contribution of the 1999 - 2001 Phare National and Cross-Border Co-operation (CBC) Programmes to support Romania in meeting the Copenhagen criteria so as to facilitate its accession to the European Union.

The evaluation of Romanian national programmes is one of a series of ten similar evaluations in the eight new member states and in Romania and Bulgaria. These will feed into two consolidated evaluations of Phare national and CBC programmes¹⁴, which, in turn, will form part of a consolidated *ex post* evaluation of the Phare programme.

BACKGROUND AND CONTEXT

In accordance with the priorities of the Accession Partnership, the key objectives of the Romanian National Programmes 1999-2001 were to support:

- The political criteria, including strengthening democracy, the judiciary, civil society and human rights, the development of child welfare services, and education for disadvantaged groups focusing on Roma;
- Economic reforms / capacity to withstand competitive pressures, including reinforcement of the privatisation process, market regulation and liberalisation of selected sectors, and strengthening of public administration
- Meeting the obligations of the *acquis* including border management, support to the ministry of finance (including internal financial control), anti-corruption, agriculture and the environment *acquis*.
- Economic and social cohesion, including support for the *Romanian National Development plan (NDP)*, and regional development investments.

The specific objectives of the CBC programmes between Romania and Hungary and Romania/Bulgaria 1999- 2001 were the improvement of infrastructure, in particular energy and transport, environmental protection, the identification of future regional development projects. In the case of Romania- Hungary cross border cooperation, the programmes included a flexible mechanism of “people to people projects” to support local socio-economic development and technical assistance for the implementation of a multi annual strategy between the countries.

National and CBC Phare programmes together provided around M€ 727 during the evaluation period (1999-2001)¹⁵. Phare support to economic and social cohesion (29 % of overall assistance) to political reforms (9% of overall assistance), economic reforms (8% of overall assistance) was particularly high. The Phare 1999 programme included support for “Enterprise restructuring and employment Conversion” worth M € 100.

¹⁴ For (i) the eight new member states, and (ii) Bulgaria/ Romania.

¹⁵ See Annex 1 for details. The programmes to be evaluated include the so called *Other Financing memoranda*, which were implemented by national authorities and subject to previous interim evaluation, but excludes Community and nuclear safety programmes. Romania benefited from Phare-funded multi-beneficiary and horizontal programmes, such as TAIEX and SIGMA, which are also outside the scope of this evaluation.

The 2004 Regular Report¹⁶ stated that overall, the impact of Phare continued to be positive, as an effective transfer of know-how, equipment and financial resources had been taken place in a number of particularly important fields such as Romanian administration, Justice and Home Affairs, Institution building for National Development Plan (NDP) implementation and grant support schemes for business start-ups, young enterprises and micro-enterprises. The report indicated there was good progress in adopting the *acquis* and building up capacity to implement and effectively enforce the *acquis*.

Romanian national programmes were subject to regular interim evaluations (IE). A Country Phare Evaluation Review¹⁷ (CPER) confirmed that Phare assistance played an important role in the accession preparation process. It noted that interventions were most effective where projects were part of agreed strategies and action plans. The CPER highlighted that most notable effects have been achieved related to harmonisation of legislation and to investments in banking, financial services, environment, justice and home affairs and telecommunications. However, institutional capacity building and know-how absorption have been poor within some ministries, compounded by the lack of clear Government strategy. Moreover, key concerns reported included inconsistency of programme preparation and project design, over ambition related to limited absorption capacities, poor indicators of achievement and implementation problems. Low levels of co-financing and, in certain cases, a lack of cooperation and cohesion among implementing bodies, were also noted.

EVALUATION QUESTIONS

This evaluation will focus on the following three interrelated sets of key questions:

- Was Phare well focused on the objectives of pre-accession strategy?
- What were the results and impacts and are these results and impacts sustainable?
- Could the same results and impacts have been achieved more cost-effectively?

These framework questions will be further specified by the performance evaluation questions and thematic/crosscutting questions set out below. It should be noted that the issues and findings that are highlighted under respective questions are not necessarily exhaustive.

Performance evaluation criteria

Needs assessment and design

The Interim Evaluation findings pointed to shortcomings in the design of the programmes, notably overambitious or general objectives, inadequate analysis of beneficiary absorption capacity, poor indicators of achievement and conditionality setting. In particular, the evaluation will focus on the extent to which the objectives/ strategies of the national programme addressed identified needs and the involvement of the stakeholders in the design (ownership).

The extent to which inputs/ activities have produced outputs

Interim Evaluation findings showed that many individual projects were reasonably well managed, but also faced considerable delays across the sectors. The general lack of capacity of

¹⁶ European Commission: 2004 Regular Report on Romania's Progress Towards Accession

¹⁷ EMS Consortium: CPER, Romania 14 November 2003

project implementation units (PIU) and other beneficiary organisations were identified as major concerns.

The extent to which outputs have produced intended results

Interim Evaluation findings noted that best effects have been related to harmonisation of legislation, selected supply and infrastructure interventions, whereas capacity building and absorption capacity had poorest effects, especially in sectors such as SME and ESC.

The evaluation will assess the extent to which intended results were achieved by applying judgement criteria such as clarity of national/ sector strategies and related action plans, adequate investment in equipment and infrastructure, adequate institutional capacity building and know how absorption.

The extent to which the results contributed to the achievement of objectives

Based on the comments in the regular reports and the CPER, the evaluation of impact is expected to provide an updated view of the progress being made of Phare support in actual implementation of the provisions in new legislation. It is expected that absorption capacity, co-financing and retention of key staff will emerge as issues in the evaluation. The evaluation will also assess the political commitment of the beneficiaries, in particular the Cross Border Cooperation programmes.

Long term viability of institutional reforms following the withdrawal of Phare support

The evaluation criteria for the assessment of sustainability will include: the level of beneficiary commitment, consolidated and stable administrative capacity (including levels of staff turnover), timely provision of co-financing and the integration of the assistance with local strategies.

Thematic/cross-cutting questions

The extent to which Phare support improved the performance of the Romanian beneficiaries

The purpose of this question is to assess whether Phare support in practice addressed the *ex post* needs of the Romanian beneficiaries. Thus the evaluation will seek to assess whether the original objectives (*ex ante* needs) of the programme were appropriately set. This assessment would augment the analysis based on the five performance evaluation criteria¹⁸.

The last Regular Report 2004 for Romania provides for an indication of the *ex post* needs of the beneficiaries. The report noted that Romania continued to address the priorities defined by the Revised Accession Partnership and made good progress, but the progress affected unevenly the different priorities foreseen. With respect to the political criteria, the report suggests that attention should be focused on the implementation of reforms and the enforcement of existing legislation. As to the economic criteria, it identified that further efforts were still needed in order to tackle the issue of accumulation of arrears and the reticent use of bankruptcy procedures. While the report acknowledges the good progress made with the adoption and implementation of the *acquis*, considerable efforts are still reported to be needed to ensure

¹⁸ Relevance, efficiency, effectiveness, impact, and sustainability.

effective implementation and enforcement of the legislation arising from the commitments in the negotiations. The Regular Report 2004 noted that the Roma Strategy, which is explicitly aimed at addressing discrimination, is being implemented but that de facto discrimination against the Roma minority remains widespread.

The extent to which Phare support strengthened the administrative and judicial capacity of Romania

The examination of the Phare contribution to the public administrative and judicial capacity (PAJC) of the Romanian beneficiary administrations will fall into two parts:

- *Acquis*-specific administrative capacity issues, where the nature of the component concerned explicitly demands, often in some detail, a particular capacity of PAJC performance, and
- Horizontal PAJC issues, which are non-sector specific but are needed to meet the requirements of the first Copenhagen criterion – the ‘Political Criteria’¹⁹.

The Consolidated Summary Interim Evaluation Report²⁰ covering all candidate countries, concluded that in general, Phare support in this area had been hampered by – *inter alia* – the absence of a comprehensive strategy, poor coordination of relevant instruments of assistance and limited progress on horizontal public administrative reforms and governance.

The extent to which Phare contributed to the strengthening of ESC and to the preparation for the use of structural Funds

Both Regular Report 2004 and the Interim Evaluation findings have noted that further efforts are required to make the structures at central, regional and local level fully functional and that Romania needs to focus on administrative capacity and preparing the whole system from the managing authorities and intermediate bodies through to the final beneficiaries for efficient management of the Structural funds.

Building capacity to coordinate and deliver pre accession aid

A separate Interim Evaluation report on the Aid coordination structures in Romania²¹ concluded that the NAC’s staffing was not sufficient limiting its role in Phare programming, and it recommended a clarification of its internal structure.

The key consideration for assessing capacity in this *Ex post* Evaluation will be the periodic administrative benchmarking introduced by the Commission services.

METHODOLOGY

Because the *ex post* evaluation exercise has to meet not only accountability requirements, but also the requirements of being useful for operational decision making, and because of the critical position of Bulgaria and Romania in relation to accession, the evaluation of their

¹⁹ As emphasised in the 2000 Phare Review communication, these would involve general public administration reforms including civil service reforms, inter-ministerial coordination and anti- corruption programmes. The requirements of strengthening and reforming the administrative and judicial capacities were stressed in the Madrid, Luxembourg, Feira and Gothenburg Councils.

²⁰ Prepared by the EMS Consortium, issued March 2004

²¹ Report R/RO/NAC/03.067 prepared by the EMS Consortium, issued September 2003

national programmes will be **in-depth**, and will include not only retrospective assessment (the *ex post* evaluation of the 1999 – 2001 programmes) but also an interim evaluation of post 2001 allocations, supported by extensive international short-term specialist input.

The complete infrastructure for the management of Phare is still in place in Romania and the evaluation is expected to have full access to officials at the EC Delegation and at the National Aid Co-ordinator (NAC). The evaluation will draw on the contents of all documentation supplied by the Commission Services and the Romanian NAC. Following a desk study analysis, the evaluation team will undertake fieldwork in country. The analysis of documentation will be accompanied by structured interviews, carried out both in country and at the Commission Services Headquarters, following a sampling approach. Other proven data collection tools such as surveys and questionnaires may also be used. The performance evaluation questions have been structured in line with the five standard evaluation criteria: relevance, efficiency, effectiveness, impact and sustainability. To support the evaluation questions, a set of judgement criteria and indicators will be developed. These may be both quantitative and/ or qualitative. As to the sample selection, the Evaluation Contractor (MWH) will make a proposal in close collaboration with DG Elarg, and respective national evaluation body. For this purpose the Contractor will prepare an evaluation plan for the country evaluation including a specification of the agreed sample.

There will be close consultation with stakeholders (either by electronic mail or by meetings, where appropriate). For this purpose the Romanian NAC has nominated representatives to ensure that the evaluation will be carried out in partnership, including arrangements for establishing a steering group. The arrangements involve establishment of a Group with a representative of DG Elarg country team, the EC Delegation, and the appointed national representative of the exercise, and with DG Elarg Evaluation Unit as the chair of the Group.

REPORTING AND TARGET AUDIENCES

At the conclusion of the fieldwork, a draft evaluation report will be produced and circulated for comments. The evaluation report will contain an introduction (objectives, background and context), performance of Phare assistance (responses to the performance evaluation criteria), thematic/cross-cutting findings, and conclusions and lessons learned (see Annex 2). It will also report on how the evaluation recommendations of the CPER have been taken into account.

The main users of the evaluation will be the ELARG Romania Country Team and relevant line DGs. In Romania, the main evaluation users will include the NACs, and the relevant implementing agencies and public authorities. Moreover, users will include relevant stakeholders responsible for the Western Balkans and Turkey.

ACTIVITIES, RESOURCES AND TIMETABLE

The evaluation of the Romanian national programmes will be conducted in a number of stages as follows.

Step	Activity	2005						
		Aug	Sept	Oct	Nov	Dec	Jan	Feb
1	Preparation							
2	Info gathering and processing							
3	Drafting of report for E4							
4	Comments from E4							
5	Drafting of final Romanian report and submission to Consolidated National and CBC Programme Report							

The evaluation will be carried out by a team consisting of the deputy project director, a key expert, other senior and junior experts, and short-term technical specialists (STTS), both international and local. The total resources envelope available for this in-depth exercise amounts to 85 man-days.

Annex 2. Phare National and CBC Programmes Data for Romania 1999-2004

Progr. Number	Programme Title	Expiry Date contracting	Expiry Date Disbursement	Allocated (M€)
1999	National			
RO9905	Strengthen Democracy, the Rule of Law and Human Rights	30/11/2001	30/11/2002*	28.00
RO9906	Strengthen the Capacity to withstand Competitive Pressures	30/11/2001	30/11/2002*	10.50
RO9907	Meeting the Obligations of the <i>Acquis</i>	30/11/2001	30/11/2002*	15.70
RO9908	Economic and Social Cohesion	30/11/2001	30/11/2002	1.00
	CBC			
RO9911	CBC with Bulgaria	31/12/2001	31/12/2002	5.00
RO9912	CBC with Hungary	31/12/2001	31/12/2002*	5.00
	Other FMs			
RO9903	LSIF Part 4 – ISPA Project Preparation	31/05/2000	31/05/2001	2.00
RO9904	Enterprise Restructuring and Employment Conversion Programme	31/12/2002	31/12/2003	100.00
RO9909	Large Scale Infrastructure Facility Part 5	31/12/2000	31/12/2003	14.30
RO9910	Pre-Ins Facility	31/12/2001	31/12/2002*	21.00
RO9914	Programme for Social Protection Reform and Social <i>Acquis</i> Implementation – Consensus III	31/12/2001	31/12/2002*	2.00
RO9915	Phare 2000/2001: Project Preparation Facility	31/12/2001	31/12/2002	3.50
Total 1999				208.00
2000				
RO0004	Political Criteria	30/11/2002*	30/11/2003*	13.00
RO0005	Economic Criteria	30/11/2002*	30/11/2003*	40.90
RO0006	Meeting the obligations of the <i>acquis</i>	30/11/2002*	30/11/2003*	73.12
RO0007	Economic and Social Cohesion	30/11/2002	30/11/2003*	88.00
	CBC			
RO0002	CBC with Bulgaria	31/12/2002	31/12/2003	8.00
RO0003	CBC with Hungary	31/12/2002	31/12/2003	5.00
	Other FMs			
RO0008	Special Programme for strengthening the civil society and preparing for accession of the ten CCs in Central and Eastern Europe	30/11/2002	30/11/2003	4.31
Total 2000				232.33
2001				
RO0104	Political Criteria	30/11/2003	30/11/2004	27.00
RO0105	Economic Criteria	30/11/2003	30/11/2004	5.60
RO0106	Strengthening Administrative Capacity	30/11/2003	30/11/2004	18.00
RO0107	Internal Market	30/11/2003	30/11/2004*	67.60
RO0108	Economic And Social Cohesion	30/11/2003	30/11/2004*	109.25
RO0109	Community Programmes, Agencies And End-User Support	30/11/2003	30/11/2004	21.44
	CBC			
RO0102	CBC with Hungary	30/11/2003	30/11/2004*	5.00
RO0103	CBC with Bulgaria	30/11/2003	30/11/2004*	8.00
	Other FMs			
RO0101	Supplementary Investment Facility (Part 2)	30/11/2002	30/11/2005	24.80
Total 2001				286.69
Total 1999-2001				727.02

Source: Financing Memoranda

*Dates changed by addendum

Progr. Number	Programme Title	Allocated (in €)
2002	National	
586.01	Political Criteria	
586.01.01	Continued support for "Children First"	13,000,000
586.01.02	Support for the national strategy to improve Roma conditions	6,000,000
586.02	Economic Criteria	2,500,000
586.02.01	Implementation of CEC savings Bank Restructuring	2,500,000
586.03	Strengthening Administrative Capacity	33,550,000
586.03.01	Strengthening the Romanian administrative Capacity to manage, monitor and assess EU financed programmes	10,050,000
586.03.02	Decentralisation and development of the Romanian local public administration	4,000,000
586.03.03	Further institutional strengthening of the Court of Accounts	2,100,000
586.03.04	Support for the Strategic Plan of the Ministry of Public Finance	15,300,000
586.03.05	Strengthening and extension of the SAPARD programme implementation system	2,100,000
586.04	Meeting the Obligations of the Acquis	83,737,000
586.04.01	Strengthening insurance supervision	2,000,000
586.04.02	Further support for the implementation of the Acquis on competition policy and state aids	2,000,000
586.04.03	Connection to EU customs system	4,550,000
586.04.04	Strengthening market surveillance and consumer protection-support to the National Authority for Consumer Protection	2,000,000
586.04.05	Support for the implementation of social and employment acquis	7,200,000
586.04.06	Surveillance, prevention, diagnosis and control of animal diseases, and alignment with the acquis the field of animal nutrition	7,000,000
586.04.07	Disposal of pesticides	3,750,000
586.04.08	Assistance to the energy sector	7,250,000
586.04.09	Assistance to implement financial and safety aspects of EU legislation and policy in the field of inland waterway and road transport	6,700,000
586.04.10	Management and professional training for the road sector	1,200,000
586.04.11	Information management, Control and Prevention of HIV/AIDS and non-communicable diseases	5,820,000
586.04.12	Assistance in the transposition and implementation of the Environmental Acquis in the field of chemicals, industrial pollution control and risk management, air and water	5,100,000
586.04.13	Strengthening the Ministry of Health and Family to harmonise and implement legislation in the field of water	5,000,000
586.04.14	Further strengthening of border control and improved management of migration	14,500,000
586.04.15	Modernisation and reform of law enforcement agencies and strengthening of anti-corruption structures	4,317,000
586.04.16	Assistance in the strengthening the independence and functioning of the Romanian Judiciary system	1,800,000
586.04.17	Support for the improvement and the enforcement of legislation and judicial decisions on bankruptcy	1,550,000
586.04.18	Integrated programme to strengthen the capacity of Romanian institutions involved in the fight against money laundering, the combat against the financing of terrorism and related organised crime	2,000,000
586.05	Economic and Social Cohesion	106,564,000
586.05.01	Institution building for economic and social cohesion	3,550,000
586.05.01	Institution building for economic and social cohesion	16,450,000
586.05.02	Investment in Economic and Social Cohesion	86,564,000
	CBC	
000-628	2002 Cross Border Co-operation Programme between Romania and Hungary	5,000,000
000-625	2002 Cross Border Co-operation Programme between Romania and Bulgaria	8,000,000
	Other FMs	
585.01	Horizontal Programme Preparing Candidate Countries for EDIS in the	900,000

	Management of Pre-accession Funds in Romania	
	Total 2002	259,251,000
Progr. Number	Programme Title	Allocated (in €)
551	2003 PHARE National Programme for Romania	
551.01	Political criteria	34,900,000
551.01.01	Developing and diversification of child protection activities (Children first)	11,500,000
551.01.02	Access to education for disadvantaged groups	9,000,000
551.01.03	Institutional building in the field of anti-discrimination	900,000
551.01.04	Support to the reform of the system of the protection of persons with disabilities	7,500,000
551.01.05	Strengthening civil society in Romania	6,000,000
551.02	Economic criteria	11,400,000
551.02.01	Implementation of the cadastre and real property rights registration system in Romania	5,600,000
551.02.02	Strengthening the National Bank of Romania in acquis related areas	4,000,000
551.02.03	Strengthening the capacity for analysis, macroeconomic forecasts and elaboration of economic policies in the National Commission of Prognosis	1,800,000
551.03	Strengthening administrative capacity	27,395,000
551.03.01	Support for the Public Administration Reform process in Romania	4,380,000
551.03.02	Strengthening the administrative capacity of the Romanian Parliament	2,000,000
551.03.03	Capacity development within the Romanian administration to manage and monitor EU pre-accession funds in an adequate and efficient way	11,015,000
551.03.04	Support to the Ministry of Public Finance in the implementation of the IT strategy	10,000,000
551.04	Meeting the obligations of the acquis	56,400,000
551.04.01	Designing of an integrated administration and control system – IACS in Romania and support for formulation of a policy for consolidation of farms	1,500,000
551.04.02	Strengthening the capacity to management the veterinary acquis	4,000,000
551.04.03	Assistance to implement new safety aspects of the EU legislation in the field of Road Transport	7,300,000
551.04.04	Sustainable development of the Romanian statistical system	3,300,000
551.04.05	Programme for supporting institution building of the Ministry of Labour, Social Solidarity and Family	800,000
551.04.06	Promoting autonomous social dialogue	2,000,000
551.04.07	Improvement of the efficiency of the Romanian system for occupational health surveillance and control of occupational diseases, work related diseases and injuries due to occupational risk	3,000,000
551.04.08	Improvement of accountability and transparency in the allocation and use of healthcare resources	3,000,000
551.04.09	Strengthening the regulatory capacity in the energy sector	1,600,000
551.04.10	Improving the institutional capability of the National Regulatory Authority for Communications	2,000,000
551.04.11	Implementation of an adequate environmental radioactivity and reporting system	2,000,000
551.04.12	Strengthening border control	9,900,000
551.04.13	Compliance with EU accession criteria on police co-operation and the fight against organised crime	4,000,000
551.04.14	Strengthening migration management	1,000,000
551.04.15	Further strengthening the institutional capacity to fight against corruption	2,000,000
551.04.16	Support for the improvement of justice for minors	2,000,000
551.04.17	Support for the improvement of the activities of the penitentiary system	4,000,000

551.04.18	Further assistance to the integration of Romania in the EU Customs Union	3,000,000
551.05	Economic and social cohesion	112,005,000
551.05.01	Institution building for Economic and Social Cohesion – technical assistance	13,100,000
551.05.02	Institutional building for Economic and Social Cohesion – twinning	6,400,000
551.05.03	Investments in Economic and Social Cohesion	92,505,000
	CBC	
551.702	Cross Border Co-operation Programme between Romania and Hungary	3,000,000
551.701	Cross Border Co-operation Programme between Romania and Bulgaria	8,000,000
	Other FMs	
005.778	External Border initiative for Romania for 2003 (2003/005-778)	6,560,000
Total 2003		259,660,000
Progr. Number	Programme Title	Allocated* (in €)
772	2004 PHARE National Programme for Romania	
772.01	Political criteria	50,000,000
772.01.01	Minority sector	8,500,000
772.01.02	Civil society	5,000,000
772.01.03	Public administration reform	11,500,000
772.01.04	Judiciary reform	18,000,000
772.01.05	Anti-corruption	4,500,000
772.01.06	Improve penitentiary	1,500,000
772.01.07	Police co-operation	1,000,000
772.02	Economic criteria	4,450,000
772.02.01	Cadastre	4,450,000
772.03	Acquis obligations	155,430,000
772.03.01	Sector public finance	31,420,000
772.03.02	Sector agriculture	21,750,000
772.03.03	Sector environment	25,490,000
772.03.04	Sector border management	36,800,000
772.03.05	Migrant workers social security	2,250,000
772.03.07	INTRASTAT	1,130,000
772.03.08	SME health and safety	1,500,000
772.03.09	Blood transfusion system	2,700,000
772.03.10	Energy sector consolidation	10,400,000
772.03.11	Drug demand reduction	2,020,000
772.03.12	Fight against organised crime	2,560,000
772.03.13	Migration and asylum	2,760,000
772.03.14	Road safety / railway	12,450,000
772.03.15	Audiovisual sector	2,200,000
772.04	Economic and social cohesion	160,100,000
772.04.01	Infrastructure	114,250,000
772.04.02	Human resource development	22,200,000
772.04.03	Structural funds management	23,650,000
772.05	Special actions facility	11,220,000
	CBC	
016.940	Cross Border Co-operation Programme between Romania and Hungary	5,000,000
016.784	Cross Border Co-operation Programme between Romania and Bulgaria	8,000,000
Total 2004		394,100,000

Total 2002-2004		913,011,000
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Source: Financing Memoranda

Phare support to nuclear safety and community schemes was outside the scope of the evaluation and are not included in the tables.

* the 2004 allocations were rounded to M€

Annex 3. Evaluation Planning Summary Sheet

Phase (1, 2 or 3)	2 – National & CBC	Subject	ROMANIA
Level of Evaluation (‘sample’ or ‘in depth’)		In-depth	
Evaluation Conclusions	A three point scoring system (S, BS, U) will be applied in reaching conclusions on effectiveness and impact of the sectors Agriculture, CBC, ESC, Energy and Transport, Environment, Internal Market, JHA, and Social Affairs. The results will be presented at sector level in the consolidated report. No scoring will be applied to the thematic/cross-cutting questions.		
Evaluation questions	<u>Performance criteria</u> 1. Needs assessment and design 2. Extent to which inputs/activities have produced outputs 3. Extent to which outputs have produced intended results 4. Extent to which the results contributed to the achievement of objectives 5. Long term viability of institutional reforms following the withdrawal of Phare support <u>Thematic/Cross-cutting questions</u> 6. Extent to which Phare support improved the performance of the Romanian beneficiaries 7. Extent to which Phare support strengthened the administrative and judicial capacity of Romania 8. Extent to which Phare contributed to the strengthening of ESC and to the preparation for the use of Structural Funds 9. Building capacity to co-ordinate and deliver pre-accession aid		
Sampling	The sample projects in Table 1 have been selected in consultation with the country steering group ²² to be representative of the sectors and thematic areas defined for this <i>ex post</i> evaluation. As envisaged in the ToR, there are 18 post-2001 projects (value M€ 66) in addition to 17 projects from the period 1999-2001 (value M€ 80).		
Sources of evidence	The primary sources of evidence are desk review and interviews. A questionnaire may be developed for horizontal aspects of the evaluation and to support the interview structure. Some on-site visits may be made.		
Interviews:	Current Romania desk staff in DG Elarg		
Commission staff	Senior ECD Officials ECD Task Managers covering the relevant sectors in Sofia		
Beneficiary staff ²³	The Central Actors – NAC, CFCU, National Fund, MEI, MPF, SMSC chairs PIU officials responsible for the projects selected, including CBC Direct beneficiaries		
Other stakeholders	Involved line DGs (such as DG REGIO for ESC, and DG AGRI for SAPARD) and relevant national parties.		
Supporting documents	Table 1. (attached) - Proposed project samples with key contact persons Table 2. (attached) - Primary Sources of Evidence Table 3. (attached) - Evaluation Indicators Table 4. (working document) - List of identified reports for desk review All attached tables are of an indicative nature		

²² This includes the Evaluation Unit of DG ELARG; nominated representative(s) from the NAC and the EC Delegation.

²³ Other beneficiaries and stakeholders may be identified during fieldwork (for example from private entities, NGOs, etc.). The External Interim Evaluation Contractor contracted to DG Elarg Evaluation Unit will also be interviewed to ensure that there is no duplication of effort.

Annex 4. Evaluation Indicators

The **evaluation indicators** are a wider concept than “performance indicators”, and identify static and dynamic information and events for use in the evaluation. They are divided into three categories, **discrete**, where there are only two possible states (e.g. present/absent), **relative**, where more than two states are possible (e.g. satisfactory, barely satisfactory and unsatisfactory), and **qualitative**, where the expert judgment of the evaluator will be used to reach a conclusion based on all the evidence gathered for the evaluation criteria. This is typically in the areas of outcome and impact evaluation conclusions.

Evaluation Indicators – Performance Evaluation Questions

Evaluation Questions	Evaluation Indicators	Assessment		
		Discrete	Relative	Qualitative
1. Needs assessment and design				
1.1. Adequacy of strategies	• Clarity of objectives • Quality of strategic planning documentation • Availability of needs assessment	•	•	•
1.2. Involvement of stakeholders in line DGs and beneficiary countries in the design	• Whether stakeholders were consulted • Degree of consultation	•	•	
2. Extent to which inputs/activities have produced outputs				
2.1. What are the outputs: institution building projects; regulatory investment projects; investment projects?	Quantitative/qualitative measure of outputs			•
2.2. What were the tools/activities/resources used to produce the outputs?	Quantitative/qualitative description of tools/activities/ resources			•
2.3. Were there resources/tools provided that were under-used or not used?	• Extent of participation in events • Unused resources/ excess resources provided	•	•	
2.4. Was the use and the relative importance of the tools provided appropriate?	Suitability of activities for stated purpose			•
2.5. How cost effective was the production of outputs in relative terms?	Relative cost of activities in sample programmes		•	
3. Extent to which outputs have produced intended results				
3.1. What were the improvements in legislative/administrative structures, systems and resources?	• Clear allocation of the roles and responsibilities within and between institutions (structures) • Availability of procedures and guidelines (systems) • Availability of suitably qualified skilled staff and adequate financial resources (resources)		• • •	
3.2. Did the legislative/administrative and judicial performance related to the political criteria improve?	• Horizontal public administration reform • Judicial capacity • Rule of law • Respect of the protection of the minorities			• • • •
3.3. Did the legislative/administrative performance related to the economic criteria improve?	• Legislative/administrative support to a functioning economy		•	
3.4. Did the legislative/administrative performance related to the ability to take on the obligations of the <i>acquis</i> improve?	• Support for the transposition of the <i>acquis</i> • Support for the implementation of the <i>acquis</i> • Support for the enforcement of the <i>acquis</i>		• • •	
3.5. Have the installed Phare equipment/ works/ grant schemes been usefully put into operation?	• effective use of the investment/ infrastructure upgrade and/ or Phare funding mechanisms		•	

Evaluation Indicators – Thematic/ Cross Cutting Questions

Evaluation Questions	Evaluation Indicators			
		Discrete	Relative	Qualitative
4. Extent to which results/impacts contributed to achieving wider objectives				
4.1. To what extent can the legislative and administrative impacts at programme level be separated and measured?	Prevailing observed changes in administrative behaviour, procedures, structures			•
4.2. To what extent can the socio-economic impacts at programme level be separated and measured?	Prevailing observed changes identifiable for the national/regional macro- and/or micro economic situation			•
4.3. Examine likely legislative/administrative /socio-economic impacts on the basis of the extent to which pre-conditions are in place or are being put in place	- Projects conceived within a strategic framework and based on needs assessment - The essentials for adequate public and administrative capacity in place, including stable institutions, appropriate public investment policies, adequate inter-ministerial and central-regional collaborative machinery of government - Positive project ratings for effectiveness and achievement of objectives - Contribution of project outputs to overall objectives - Identifiable benefits for society or the economy - Awareness of the public administrative units, ministries and regional structures involved in project implementation of the activities; and existence of complementary public administrative systems - Beneficiary awareness of project outputs - Relevant civil society bodies involved, and roles defined, with respect to project outputs	•		• • • • •
5. Long term viability of institutional reforms following the withdrawal of Phare support				
5.1. Have the legal, administrative and organisational outputs been sustained?	Availability of financial and human means for continuation of accession preparation and after accession		•	
5.2. To what extent has the trained staff in the administrations been stable?	Fluctuation rate of trained staff		•	
5.3. Are the pre-conditions for sustainability in place or being put in place?	- Positive ratings for effectiveness in achieving project outputs - Sectoral strategy documents exist containing project needs identification. Project outputs contribute to achievement of the strategic objectives - Ownership is demonstrated by managers responsible for onward strategic implementation of project outputs - Horizontal public administration systems stable and adequate - Ongoing national finance available for maintenance, insurance, replacements, consumables, etc. - Secure provisions in place for ongoing staffing, staff replacement and training	•	•	• • •

Evaluation Questions	Evaluation Indicators			
	Procedures and systems fully documented, with defined responsibility for updating	•		
6. Extent to which Phare support improved the performance Romania's pre-accession process				
6.1. Did the national programmes address <i>ex post</i> needs?	- Establishment of <i>ex post</i> needs - Alignment of project activity to <i>ex post</i> needs - Current position		•	•
7. Extent to which Phare strengthened the administrative and judicial capacity of Romania				
7.1. Development of a strategic approach for Phare support to building PAJC	- Existence of a strategic framework - Evidence of a needs analysis - Logic of the approach to address the defined needs	•		•
7.2. Development of national PAJC strategies to underpin Phare programme prioritisation	Alignment with Phare priorities			•
7.3. Adequacy of Phare support to horizontal reforms and governance	- Alignment of Phare support with defined needs - Extent to which project outputs contributed to achievement of objectives - Identification of non-sector specific capacities, strengthened by Phare. Current position of these capacities			•
7.4. Adequacy of Phare support to cover the <i>Acquis</i>	Trend in Romania's administrative capacities, both qualitative and quantitative		•	•
7.5. Adequacy of Phare support to develop regional and local PAJC	- Identification of these capacities, strengthened by Phare - Current position of these capacities		•	•
7.6. Efficiency, effectiveness, deployment and co-ordination of instruments (TAIEX, Twinning, SIGMA, Technical Assistance and related investments)	- Adequacy of inter-instrument co-ordination mechanisms - Whether the projects' effectiveness in achieving their objectives were positively rated - Extent to which project outputs contributed to achievement of overall objectives	•	•	•
7.7. Prospects for promoting and supporting a government initiative for a systematic benchmarking approach to public administration reforms	- Viability of proposed key performance indicators - Level of awareness and ownership amongst key actors			•
7.8. Sustainability of post accession PAJC (related to, for example, scaling down of Phare support and financial/human resource constraints)	- Existence of planned PAJC resource levels for the medium and long term - Identification and availability of financial resources - Identification and availability of human resources - Existence and adequacy of human resource development planning	•	•	•
8. Extent to which Phare contributed to the strengthening of ESC and to the preparation for Structural Funds				
8.1. To what extent has Phare been successful in preparing Romania to support ESC after accession, by assisting the country to put in place the pre-conditions for sustainable recourse to the SF? What are the factors underlying the observed performance?	- Existence of a strategic framework - Adequacy and stability of institutional arrangements incl. planning capacities - Stakeholder dialogue - Sequencing approach for implementation - Trend in Romania's ESC administrative structures and capacities, both qualitative and quantitative	•	•	•
8.2. What Commission and National policies have been used to direct the course of	- Existence of relevant policies - Relationship of policies to the strategic	•		

Evaluation Questions	Evaluation Indicators			
preparations in Romania?	framework and the Phare planning/programming process		•	
8.3. What lessons can be learned from the planning/programming process of Phare ESC assistance?				•
8.4. What lessons learned can be learned from the Phare funded ESC pilot investments in Romania? Did they have immediate impact and did they contribute to wider socio-economic cohesion objectives?	• Lessons learned from Phare-funded ESC pilot investments in Romania • Reduction of regional disparities observed		•	•
8.5. What institutional arrangements have the Romanian authorities put in place over time to plan, co-ordinate, and manage operations?	• Establishment of bodies and allocation of responsibilities, at national and regional levels			•
8.6. To what extent has Phare institution building been successful in supporting Romania in its preparation for SF implementation?	• Remaining gaps in institutional structures, systems, resources and competences			•
8.7. Has there been any acceleration in the pre-accession performance of ESC programmes since the beginning of the support to ESC in Romania?	• Trend in key performance indicators	•		

Annex 5. Sample projects 1999 – 2004 – Financial data and results

Project No.	Project Title	Phare allocation (€)	Final Commitment (€)	Final Disbursement (€)	Main results achieved
<i>Agriculture</i>					
RO-0006.09	Agri-food quality control	2,550,000	2,435,635.65	2,408,538.90	• The whole food chain under control. • Well-operating National Sanitary Veterinary Authority and for Food Safety – strategy, systems and structures in place and capacity to enforce control and measures improved. • Industry much more aware of the need for food quality control and of the required standards, • Improved capacity to support the industry to conform to the food safety standards.
RO-0107.07	Strengthening the phytosanitary administration capacity in order to adopt and implement the <i>acquis communautaire</i>	7,000,000	6,479,895.38	6,216,131.82	• New systems and better equipment in place to monitor plant health • Enhanced capacity to carry out inspections (including inspections at border points) was enhanced • Enhanced capacity to detect, prevent problems of plant health and to enforce measures • Additional EU <i>acquis</i> transposed.
RO-0107.08	Development and implementing the nation-wide bovine animal identification	1,950,000	2,585,928	2,536,423.51	• Operational Identification & Registration system that complies with the EU standards • Possibility to continue meat exports towards the EU as well as to benefit from further EU aid.
RO-2002/000-586.03.05	Strengthening the Romanian administrative capacity to manage, monitor and assess EU financed programmes	2,100,000	2,029,801.25	1,803,901.18	• Accredited IT system with the capacity to support the process for the evaluation of the application forms until the payment to the beneficiary and all the required checks and monitoring functions • Improved professional skills and knowledge of SAPARD personnel, by technical assistance and training in order to fulfil the EC requirements for an effective and proper management of EU financial aid
<i>Cross Border Co-operation</i>					
RO-0002.03.01	Danube Border Crossing Facilities	2,500,000	2,497,622.85	2,420,892.5	• Improved efficiency of the border check procedures on the Romanian side through upgraded equipment.

RO-0102.02	CBC Romania/Hungary - Protection and promotion of the meadows of Mures river	2,000,000	1,781,157.08	1,108,559.39	The project is not complete.
RO-0103.01	CBC Romania/Bulgaria – Border crossing between Calarasi and Silistra	3,300,000	3,289,072.62	3,103,557.98	The project is not complete.
RO-9912.01	CBC Romania/Hungary - Transport Infrastructure – Arad airport cargo	3,000,000	1,997,911	1,997,908	- Operational terminal used for commercial purposes. - Current assessment of the economic benefits of the terminal's commercial operations not available.
RO-2002/000-625.01	Check Point and Cross-Border by Ferryboat Turnu Magurele (Romania) and Nikopol (Bulgaria)	3,200,000	3,608,479.04	776,955.08	Construction works started
<i>Economic and Social Cohesion</i>					
RO-9904	Enterprise restructuring and employment conversion programme (RICOP)	100,000,000	73,359,241.65	67,413,679.95	- RICOP managed to counter the social costs of the reform and to stimulate bottom-up, local initiatives. - The indicators of achievement set out in the FM for each of the 5 components (<i>Severance Payments, Active Employment Measures, Social Response Measures, Support to SMEs and Public Works</i>) achieved to a satisfactory degree
RO-0006.01	Industrial Policy	600,000	589,223.88	553,820.68	- Improved capacity of the Ministry of Economy and Trade to prepare and implement modern industrial policies - A new department set-up for industrial policies - A manual on industrial policies.
RO-0007.01	NDP implementation support	13,000,000	12,844,425	11,790,016.85	- Upgraded internal procedures, - Improved co-operation between the central level organisation in charge of managing regional development programmes and the regional development agencies - Improved internal methodologies and systems, better internal procedures and operational manuals, improved internal documents – in central and regional institutions who manage regional development programmes
RO-0108.03	Investments in Economic and Social Cohesion	89,780,000	87,751,459.46	51,986,192.81	- Completed works of various type – e.g. roads, water works, rehabilitated buildings - Improved capacity and availability of social services 1739 new jobs created
2002/000-586.05.01	Institution Building for Economic and Social Cohesion	20,000,000	14,889,527.02	14,889,527.02	Support provided to develop the management capability (central and regional) for managing economic and social

					cohesion programmes
2003/005-551.05.03	Investments in Economic and Social Cohesion	96,380,000	90,498,932.21	27,837,373.21	Grant schemes launched for infrastructure development, human resources development, support for vocational training schools, business development
<i>Energy and Transport</i>					
RO-0005.01	Energy sector liberalisation	28,900,000	24,403,617.60	24,288,420.69	- Strengthened national regulator agencies - operational electricity and gas markets - Privatisation of two gas and two electricity distribution companies – leading to a more competitive market. - Technically upgraded power transmission system
RO-0107.12	Improvement of maritime and inland waterway safety	12,700,000	4,597,093.81	4,438,605.83	- Improved administrative capacity of Romanian Naval Agency A to continue to enforce the maritime safety acquis, specifically those on Flag State Implementation and Flag State Control, Port State Control, SAR and OPRC. - Operational newly installed equipment and systems– Navtex, SAR and OPRC systems - New procedures, databases, software utilised for current operations leading to a much improved capacity to respond to EU standards.
<i>Environment</i>					
RO-0006.14	Implementation of the Environmental Acquis	8,000,000	7,358,517	6,636,088.18	Revised or transposed legislation (e.g. IPPC directive,

RO-0107.15	Assistance for the implementation of environmental policies in Romania	7,500,000	7,285,914.1	7,120,716.65	water framework directive, environmental impact assessment law, waste management, landfill and incineration etc) • Strategies and plans (e.g. National Strategy for waste management, River Basin Management Plans, cost assessment for implementing directives and subsequent plans for investments) • Stronger Local Environmental Impact Agencies (LEPA) and Regional Environmental Impact Agencies (REPA) • A National Agency for Environmental Protection to oversee the implementation of legislation and carry out controls. • Three 3 regional plans and 18 local plans for environmental protection • Newly installed equipment for monitoring the quality of the air • Process to issue integrated environmental permits to industry is operational.
2002/000-586.04.12	Assistance in the transposition and implementation of the environmental acquis in the field of chemicals, industrial pollution control and risk management, air and water	5,100,000	4,699,847.36	4,568,481.61	• Drafts of legal acts concerning risk assessment of existing substance, the placing of biocide products on the market. Implementation plans for risk evaluation of existing chemicals, restriction on marketing and use of certain dangerous chemicals. PIC procedure. Training of 150 persons involved in the management, enforcement of chemicals at central and local level. • Developed implementation activities in the field of industrial pollution control and risk management in order to fulfil the EU requirements in this sector, at both central and local level. Complete transposition of the EU legislation in these fields and reinforcing the administrative and technical structures in order to be capable to implement this legislation. • Develop the capacity of the existent National Water Management Database System in order to improve the integrated water management approach in line with EU concept, provide public access to information and relevant reports and supply data for the required reports within the EU legislation.

<i>Internal Market</i>					
RO 9906.02	Strengthening the administrative capacity to manage the <i>acquis</i> in the field of Competition and State Aid	2,000,000	1,599,083	1,316,206.57	• Clear administrative structure – there is now a single body – the Competition Council – with clear responsibilities and a clear structure • Revised or newly drafted legislation (e.g. in the antitrust field) • Manuals (for external and internal use), annual reports, various new internal documents
RO-0107.14	Strengthening the RO system for epidemiological surveillance	4,000,000	3,966,664.95	3,925,552.87	• Trained specialists (microbiologists and epidemiologists) in subjects related to epidemiology, in database management and in operating new equipment • Upgraded equipment facilities for the reference laboratory in Bucharest • A new National Centre for Epidemiology • New legislation, Action Plans
2002/000-586.04.02	Further support for implementation of the <i>acquis</i> on competition policy and state aids	2,000,000	1,848,959.43	1,749,596.53	• Further transposition of the <i>acquis communautaire</i> in the competition and state aid field and further development of competition authority's capacity to implement the <i>acquis</i>; • Upgraded infrastructure at central and territorial level to support the specific activities of the Competition Council, allowing it to process large quantities of data in shorter time.
2003/005-551.04.09	Strengthening regulatory capacity of the energy sector	1,600,000	1,394,670	482,063.23	• Needs analysis and design for PQMS, development of cross-border tariffs, analysis and design of DIS • Training for increased regulatory capacity
<i>Social Affairs</i>					
RO-0104.02	Access to education for disadvantaged groups, with a special focus on Roma	7,000,000	6,999,780.71	6,506,320.34	• The first of a series of projects on Institution Building to extend across the country; • Created start point for future programmes – extend until 2009; • Subsequent programmes have continued to follow initial objectives; • There are committed resources for implementation; • Difficult to judge objectively progress at this early stage.
RO-0008	ACCESS 2000	4,310,000	4,209,503.75	4,020,998.68	• One step in a series of programmes aimed at linking government with civil society; • Subsequent programmes have continued to follow initial objectives;

					• There are committed resources for implementation; • Difficult to judge objectively progress at this early stage.
2002/000-586.04.05	Support for implementation of social and employment <i>acquis</i>	7,200,000	6,777,028.92	5,989,902.49	• Operational National Agency for Equal Opportunities between Women and Men • Draft legislation prepared • More than 200 persons trained in what concerns the UE and national rules regarding the equal opportunities between women and men and 1500 persons informed about these issues. Information materials made and distributed to professionals and to the public • Technical assistance to the National House of Pensions, in order to assist the implementation of the insurance system for working accidents and occupational diseases. IT software and hardware equipment for the insurance system of work accidents and occupational diseases. • Evaluation of financial impact regarding the granting of social security benefits foreseen in the regulations for social security systems. • Preparation of the information strategy regarding the migrant workers, development of the web site of the information and Documentation Centre for Migrants • Training in the field of social security systems. 450 experts trained at the national and regional level from the institutions involved in coordination of the social security systems, in order to be able to apply the regulation no.1408/71/CEE and 574/72/CEE.
<i>Justice and Home Affairs</i>					
RO-0004.01.01-02	Strengthening the judicial and penitentiary systems	8,000,000	9,417,390.96	9,384,521.67	• Penitentiaries - new legislation enacted, updated sectoral strategies, data base systems installed and operational, people trained in areas such as health care, psychology, sociology, human resources • Judiciary – a Case and Document Management System now in the final stage of being put in place, replacing the previous manual handling of cases and documents with an electronic system.

RO-0006.17	Fight against drugs	1,000,000	991,823.42	797,901.79	• Improved strategy to fight drugs • Revised legislation • A new organisation created – the National Antidrug Agency - acting as national contact point for the European anti drug agency. • Awareness and action steps taken at the local level of the system, by initiating centres for counselling and data collection
RO-2002/000-586.04.16	Assistance in strengthening the independence and functioning of the Romanian Judiciary system	1,650,000	1,796,501.65	1,519,076.50	• Contribution to the improvement of the operation of the Romanian Judicial system by enhancing the institutional capacity and functioning of the SCM and strengthening of the independence of the Judiciary; • Assistance in strengthening the institutional capacity of NIM and TCC; • Recommendations/amendments for improving the existing legal framework on alternatives means to the judiciary in solving civil and commercial cases drafted in line with EU requirements; • Increased awareness on the concept and advantages of using alternative means in solving civil, family and commercial cases.
RO-2002-586.04.15B	Modernisation and reform of law enforcement agencies and strengthening of anti-corruption structures	685,381	685,381	597,984.81	• Drafting secondary legislation relating to police demilitarisation and decentralization in line with EU standards; • Drafting of a National Strategy and Action plan for demilitarisation; • Design of enhanced police and civil society cooperation programmes; • Audit and consolidation of existing Police / community programmes for future cooperation jointly drafted and approved at ministerial level. Creation of a Police Community best practice guide and adoption by GPR; • Creation of a Community policing training programme and incorporated within Police Academy Syllabus; • Creation of a functioning Territorial Public Order Authority pilot site in Bucharest to demonstrate application of legislation.

RO-2002-586.04.15C	Modernisation of the Romanian Gendarmerie	1,100,000	1,070,097.84	996,057.03	• Organisational structure and development plan revised and proposals for changes and development elaborated • Primary and secondary legislation drafted • International co-operation instruments drafted • Training systems revised and in line with EU standards • An Information - Documentation Centre to support training activities established and fully equipped within the Gendarmerie Application School
RO-2003/005-551.04.13	Compliance with EU accession criteria on police cooperation and the fight against organised crime	4,000,000	3,685,892.83	3,409,020.20	• Delivery of equipment, training of personnel
<i>Others</i>					
RO-0106.03	Creating a Corps of Professional Public Managers within the Civil Service	4,000,000	3,999,953	3,969,004.1	• Institution Building project aimed at providing higher calibre staff to fill senior roles in the civil service; • All trainees only recently placed; • Some anti-reaction across ministries possibly linked to limited communication on the aims of the project; • Probably too expensive to be sustainable for Romania without outside aid.
RO-0106.04	Design and implement mechanisms for the full application of the Civil Servants Statute Law	1,000,000	998,721	994,142.65	• Institution Building aimed at creating a central unit with responsibility for management of the Civil Service; • Remit probably too wide without total support of government; • Too much concentration on legislative aspects without due regard for practical implications; • Need for clear delineation between “Political” and Administrative” activities – lack of progress resulting from lack of political will; • Database concept too complex – unsuitable procedures and processes and unclear acquis direction

RO 0005.02	Inter-bank payments system	10,000,000	8,040,658	7,995,976.22	• An Institution Building project that has enabled the country to move from a manual to a fully electronic system of bank payments; • Substantial co-funding provided to meet equipment needs; • Has provided substantial benefits through cost reductions; • Now fully meets EC accession requirements with supporting legislation; • Further developments under way to include other aspects of bank trading; • Considered to be totally successful – had clear end objectives.
RO 0005.03	Strengthening securities market regulations and supervision	2,000,000	1,942,865.59	1,836,871.54	• Another Institution Building project to enable Romania to meet fully the requirements of EC accession supported by the necessary legislative changes; • There was clear acquis direction with a well contained and defined path; • A new way of operating exists on the securities market with a major change in culture in the commission itself despite substantial pessimism at first;
2003/005.551 .03.03	Capacity building to manage and monitor pre-accession funds	12,227,500	12,064,500.93	6,600,487.90	• Covers four separate projects; • Provides continuity with previous projects on management of funds; • Aspects are still on-going so results difficult to judge.

Annex 6. Delays in Project Implementation

1. The problem of project delays is very serious because its consequences are severe:

- The knock-on effect is widespread and has very serious consequences. Delays are perpetuated throughout the whole sequence of projects leading to enormous efforts invested in managing an ever-increasing accumulation of delays.
- Project implementation is left with no margin for slippage. Any slippage in implementation (and project management theory clearly shows that slippage is normal in *any* project) automatically creates the need to either speed up implementation which may be done at the expense of quality or to apply for an extension. Applying for an extension is in itself time-consuming.
- If implementation period is tight, substantial corrective measures are no longer possible throughout the life of a project, let alone the possibility to cancel a contract if the contractor is not performing satisfactorily, as there is no time left to launch a new contracting process
- In the case of grant schemes, the long period of time elapsed between the call for proposal and the moment when the contract is signed leads to loss of momentum and possibly to a loss of project relevance.
- Not least, there is the danger of potential loss of funds through non-commitment

2. The typical **causes of delays** which have been identified by the interviewees include:

- belated start of preparing the ToR
- Interviewed beneficiaries hold that too much time is taken by the Delegation to approve documents and there are too many rejections of documents by the Delegation. Conversely, the Delegation holds that the poor quality of documents or various corrective measures to counter poor management by IAs are in fact the cause of so much time spent or of so many rejections. In other words, good intentions are often at the root of delays.
- As the workload increases, staff increases. As new staff is inexperienced, it takes much longer to do the work, and mistakes are more likely to appear.
- the knock-on effect per se is a major cause of delays
- During project implementation, examples of delay reasons mentioned include: unexpected non-availability of ; difficult and unexpected conditions related to.....; unexpected difficult co-operation with

3. A number of procedural corrective measures could be taken: All of them were stated by many of the interviewees, and some have already been applied in isolated cases, as lessons learnt through many years of implementing experience. Other may need either high-level decision making or a forceful approach of their implementation. Procedural measures are only part of the solution, of equal, if not more important, are the measures described as "Management and communication".

Procedural measures

- Speed up the document processing time by enforcing the observance of response deadlines for each party. Benchmarking is a good tool to assess the situation, but in itself it is only part of the solution as it only describes the problem. If improvement is to be seen, action is needed.
- Create new rules – e.g. start to prepare the ToR very early, even while the FM is pending signature or at least start immediately after the FM is signed; do not combine in the same contract TA with the preparation of ToR for subsequent projects, so that delays in the implementation of the TA project do not delay the preparation of the ToR. These are just examples, more such rules can be defined in light of the experience.

Management and communication measures

- None of the delay causes provided as examples above are out of the ordinary and they could all be countered with good management and communication skills. For instance, good project management would have foreseen that such "unexpected" events are very probable and would have managed the risk of their occurrence. Not doing so demonstrates poor project management skills in terms of identifying and managing risks. There are many tools to manage risks, such as the time margin placed at the end of a project, or taking pre-emptive action. Hardly any example of using such tools were found. Even the period of preparing and getting the approval for the ToR can be treated as a project in its own right, with management of risks included.
- Communication skills are also crucial in managing risks and overcoming obstacles. When parties accuse each other, each of them may be right, but it is irrelevant. Each party keeps defending their own position, which does nothing more than further widen the communication gap. Situations where parties end up maintaining communication only via written correspondence (claiming that this is the "official channel") are not uncommon. Official, written correspondence is undoubtedly needed. But if it is not complemented by direct (even informal) communication, it can become very ineffective. Numerous examples were found where the quality of the communication between the persons sitting in different organisations was recognised by the interviewees as crucial for the good management of the programmes. It is paradoxical that while everyone recognises the importance of good communication, still too many persons prefer to not invest in improving it.
- Operational meetings or telephones should complement endless exchange of e-mails and letters. Fortunately, several examples were met where people decided to act along this model and results were very good. Projects could thus be prepared much earlier than usual.

In conclusion, delays are a treatable phenomenon. As the problem is contributed to by all the central actors, each group must do their part before improvement can be seen. It is too tempting and too easy to blame the system. What could be more beneficial is to take action at individual level, within the power and authority limits that each incumbent has available. After all, this is the trait of good management – managers are called to solve problems, not just to point them out as "someone else's responsibility" and to obtain results *precisely* when resources are scarce and when the system is imperfect.

Annex 7: Case Study on RICOP

Justification and design – background, philosophy, link with the priorities for accession

The 1999 Accession Partnership (AP) for Romania included the following criteria:

2nd Copenhagen criterion (economic criterion)

- the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union;

Economic criteria - Short term:

- restore macro-economic stability, in particular through the implementation of structural reform and establish a medium term strategy
- sustained implementation of the agreements concluded with the International Monetary Fund, the World Bank and the European Union.
- promote competitiveness through market-driven enterprise restructuring (including for small and medium-sized enterprises)

Medium Term - Economic and social cohesion

- prepare for the implementation of regional development programmes as well as Community initiatives;

The 1999 AP states that economic restructuring is a priority and it does so as a result of the Economic criterion for accession. The World Bank had also emphasised that restructuring of the state-owned sector is important and had granted a loan for Structural Adjustment to this end. As a consequence, the Romanian Government formulated an ambitious restructuring programme, covering some 60 state-owned enterprises. The European Commission agreed to support the restructuring process and it is against this background that the RICOP programme was designed.

The wider objective of RICOP was to assist the Government in moving towards fulfilling EU membership criteria in the area of economic policy. The specific objectives were:

- assist the government to implement policies and actions to restructure, privatise or close loss making enterprises;
- alleviate the consequence of enterprise closure through a strengthened social safety net and through the promotion of employment initiatives;
- encourage economic activity leading to sustainable employment creation through assistance to Small and Medium Enterprises and micro businesses.

RICOP was the largest programme financed by the EC in Romania and it was the first programme of such scale addressing local employment development. It was designed as an integrated approach of employment development, providing support to all of the three main components of the process – support in the lay-off process, labour market mediation, employment development.

Two high-official views underline the fact that RICOP's role was perceived to be primarily that of countering the social costs of the reform, by encouraging bottom-up initiatives for employment development and social protection.

Evaluation of implementation and programme management

It was not easy to manage such a large programme and it is equally difficult to evaluate the quality of this management, as both positive and negative features are evident.

The good results achieved are attributable to good programme management. Equally clear is that the programme has relied on a very good resource base. Resources available for programme management were much higher than elsewhere (e.g. the TA component alone was worth 9 M€, which is more than 10% of the total budget spent). The availability of documents is very good – awareness material, reports, analysis – much more than in other programmes. Their quality is also remarkable. Most importantly, programme evaluation was a highly visible feature, embedded in the programme, much more than in other programmes.

Given its size, it is not surprising that the implementation of RICOP registered significant delays. The immediate consequence was that the RICOP project was further and further behind the restructuring process that it was supposed to support. In that sense, the "emergency" feature was lost. A more serious consequence was that project applicants had to wait for very long periods of time before the results of the screening process were announced and the contracts were signed.

The EC was very strict in enforcing the conditionality that linked the allocated budget to the progress achieved in restructuring enterprises. As a result of regular assessments of the restructuring progress, the budget was adjusted to match this progress. In consequence, only 84 M€ were eventually spent, against the original budget of 100 M€.

RICOP was managed by a PIU located at the Ministry of Finance. Arguably the most striking element in the evaluation of programme management is that the management of RICOP was outside the mainstream institutional approach in most of the areas it addressed: SME development, employment development, infrastructure funding, social support. Perhaps the only area that seems to belong to the Ministry of Finance was the severance payments. In that sense, RICOP repeats the story of the 1997 Phare-funded PAEM (Programme for Active Employment Measures). PAEM was managed by an NGO – again an example of management performed by an entity that was not amongst the usual implementing structures.

The immediate consequence in both cases is that the programmes were perceived as a somewhat isolated, ad-hoc intervention and this in turn meant that corporate learning was lower than it could have been. There is extremely scarce evidence of lessons learnt from the implementation of RICOP at the level of central authorities that manage regional or local development programmes. However, good lessons were learnt at local level, in those areas where RICOP was active. This is very important, as part of improving the preparedness of local level organisations – local authorities, employment organisations, NGOs etc – in view of the role that they are expected to take up in managing structural funds. Not least, final beneficiaries have learnt a lot of useful lessons about project design, applying for funding and project management. All these are important achievements, supporting the medium-term priority quoted in the 1999 AP (see above).

Achievements of RICOP

Overall, RICOP has certainly managed to counter the social costs of the reform and to this end has stimulated and financed bottom-up initiatives. Its specific objectives were translated into 5

components – Severance Payments, Active Employment Measures, Social Response Measures, Support to SMEs and Public Works. The indicators of achievement set out in the FM for each of the 5 components were achieved to a satisfactory degree and many of the projects financed by RICOP are success stories in their own right.

Some 70% of the type of works financed under the component Public Works were roads, bridges and water works. The originally envisaged range of projects included hospitals, vocational training establishments, schools, local transport and environmental infrastructure, industrial site stabilisation and reclamation. While roads, bridges and water works were indeed part of the envisaged spectrum, there tended to be an imbalance, with a too large proportion of such projects.

Lessons learned

Albeit attributable to the large resource base which may not be usually available, RICOP stands proof that a PIU can demonstrate management capacities which are up to the professional standards of management.

At least 2 examples – the older PAEM (1997 Phare budget) and the more recent RICOP (1999 Phare budget) demonstrated that the decision to place their management in institutions other than the sectoral institutions has had drawbacks. In essence, this meant lessening the chances to learn from the implementing experience and building on the results achieved.

To ensure a balanced spectrum of the types of projects financed, project managers must set limits of number of projects approved per type.

By their very nature, large programmes tend to be slow and are therefore not an appropriate tool to deliver emergency aid.

Annex 8. List of Documents

Originator	Date	Title of Document
<i>OVERALL DOCUMENTS</i>		
EC	2006	Monitoring report on the state of preparedness for EU membership of Bulgaria and Romania
EC	2005	Comprehensive monitoring report on the state of preparedness for EU membership of Bulgaria and Romania
EC	2004	2004 Regular Report on Romania's Progress towards Accession
EC	2003	2003 Regular Report on Romania's Progress towards Accession
EC	2002	2002 Regular Report on Romania's Progress towards Accession
EC	2001	2001 Regular Report on Romania's Progress towards Accession
EC	2000	2000 Regular Report on Romania's Progress towards Accession
EC	2002	Roadmaps for Bulgaria and Romania
EC/Romanian Government	2001, 2003	Accession Partnership
EC/Romanian Government	1999	The Romania National Programme 1999, Financing Memorandum, Programme Number RO 9901 to RO 9915
EC/Romanian Government	2000	2000 National Programme for Romania, Financing Memorandum, Programme Number RO 0002 to RO 0008
EC/Romanian Government	2001	2001 National Programme for Romania, Financing Memorandum, Programme Number RO-0101 to RO 0109
EC/Romanian Government	2002	2002/000-586.01 to 2002/000-586.06 - Phare National Programme for Romania, and CBC programmes
EC/Romanian Government	2003	2003-005-551 Romania National programme and CBC programmes
EC/Romanian Government	2004	2004-016-772 Romania National programme, and CBC programmes
Romanian Government	2000, 2001	National Programme for Adoption of the <i>Acquis</i>
<i>INTERIM EVALUATION REPORTS</i>		
EC (Author EMS)	2004	From Pre-Accession to Accession - Interim Evaluation of Phare Support Allocated in 1999-2002 and Implemented until November 2003, March 2004
EC (Author EMS)	2004	Thematic Interim Evaluation Report, dated December 2004 (Phare Assistance to Roma Minorities)
EC (Author Ecotec)	July 2005	Country Summary
<i>AGRICULTURE</i>		
Ministry of Agriculture, Forests and Rural Development	2005	SMSC Sectoral Monitoring Report RO-0006.09
	2005	SMSC Sectoral Monitoring Report RO-0107.07
	2005	SMSC Sectoral Monitoring Report RO-0107.08

<i>CROSS BORDER CO-OPERATION</i>		
Ministry of European Integration – the CBC Directorate	2001	RO-0102.02 Project Fiche
	2003, 2005	RO-0002.03.01 Monitoring Report RO-0102.02 Monitoring Report RO-0103.01 Monitoring Report RO-9912.01 Monitoring Report
<i>ENERGY AND TRANSPORT</i>		
Ministry of Economy and Trade	2001	RO-0005.01 Project Fiche
Ministry of Transport	2001	RO-0107.12 Project Fiche
Ministry of Transport	2004	RO-0107.12 Monitoring Report
<i>ENVIRONMENT</i>		
Ministry of Environment and Water Management	2004	Monitoring Report on RO-0006.14
	2004	Monitoring Report on RO-0107.15
	2005	SMSC Sectoral Monitoring Report
<i>ECONOMIC AND SOCIAL COHESION</i>		
Ministry of European Integration, General Directorate for Regional Development	2005	SMSC Sectoral Monitoring Report RO-0007.01
	2005	SMSC Sectoral Monitoring Report RO-0108.03
Ministry of Finance	2004	RICOP Social Impact Assessment Report
	1999	RICOP Financing Memorandum
Ministry of Economy and Trade	2000	Twinning Covenant RO-0006.01
<i>INTERNAL MARKET</i>		
Twinning project leader	2002	Final Report RO 9906.02 Strengthening the administrative capacity to manage the <i>acquis</i> in the field of Competition and State Aid
Ministry of Health	2001	Project Fiche - RO-0107.14
<i>JUSTICE AND HOME AFFAIRS</i>		
Ministry of Administration and Interior	2006	Internal Report on the Phare support under RO-0006.17
	2000	Phare Project Fiche RO-0006.17
Ministry of Justice	2000	Phare Project Fiche RO-0004.01.01-02
<i>HORIZONTAL</i>		
Ministry of Administration and Interior	2001	Project Fiche RO-0106.03, RO-0106.04
	2005	Final Report (Draft) RO-0106.03
	2005	4th Quarterly Report, RO-0106.04
	2005	Monitoring Report M/RO/PA/05/01 RO-0106.04
Ministry of Public Finance The Managing Authority for Community Support Framework	2003	Project Fiche RO-2003/005.551.03.03
	2006	Inception Report, Monitoring Report No. 5 RO-2003/005.551.03.03
The National Bank of Romania	2000	Project Fiche RO- 0005.02
	2005	Monitoring Report M/RO/FIN/05009 RO- 0005.02
The National Securities Commission	2000	Project Fiche RO-0005.03

Ministry of Education and Research	2001	RO-0104.02 Project Fiche
	2004	Final Conference Report RO-0104.02
	2004	Report on Progress made in implementing the government strategy for improving the conditions of Roma 04/2003 to 09/2005 RO-0104.02
	2005	Roma Communities Social Map RO-0104.02
The UNDP	2006	Evaluation of progress in targeting Roma communities in Romania
Ministry of Labour, Social Solidarity and Family	2002	Project Fiche 2002/000-586.04.05
	2005	Monitoring Report No. 1 2002/000-586.04.05
	2004	Monitoring Report M/RO/SEC/04003 2002/000-586.04.05
The Foundation for the Development of Civil Society	2000	ToR Access 2000 RO- 0008
	2004	Programme Phare Access 2000 RO- 0008
	2005	Programme Phare Civil Society 2001 RO- 0008

Annex 9. List of Interviews

Institution	Interviewee	Date
DG Enlargement European Commission Brussels	Winfried Grüter Outgoing Phare Coordinator Romania	08/02/2006
DG Enlargement European Commission Brussels	Tina Doerffer Incoming Phare Coordinator Romania	08/02/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Mr Giorgio Ficarelli Head of Section - Phare Coordination, Structural Funds and Internal Market	08/12/2005 03/04/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Ms Anne de Ligne Head of Phare Section for Justice and Home Affairs, Social Sector and Civil Society and Head of ISPA Section	08/12/2005 29/03/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Ms Liliana Barbulescu Task Manager - Phare Monitoring and Evaluation	08/12/2005 29/03/2006 03/04/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Ms Cristina Manescu Task Manager, industrial policies programme	26/01/2006 09/02/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Ms Aura Raducu Task Manager	27/01/2006 09/02/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Gena Stanciu, Task Manager	03/02/06
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Simina Tanasescu Former Task Manager	07/02/06
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Dolores Neagoe, Task Manager,	08/02/06
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Simona Nanescu, Task Manager,	08/02/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Simona Lupu, Team Leader/Task Manager,	13/02/06
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Mr. Willem van Nieuwkirk Former Task Manager – JHA	15/02/2006

Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Ms Codrina Carnu Task Manager – Internal market	24/02/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Ms Iulia Deutsh Task Manager – RO-0107.14	28/02/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Mr Tudor Radu Task Manager – Transport	28/02/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Ms. Adriana Micu Task Manager	01/03/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Ms. Camelia Suica Team Leader – JHA, Public Finance	14/03/2006
Delegation of the European Commission 18-20, Jules Michelet st Bucharest	Alessandro Budae, Task Manager	telephone only
The National Fund Bv Mircea Voda 44, Bucharest	Ms Daniela Gheorghe Director General	06/04/2006
The Managing Authority for the Community Support Framework (National Aid Co-ordinator) Bv Mircea Voda 44, Bucharest	Mr Razvan Cotovelea Director General	08/12/2005 31/03/2006
The Managing Authority for the Community Support Framework (National Aid Co-ordinator) Bv Mircea Voda 44, Bucharest	Ms Claudia Bedea Head of Unit - Phare Evaluation	08/12/2005 31/03/2006
The Managing Authority for the Community Support Framework (National Aid Co-ordinator) Bv Mircea Voda 44, Bucharest	Ms Monica Medeleanu Expert - Phare Evaluation	31/03/2006
The Managing Authority for the Community Support Framework (National Aid Co-ordinator) Bv Mircea Voda 44, Bucharest	Ms Laura Trofin Expert - Phare Evaluation	31/03/2006
The Managing Authority for the Community Support Framework (National Aid Co-ordinator) Bv Mircea Voda 44, Bucharest	Ms Antoaneta Popescu Head of Unit - Phare Monitoring	07/04/2006
The Central Finance and Contracting Unit Bv Mircea Voda 44, Bucharest	Ms Mihaela Costea Project officer	

Ministry of Economy and Trade Directorate for Programmes with International Organisations	Ms Steluta Goanta Director	13/03/2006
Ministry of Economy and Trade General Directorate for industrial policies Bv Magheru 33 Bucharest, Romania	Ms Aurica Sereny Deputy Director general	15/03/2006
Ministry of Economy and Trade General Directorate for industrial policies Bv Magheru 33 Bucharest, Romania	Ms Christina Leucuta Counsellor	15/03/2006
Ministry of Economy and Trade General Directorate for industrial policies Bv Magheru 33 Bucharest, Romania	Ms Gabriela Teodorescu Counsellor	15/03/2006
Ministry of Transport, Constructions and Tourism - PIU	Ms Elena Dumitru – Head of PIU	28/02/2006
Ministry of Transport, Constructions and Tourism – General Directorate for Naval Transportation	Mr Alexandru Serban Cucu Director General	28/02/2006
Ministry of Environment and Water Management General Directorate for Structural Instruments Management	Ms. Liliana Chirila Director	09/03/2006
Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Ms Valentina Radoi Director, TA directorate	27/01/2006
Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Mr Gabriel Friptu Director General	02/02/2006
Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Ms Eliza Lupascu Task Manager Twinning	02/02/2006
Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Ms Alexandra Gina Calotita Head of Unit, Monitoring directorate	02/02/2006 10/02/2006
Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Ms Maria Crivineanu Director, Implementing directorate	03/02/2006
Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Mr Aurelian Tarcatu Expert, Implementing directorate	03/02/2006

Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Ms Valeria Micu Counsellor, Implementing directorate	03/02/2006
Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Ms Gabriela Frent Director, Programming directorate	07/02/2006
Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Ms Dana Potec Project officer, Monitoring directorate	10/02/2006
Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Ms Marieta Enache Project officer, Monitoring directorate	10/02/2006
Ministry of European Integration General Directorate for Regional Development Bv Libertatii 12 Bucharest, Romania	Mr Dan Nicolaescu Project officer, Monitoring directorate	10/02/2006
Ministry of Labour, Social Solidarity and Family	Cristina Zorlin, Director PIU	30/03/06
Ministry of Labour, Social Solidarity and Family	Adrian Popescu, PIU,	30/03/06
Ministry of Administration and Interior	Marius Profiroiu, Ex Sec. of State	22/02/06
Ministry of Administration and Interior	Liviu Radu, Sec. of State	07/03/06
Ministry of Administration and Interior General Directorate for European Integration and International Relations	- Mr Mircea-Ion Bacalu – deputy general director - Ms Lelia Elena Vasilescu – Phare project officer	01/03/2006
Managing Authority for Community Support Framework, Ministry of Public Finance	Livia Chirita, Director	29/03/06
Regional Development Agency, West Romania Timisoara, Romania	Mr Sorin Maxim Director general	21/02/2006
Competition Council International Relations and European Integration Piata Presei Libere, 1 Bucharest	Doina Ion Tudoran – Director Adina Tatar – Competition inspector Catalina Deica – Competition inspector	07/03/2006
Directorate for Public Health of Bucharest Str. Avrig 72-74, Bucharest	Dr Florin Popovici Deputy Director General	15/03/2006
Ministry of Justice Division of European Integration, Euro-Atlantic co- operation and Programmes	Ms. Diana Popescu Phare programme management	07/03/2006

National Administration of Penitentiaries	- Ms Alina Georgescu - PIU - Ms Gabriela Ghiberdicu - purchasing dept - Mr Romeo Vasiliu - IT - Mr Eugen Florian – prisoner safety	16/03/2006
Central Unit for Public Administration Reforms (CUPAR)	Roxana Nicolae, Expert	15/02/06
National House of health Insurance, Bucharest (CNAS)	Ciresica Butiu, Head of Unit	17/02/06
National House of health Insurance, Bucharest (CNAS)	Doru Vasilescu, Senior Project Officer	15/03/06
National Administration Institute	Iuliana Albu, Head of ICD Dept	13/02/06
Transfond (Inter-bank transfers)	Mirela Palade, Deputy General Director	16/02/06
Romanian National Securities Commission (CNVM)	Raluca Georgescu, Director (ex Head of PIU)	15/02/06
Romanian National Securities Commission (CNVM)	Daniela Miclea, Director General	06/03/06
	Claudia Grosu, Pers. Adv. to Secretary of State	21/02/06
Pre-Univ., Ministry of Education and Research	Liliana Preoteasa, Gen. Dir.	08/03/06
Foundation for Communications Strategies	Corina Atansiu, Head of Unit	20/02/06
Independent expert	Ms Dana Ionel Former Head of PIU, RICOP	27/02/2006