1. Basic Information Summary

<table>
<thead>
<tr>
<th>CRIS Nr (2004)</th>
<th>RO 2004/016-772.05.01</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRIS Nr (2005)</td>
<td>RO 2005/017-690.01.05</td>
</tr>
</tbody>
</table>

Title: Strengthening the capacity within the Romanian administration to support the pre-accession process

<table>
<thead>
<tr>
<th>Sector</th>
<th>Priority sector</th>
<th>Evaluation sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACCESSION PREPARATIONS</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicative Budget 2004-2006¹</th>
<th>Total [€M]</th>
<th>Phare contribution [€M]</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.1</td>
<td>22.95</td>
</tr>
</tbody>
</table>

| Budget NP 2004 | 9.9 | 9.9 |
| Budget ‘Floods’ 2005 | 2.0 | 2.0 |

2. Objectives

2.1. Overall Objective(s):

The overall objective of the programme is to strengthen Romania’s administrative capacity to cope with the new challenges in the field of EU funds management and to effectively implement the European acquis, in order to support and accelerate Romania’s preparation for accession to the European Union.

2.2. Project purpose:

The project purpose is to further support the strengthening of the capacity of the line ministries and government institutions to prepare better quality programmes and projects and deliver qualitative outputs in support of pre-accession process.

Administrative capacity strengthening will be achieved through short-term technical assistance support provided under the Project Preparation Facility (PPF) to the line ministries. A Special Actions and early Membership Facility is also foreseen consisting of soft measures, aimed at funding urgent institution building projects, which cannot be identified at this stage.

Addendum 30/09/2005
In addition, in view of the catastrophic effect of the 2005 floods on the national economic and social infrastructure, it will be necessary to develop capacities (e.g. disaster planning, disaster management etc.) outwith those provided for by other resources.
2.3. Accession Partnership (AP) and NPAA priority

Programme assistance defined in the current project fiche is directly linked to the priority areas for Romania’s preparations to EU membership, as underlined in the Priority Action Plan for EU accession (December 2003 – December 2004), chapter 9 - “Strengthening the administrative capacity for managing the pre-accession funds and preparation for structural and cohesion funds”. The Roadmaps for Bulgaria and Romania also mentions that Romania should significantly improve its capacity to manage and use the EU funds. The Regular Report on Romania’s progress towards accession 2003 also notes: “the overall capacity for programming, operational management and financial control remains insufficient”.

2.4. Contribution to National Development Plan (and/or Structural Funds Development Plan/SDP)

Not applicable.

2.5. Cross Border Impact

Addendum 30/09/2005

The particularly catastrophic floods during 2005 have also caused cross-border damage, for example in Serbia&Montenegro. The measures now included in this amended project will contribute to the establishment of a properly coherent Romanian national flood-damage prevention strategy that takes into account the need to avoid consequential cross-border damage.

3. Description

3.1. Background and justification:

In the Regular Report produced by the Commission in 2003, a major conclusion was that the overall capacity of the public administration to implement the “Acquis Communautaire” remains limited and represents a major constraint on Romania’s accession preparations. While certain parts of the administration are able to function effectively, there are many important sectors where the weakness of the administration is still a serious cause for concern. These concerns extend beyond the adoption of the “Acquis” and also apply to the management of EU funds. There has been limited progress in developing an administrative capacity although this issue is beginning to be addressed by the Government.

At central administrative level, the Ministry of Public Finance (MPF) is in charge with the programming, coordination and monitoring of the non-reimbursable financial assistance granted by EU and the member states to Romania and acts as the National Aid Coordinator. The MPF operates as interlocutor between the different line Ministries and governmental organisations and the Commission. As such, the NAC department in the MPF bears the final responsibility for the qualitative level of the various documentation and project proposals submitted to the Commission in relation to the accession process. Therefore, ever since 2000 the NAC department proposed and implemented projects aiming at increasing the capacity of the Romanian public administration to manager EU funds and to adopt and enforce the aquis.
The two components provided in the current project fiches are building upon similar components in the precedent project fiches.

**Project Preparation Facility (PPF) Mechanism**

The PPF mechanism was introduced for the first time under Phare 2000. Line Ministries and other Government Institutions involved in Phare programming, facing problems with an adequate composition of documentation related to the preparation, implementation and monitoring of Phare programmes, could apply for PPF support in order to produce more mature documentation.

Along the lines of the assistance already provided under Phare, the PPF mechanism provides support for the preparation of feasibility studies, detailed designs of investment projects, design of training programmes and aid schemes, environmental impact assessments, preparation of institution-building projects, and preparation of technical specifications, procurement plans and tender dossiers. PPF support can also be used to assist institutions in preparing policy documents and strategic papers that will form the basis for multi-annual programming support. Finally, PPF may be used for preliminary work to explore the scope for possible future financing in priority areas, even when the scope of a possible future project has not yet been clearly defined.

While the mechanism was used in the first years mainly for requesting assistance in writing the project fiches and the subsequent contracting documents, more and more the recipients are requesting assistance for grounding the activities included in project fiches and for revising/updating strategies. This corresponds to the trend in the programming documentation and demonstrates that the PPF mechanism is still useful in producing well-designed projects. In the same time the mechanism allow the transfer of know-how to the beneficiaries enhancing their capacity to prepare and implement EU financed projects.

The mechanisms to be used for implementation of activities identified under this component include the twinning, twinning light and technical assistance instruments. Project size would generally be small (< 2 million Euros), but usually in the order of 100,000 – 200,000 Euros.

This facility includes also the possibility to launch twinning or twinning light projects in areas where urgently additional Member States expertise is required

**Special Actions and early Membership Facility**

This component is provided to cover specific urgent and unforeseen needs identified in the course of the management of EU funds. This is conceived as a more flexible Institution Building (IB) instrument to address specific, well-defined self-contained subjects of limited scope.

This component will provide assistance to institutions in order to further accelerate the adoption of the acquis. In addition, the instrument may also cover needs identified during pre-accession period such as expertise of economic, social, legal and institutional nature. Assistance under the IB envelope can also be used to strengthen and/or develop the operational capacity of organisations in view of their future role in the implementation of the acquis and it provides a reserve for plugging any remaining gaps identified at
short notice just before and after accession. Evaluation and audit (organisational / management control, financial etc.) activities can also be covered. This assistance to strengthening/developing the operational capacity of organisations can also be applied to the institutions involved in managing EU funds (such as NAC, NIC, National Fund, Payment Authorities/Agencies, Implementing Authorities, institutions in the coordination/subordination off the Implementing Authorities which have delegated tasks) via technical assistance contracts supporting the programming, financing, implementation, monitoring and evaluation of their projects/programmes as well as co-financing of the incentives for the staff of the main institutions involved in managing EU funds in order to ensure stability and an adequate level of staff with good expertise in the field. A specific incentive mechanism combining national and Phare funds will be designed for the staff directly responsible for the management of the EU funds. The incentive mechanism is subject of approval by NIC and European Commission. By the nature of this instrument, it is not possible to define the sectors to be covered beforehand; however, it is likely that a focus will be on those institutions which in future will be responsible for managing EU funds.

Incorporation of the acquis into the Romanian legislation is not in itself sufficient. It is necessary to ensure that it is actually applied to the same standards as those that apply within the current member states. In all the areas, there is a need for a credible and effective implementation and enforcement of the acquis. IB assistance identified under the current facility can help Romania in this process.

3.2. Results

Project Preparation Facility (PPF) Mechanism

- Projects ready to be launched: Relevant background documentation, feasibility studies, project design schedules, terms of reference, technical specifications and tender dossiers prepared and submitted in due time;
- Project fiches corresponding to the quality standards required by EC produced and submitted by PIU’s within line Ministries and/or other Governmental Institutions.

Special Actions and early Membership Facility

- Both, the process of adoption and implementation of the acquis have made emphatic progress;
- Institutional and operational capacity of organisations strengthened in view of their future role in the implementation of the acquis; EU funds management in line with relevant regulations and guidelines (assuming that this facility will also be used in this area to cover short-term shortcomings). Outputs to be produced may include the appraisal of regulatory texts, supply of core documentation, trained staff or a framework to guarantee a proper implementation of the acquis and management of EU funds.
- Implement an incentive mechanism in order to ensure stability and an adequate level of staff with good expertise in the field for the management of EU funds
- (Amendment 30/09/05) Increased capacity to prepare coherent national flood-damage prevention strategy

3.3. Activities (including Means)

Project Preparation Facility (PPF) Mechanism
• Short-term technical advisory services to be delivered focused on hands-on assistance in Phare programming, pre-accession activities and monitoring and assessment of on-going programme activities resulting in more mature documentation.

• TA to be contracted on a short-term basis to support line Ministries and/or Governmental Institutions in areas relevant to the accession process. The allocation of this support will be decided through common agreement between the NAC and the Commission services at an early stage in the programming cycle, on the basis of initial proposals for Phare support received from competent bodies. The support will be provided in cases where an initial proposal is considered to correspond to a priority for Phare support (justified in terms of AP short or medium term priorities, needs identified through the Regular Report or activities defined in the NPAA), but where further efforts are needed to define and prepare a mature project, ready for implementation under the upcoming Phare programme.

Special Actions and early Membership Facility

Providing direct hands-on technical assistance to governmental institutions meeting urgent IB requirements arising from the negotiation process or other obligations of the acquis; This could also include either assistance or co-financing of the incentives for the staff of the main institutions involved in managing EU funds in order to ensure an adequate level of staff with good expertise in the field. Short and medium term expertise from member state administrations delivered upon request. Expertise may focus on economic, social, legal and/or institutional subject areas.

• (Amendment 30/09/2005)Technical Assistance and project preparation in the context of floods damage rehabilitation and prevention measures.

3.4. Linked Activities:

Project Preparation Facility (PPF) Mechanism

The PPF mechanism with an allocated budget of MEURO 3.5, was introduced for the first time under the Phare 2000 Programme. Line Ministries and other Government Institutions involved in Phare programming, facing problems with an adequate composition of documentation related to the preparation, implementation and monitoring of Phare programmes, could apply for PPF support in order to drafting more mature projects and programmes.

The PPF component proved to be an excellent instrument for supporting the line ministry in producing relevant background documentation, feasibility studies, project design schedules, terms of references and tender dossiers with the ultimate goal to develop solid project documents feasible for implementation. The NAC department has carried out an evaluation of the PPF finalised projects. The evaluation’s results reveal that the beneficiary institutions are highly satisfied by this facility.

Experience gained during Phare RO-00.06.18 formed the basis for the successful implementation of PPF activities identified under project RO-01.06.06 and RO-2002/000-586.03.01. Future PPF activities will continue under the budget line of the current Phare project.
**Twinning Light (TL) Mechanism**

Experience with implementing classic long-term twinning programmes has resulted in the identification of a need for short- to medium-term twinning assignments with a duration of up to six months and a maximum budget of EURO 150,000. Starting with the Phare 2001 exercise, a Twinning Light (TL) mechanism was introduced in order to provide rapid and flexible assistance focused on specific limited priority areas related to the accession process and directly linked to the “Acquis Communautaire”. This component is also foreseen in the framework of the Phare project RO-2002/000-586.03.01. Further TL projects will be developed under the IB envelope in the current project fiche.

**RO 0106.06.04 – Technical Assistance for Programming**

The project, currently under implementation, includes the following components:
- direct assistance to the DAA within MEI with Phare 2004 annual and 2004 – 2006 multi-annual programming process
- support to Implementing Authorities within line Ministries and/or Government organizations
- development of a Strategic Framework for Multi-annual Programming and Adequate Implementation mechanisms/structures

3.5. **Lessons learned:**

The use of PPFs has been an effective way of laying down a solid foundation for the programming preparations and the implementation of key programmes and projects. In 2003, an unallocated institution building envelope has been made available; however, implementation is only just commencing and no lessons can yet drawn from this for the proposed Special Actions and early Membership Facility.

4. **Institutional Framework**

The organization and functioning of the Ministry of Public Finance, regulated through GD No. 1574/2003, was amended through GD 403/2004 to encompass the new structures for managing EU structural instruments, i.e. the Managing Authority for Community Support Framework and the Managing Authority for Cohesion Fund. Following this new GD, the Ministry of Public Finance is in charge with the programming, coordination and monitoring of the non-reimbursable financial assistance granted by EU and the member states to Romania and acts as the National Aid Coordinator. The new structure is transferred from the Ministry of European Integration where it used to have similar roles and attributions.

5. **Detailed Budget**

<table>
<thead>
<tr>
<th>Phare project component</th>
<th>EU Support</th>
<th>Total EU (=I+IB)</th>
<th>National Co-financing*</th>
<th>IFI*</th>
<th>TOTAL L</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-772.05.01 Investm Investment Support</td>
<td>Institution</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>PPF</td>
<td>Special Actions</td>
<td>7.8</td>
<td>7.8</td>
<td>7.8²</td>
<td></td>
</tr>
</tbody>
</table>
Under the Provisions of the Financing Agreement of 2005 “concerning flood damage rehabilitation and prevention measures” the following task will be implemented in this programme:

<table>
<thead>
<tr>
<th>Measure no.</th>
<th>title</th>
<th>PHARE contribution</th>
<th>National co-finance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>05</td>
<td>Technical Assistance to flood damage related projects coherent with annual project fiche 2004/016-772.05.01</td>
<td>0.00 2.00</td>
<td>2.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

1 National co-financing will include any finance through the IFIs

6. Implementation Arrangements

This programme will be implemented under the provisions of Financing Memorandum 2004-16-772 and Financing Agreement 2005–17-690. Any budgetary figures contained in this document not covered by these agreements shall be considered as estimates not committing any of the two parties to the agreements for providing finance.

6.1. Implementing Agency

The Central Finance and Contracts Unit (CFCU) within the Ministry of Public Finance will be the Implementing Agency and as such be responsible for all procedural aspects of the tendering process, contracting matters and financial management (including payments) of the project activities.

Contact:
Central Finance and Contracting Unit (CFCU)
Director: Mrs. Jeana Buzduga
Address: Bd. Magheru nr.6-8, 5th floor, sector 1, Bucharest
Tel: 00-40-21-211 99 84, 210 62 20, 210 64 26
Fax: 00-40-21-210 64 56, 210 83 48
e-mail: bjeana@cfcu.ansit.ro

The Implementing Authority will be the Ministry of Public Finance. Within MPF, the Directorate for Coordination of Phare Programme will become responsible for the overall technical co-ordination and proper implementation of the activities identified under the TA and supply components listed in this project fiche.

Contact:
Ministry of Public Finance (MPF)
General Directorate Managing Authority for Community Support Framework
Directorate for Coordination of Phare Programme
6.2. Non-standard aspects

The provisions content in DIS Manual and Practical Guide for Phare, ISPA and Sapard programmes will strictly be followed.

6.3. Contracts

The project will be implemented through the following contracts:

- PPF. Total amount: 2.1 million EURO
- Special Actions and early Membership Facility - twinning arrangements, TL and TA contracts. Total amount: 9.8 million EURO

\(^2\) Includes M€ 2.0 from 2005 Flood-damage rehabilitation & prevention programme

7. Implementation Schedule

7.1. Start of tendering/call for proposals

ToR’s for support and twinning fiches, as the case might be, may be submitted to MPF immediately after formal endorsement of the Phare 2004 programme by the Phare Management Committee. The last date for receipt of applications by MPF will be 30 September 2006.

7.2. Start of project activity

The effective start of the activities under the projects financed through PPF or IB Envelope is supposed to be in April 2005.

7.3. Project completion

Project activities must be completed three months before the last date for disbursement under the Financing Memorandum for the Phare 2004 National Programme. Effectively this means September 2007, (addendum 30/09/2005) except as concerns flood-damage rehabilitation & prevention actions, for which the deadline will be November 2008.

8. Equal Opportunity

Consideration should be given to this aspect in the projects financed through PPF or IB Envelope.

9. Environment

N/A
10. Rates of return
N/A

11. Investment criteria (applicable to all investments)
N/A

11.1. Catalytic effect
N/A

11.2. Co-financing
N/A

11.3. Additionality
N/A

11.4. Project readiness and size
N/A

11.5. Sustainability
N/A

11.6. Compliance with state aids provisions
N/A

12. Conditionality and sequencing

(1) PPF is not intended to cover projects in the area of economic and social cohesion, for which separate project preparation arrangements have been allocated.

(2) Sequencing is such that preparatory activities are underway when Phare programming support takes place in 2005. Start-up of the PPF assumes that the Financing Memorandum 2004/16-772 can be approved and in operation before the end of 2004.

(3) Allocation of financial resources under the Project Preparation Facility (PPF) will be agreed upon between the National Aid Co-ordinator (NAC) and the Commission, following a screening of the priorities arisen in the process of preparation of Romania towards accession. This support will be contracted on the basis of Terms of Reference to be approved by both the Ministry of Public Finance and the Commission.

ANNEXES TO PROJECT FICHE

1. Logframe in standard format

2. Detailed implementation chart

3. Contracting and disbursement schedule, by quarter, for full duration of project, including disbursement period
### Logframe

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>Contracting period expires</th>
<th>Disbursement period expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening the capacity within the Romanian administration to support the pre-accession process</td>
<td>November 2006</td>
<td>November 2007</td>
</tr>
<tr>
<td>Total budget: 9.9 MEUR</td>
<td>Phare budget 9.9 MEUR</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
</table>
| Strengthening the Romania’s administrative capacity to cope with the new challenges in the field of EU funds management and to effectively implement the European aquis, in order to support and accelerate Romania’s preparation for accession to the European Union | Aquis adopted and implemented according to the government strategies and plans | • EU Regular Reports
• Accession Partnership |
### Project purpose

Strengthening of the capacity of the line ministries and government institutions to prepare better quality programmes and projects and deliver qualitative outputs in support of pre-accession process.

### Objectively verifiable indicators

- Acceleration of the progress within ministries/institutions towards meeting the requirements of the aquis and of structural funds management.
- Effectively and timely implementation of the EU assistance programmes

### Sources of Verification

- Minutes of the Monitoring Sub-committee
- Monitoring reports
- Regular reports

### Assumptions

- Continued commitment of the administration to speedy accession preparations

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### Results

#### PPF mechanism:

- Projects ready to be launched: Relevant background documentation, feasibility studies, project design schedules, terms of reference, technical specifications and tender dossiers prepared and submitted in due time;

#### Objectively verifiable indicators

- Specific identified tasks have been completed with the help of TA, resulting in:
  - Project Fiches revised/elaborated and approved
  - feasibility studies, detailed designs of investment projects, technical specifications, designs of training and IB projects, project ToR, technical specifications / tendering approved

#### Sources of Verification

- Monitoring reports

#### Assumptions

- The beneficiaries allocate appropriate human and financial resources to the specific task
• Project fiches corresponding to the quality standards required by EU produced and submitted by PIU’s within line Ministries and/or other Governmental Institutions.

• Policy documents and strategic papers for multi-annual programming
• Analytical studies / papers on possible future funding opportunities in priority areas

More specific OVI’s to be laid down in individual projects’ description.

Special Actions and early Membership Facility
Both, the process of adoption and implementation of the acquis have made emphatic progress; Institutional and operational capacity of organisations strengthened in view of their future role in the implementation of the acquis; EU funds management in line

• Specific identified tasks have been completed with the help of MS experts or TA
• More specific OVI’s to be laid down in individual projects’ description

Monitoring reports

The beneficiaries allocate appropriate human and financial resources to the specific task
with relevant regulations and guidelines (assuming that this facility will also be used in this area to cover short-term shortcomings). Outputs to be produced may include the appraisal of regulatory texts, supply of core documentation, trained staff or a framework to guarantee a proper implementation of the acquis and management of EU funds.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| PPF: hands-on TA inputs | - framework and service procurement contracts (PPF)  
- TA contracts and Twinning&twinning light covenants (SA Facility) | - Reduced staff turnover in the administration  
- Availability in due time of the information and documents needed by TA team  
- Availability of logistic facilities to the TA team |
<table>
<thead>
<tr>
<th>funds will be designed for the staff directly responsible for the management of the EU funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Preconditions</td>
<td>•</td>
</tr>
</tbody>
</table>
ANNEX 2

DETAILED TIME IMPLEMENTATION CHART FOR PROJECT NUMBER 2004/016-772.05.01
(PROJECT TITLE)

<table>
<thead>
<tr>
<th>calendar months</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Preparation Facility (PPF) Mechanism</td>
<td>D D D D D D D D D C C C C C C C C C C C C C C</td>
<td>I I I I I I I I I I I I I I</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>C C C C C C C C C C C C C C C C C C C C C C</td>
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<td></td>
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<tr>
<td></td>
<td>C C C C C C C C C C C C C C C C C C C C C C</td>
<td>I I I I I I I I I I I I I I</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

D = Design  
C = Contracting  
I = Implementation
ANNEX 3

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (MEURO 9.9)

DATE:

<table>
<thead>
<tr>
<th></th>
<th>31/03/05</th>
<th>30/06/05</th>
<th>30/09/05</th>
<th>31/12/05</th>
<th>31/03/06</th>
<th>30/06/06</th>
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<th>31/12/06</th>
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<th>30/06/07</th>
<th>30/09/07</th>
<th>31/12/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACTED</td>
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<td>3.5</td>
<td>5.0</td>
<td>7.5</td>
<td>8.9</td>
<td>9.9</td>
<td>9.9</td>
<td>11.9</td>
<td>11.9</td>
<td>11.9</td>
<td></td>
</tr>
<tr>
<td>DISBURSEMENT</td>
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<td>1.5</td>
<td>2.0</td>
<td>2.5</td>
<td>3.5</td>
<td>4.5</td>
<td>5.5</td>
<td>6.5</td>
<td>7.5</td>
<td>9.9</td>
<td>11.9</td>
<td></td>
</tr>
</tbody>
</table>

NB: 1. All contracting should normally be completed within 6-12 months and **must** be completed within 24 months of signature of the FM.

2. All disbursements **must** be completed within 36 months of signature of the FM.