FINANCING MEMORANDUM

The European Commission, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Community, hereinafter referred to as "THE COMMUNITY" on the one part, and

The Government of Romania, hereinafter referred to as "THE RECIPIENT" on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Memorandum. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement of 12 March 1991 between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Memorandum and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number: RO0104-RO0109
Title: 2001 National Programme for Romania
Duration: Until 30/11/2003

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of 248.89 MEUR hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until 30/11/2003 subject to the provisions of this Memorandum. All contracts must be signed by this date. Any balance of funds of the EC GRANT which have not been contracted by this date shall be cancelled. The deadline for disbursement of THE EC GRANT is 30/11/2004 with the exception of the projects RO-0107.12, RO-0107.15, RO-0108.03 and RO-0108.04, (where the deadline for disbursement is 30/11/2005). All disbursements must be completed by the deadline for disbursement. THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the disbursement period, should this be requested in due time and properly justified by THE RECIPIENT. This Memorandum shall expire at the expiry of the disbursement period of the
EC GRANT. All the funds which have not been disbursed shall be returned to the Commission.

**ARTICLE 4 - ADDRESSES**

Correspondence relating to the execution of THE MEASURE, stating THE MEASURE'S number and title, shall be addressed to the following:

**for the COMMUNITY:**

EC Delegation in Bucharest  
Bd Primaverii 48  
71297 Bucharest  
Romania  
Fax: 00 40 1 230 24 53

**for THE RECIPIENT:**

Mrs Hildegard Puwak  
Minister of European Integration  
Government of Romania  
Str Apolodor 17  
Bucharest  
Romania  
Fax: 00 40 1 336 85 09

**ARTICLE 5 - NUMBER OF ORIGINALS**

This Memorandum is drawn up in duplicate in the English language.

**ARTICLE 6 - ENTRY INTO FORCE**

This Memorandum shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Memorandum.

Done at Bucharest  
Date 4 November 2001

for THE RECIPIENT

Mrs. Hildegard Puwak  
Minister of European Integration  
National Aid Co-ordinator

Done at Bucharest  
Date 4 December 2001

for THE COMMUNITY

Mr. Jonathan Scheele  
Head of European Commission Delegation to Romania
1. Objectives and Description

**RO-0104 SUB-PROGRAMME 1 – RO-0104 (Total: € 27.00 M)**

**POLITICAL CRITERIA**

This sub-programme includes 3 projects:

**RO-0104.01 Continued support for “Children First” (€ 10.00 M)**

As a continuation of the activities initiated under Phare 1999, Phare 2001 will support the “Children First” programme of the Romanian Government, which assists local authorities in their efforts to close large old-style residential care institutions by developing a range of diversified child protection services. Under the 2001 programme particular emphasis will be given to extending experience of successful models of child protection reform from the more innovative local authorities to those which have so far made less progress.

“Children First” supports the following overall objectives:
- De-institutionalisation of children in large old-style institutions and prevention of child abandonment and institutionalisation
- The necessary and proper protection for children in need, according to the particularities of each child’s situation.

Projects proposed by county councils will be selected for support under Phare 2001 on the basis of criteria derived from the national child protection strategy adopted by the National Authority for Protection of Children’s Rights (NAPCR). The following specific objective will be supported within a coherent overall approach at county level defined through a county child protection strategy:
- Closure of large “old-style” institutions through development and implementation of modern integrated community services at local councils level;

The type of projects which will be supported include the following:

(a) Establishment of local social workers networks;
(b) Training programmes for staff in new services and local networks;
(c) Recruitment, assessment and training for the foster carer network, including foster carers for children with special needs.

As with Phare 1999 support through the “Children First” programme, Phare 2001 funding for county council projects will be provided in the context of county-level strategies for development of child protection services, and on the basis that the activities developed will be sustained by the provision from county budgets of operating costs for the services being developed. It is the responsibility of the national authorities, in particular the NAPCR and the Ministry of Finance, to ensure that an effective compensatory mechanism is established to ensure that local authorities in a relatively weak financial situation are able to meet the costs of sustaining the services developed through “Children First”.

The Phare support will also cover the continuing costs of technical assistance (a) to support local authorities in designing their child protection strategies and projects to be proposed to the national level, and (b) to assist the authorities at national level with the assessment of project proposals from local authorities, and to monitor the implementation of the local projects. The extension of “Children First” to additional counties will be supported by technical assistance aimed at improving the quality of county child protection strategies, and of project proposals submitted by local authorities. This assistance will be focused particularly on local authorities which have not benefited from Phare1999 grants where large numbers of children remain in old-style institutions. A continuation of the public awareness activities launched under Phare 1999 may also be financed, based on an assessment of the
impact of the first campaign, and highlighting issues such as the negative effects of institutionalisation and abandonment, alternative solutions aimed at keeping children at home, social workers’ and foster families’ role, and public access to assistance and social services.

The continued support for “Children First” under Phare 2001 depends on the continued commitment of the Government of Romania to prevention of child abandonment and the implementation of reforms leading to closure of large old-style residential care institutions by developing a range of diversified child protection services.

The NAPCR is the implementing authority for this programme. The CFCU is the Implementing Agency responsible under the Phare Decentralised Implementation System. As with the 1999 child protection programme, the grants component of this programme will be implemented on the basis of grant agreements between the CFCU and local authorities.

<table>
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<tr>
<th>RO-0104.02</th>
<th>Access to education for disadvantaged groups, with a special focus on Roma (€ 7.00 M)</th>
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The Ministry of Education and Scientific Research has launched two pilot projects to deal with the issue of Roma access to education: one for pre-primary (kindergarten) level, and the other “The Second Chance” which aims to provide a three and a half-year primary education programme and basic vocational qualifications to Roma youth aged 14 to 25 years who had previously failed to complete primary school.

Phare 2001 will provide support to build upon the experience of these pilot projects. It will focus on three aspects of the education system:

- Pre-primary education;
- Prevention of drop-outs from primary education (7-15 years);
- “Second chance” education for 14 – 25 years.

Phare support will be in the form of technical assistance at national level, and grants to local authorities.

The technical assistance will support development of the policy and legislative framework for programmes to enhance Roma access to education, focusing on all three of the above aspects. It will develop the needed methodologies and curricula, will strengthen teacher, Roma mediator and inspector training, and will reinforce the co-operation between schools and the Roma community. It will also support the preparation, implementation and management of the grant scheme for local projects.

Grant financing will be provided to projects proposed by local authorities (county and municipal) on the basis of co-operation between schools and representatives of the Roma community. The grants will support the implementation of innovative local projects in line with national policies on enhancing Roma access to education, and are expected to include projects covering all three aspects indicated above in approximately equal proportions.

The role of Roma school mediators is crucial for the project. The definition of the statute of Roma school mediator and its inclusion in the Statute of Teaching Staff is a key condition for the successful implementation of the project.

The Implementing Authority for the project is the Ministry of Education and Scientific Research, Directorate for Pre-university Education, in co-ordination with the Ministry’s Department for Minorities. The CFCU is the Implementing Agency responsible under the Phare Decentralised Implementation System. The grants component of this programme will be implemented on the basis of grant agreements between the CFCU and local authorities.
The activities identified for Phare support to Civil Society development under the 2001 programme are a direct continuation of Phare 2000, both as regards objectives and implementation arrangements. The objectives are to improve the capacity and the credibility of the sector in order to better serve community needs and interests, and to support NGOs in the field of democracy, human rights and rule of law. NGO projects in the fields of environmental protection, and socio-economic development, and projects contributing to the social re-integration and to promoting sustainable health and social support for marginalised groups of the population will also be supported.

The objectives will be attained through multiplying and strengthening the network of citizens advice bureaux set up under Phare 2000, strengthening civil society networks and institutional capacities, and reinforcing the activities of NGOs through grant financing to specific categories of NGO projects.

The activities cover:

1. A call for proposals for grant-funded projects to develop citizens’ advice bureaux (CAB) to provide additional types of services, and to set up new CABs following the established model, which provides advisory services to the public in areas such as social security and health, employment, discrimination, consumer issues, debt, taxes, housing, legislation and legal advice, utilities, victims of abuse or domestic violence, or other issues according to local needs. In addition, resource centres for NGOs will be supported in areas where specialised NGO resource centres do not exist. Support for citizens’ advice bureaux requires provision by local authorities of office facilities and staff salaries.

2. A call for proposals for grant-funded projects in the areas of setting up self-regulation and a code of ethics for the NGO sector, training for NGO staff, and projects promoting partnership involving NGOs, local authorities and/or business community based on local needs and resources.

3. A call for proposals for grant-funded projects in support of civic education activities targeted on children and youth, and for promotion of independent professional media.

4. A call for proposals for NGO projects encouraging the inclusion of individuals and groups who risk being economically, socially or politically marginalised, and for projects fulfilling social and environmental objectives in line with the acquis communautaire. Eligible fields of activity include promotion of workers’ rights and Social Dialogue, promotion of consumer interests and strengthening of associations such as co-operatives, mutuals and other organisations with a socio-economic role), and promotion of sustainable health and social support for marginalised groups of the population (such as members of minority groups, handicapped, elderly, homeless, street or abused children, illiterate, unemployed, victims of addictions, of AIDS, victims of cruelty, women, etc).

All components of the present programme will be managed by the Romanian Civil Society Development Foundation (CSDF) under a direct agreement contract with the CFCU. Under this agreement CSDF will receive appropriate administrative costs of not more than 7.25 % of the budget, including the cost of audits. CSDF will not be an eligible beneficiary of the programme, other than through payments of these administrative and auditing costs. CSDF will develop the overall strategies for programme implementation, prepare detailed criteria (subject to the approval of the Commission and the National Aid Co-ordinator) for project selection, manage and evaluate the calls for proposals, and prepare draft contracts between the CFCU with the project beneficiaries. CSDF will also monitor the implementation of all grants under the programme and report on the technical implementation of the programme to the National Aid Co-ordinator, the CFCU and the European Commission.
CSDF will further develop its competence in the transparent management of grant schemes and the operational and financial monitoring of projects, will ensure cost-effectiveness in the management of the programme, and will take particular care to avoid any conflicts of interest or partiality in the project selection procedures. CSDF will operate under the joint supervision of the National Aid Co-ordinator and the Commission, who will jointly approve the strategies for implementation, the project selection criteria, and the results of the evaluation of the calls for proposals.

The CFCU, as Implementing Agency, will enter into contracts with beneficiaries on the basis of the calls for proposals managed by CSDF.

**RO-0105 SUB-PROGRAMME 2 – RO-0105 (Total: € 5.60 M)**

**ECONOMIC CRITERIA**

The following project is included:

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<th>RO-0105.01 Support for the Development of Improved Management of Municipal Services (€ 5.60 M)</th>
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The objective of the project is to improve the standards of municipal services, focusing principally on water and wastewater services, and enhance the environment by promoting compliance with EU environmental directives. The achievement of this objective requires the development of policies, legislation and practical experience related to stimulating private sector participation in the provision of municipal services.

The assistance will be provided in the context of a Municipal Services Law expected to be passed by parliament during 2001. The Law will make provision for the establishment of a single regulatory authority for all municipal services. This authority is intended to monitor the performance of operators, provide incentives for improved performance, ensure that tariffs reflect the full cost of services without overcharging consumers, and encourage investment in improved services by establishing a balanced regulatory regime that reflects the needs of consumers and investors.

The project will be implemented through technical assistance covering the following areas:

1. **Drafting Legislation:**

   Preparation of secondary legislation for water and wastewater services, district heating, solid waste and public transport, including regulatory requirements, the definition of the rights and responsibilities of municipalities, service providers and consumers in each sector, and specific technical legislation for each sector, taking account of the relevant EC Directives.

2. **Developing Policies for Municipal Services to Implement EU Environmental Directives:**

   Activities in this area will include setting up a database on municipal services, and updating information on investment needs related to provision of an adequate level of municipal services and to meeting the requirements of EU environmental directives. Support will also be provided for establishing and helping to implement procedures for monitoring investment programmes and their impacts.

3. **Establishment of a regulatory authority for municipal services and development of its operational capacity:**
Advisory support will be provided to define the mission, organisation and structure, functioning and financing of the planned regulatory authority. The assistance will cover elaboration of job descriptions for senior staff and support with recruitment. As regards the functions of the regulatory authority, particular attention will be given to the mechanisms and procedures for licensing of operators in the field of municipal services. Other areas in which support will be provided include definition of performance indicators, development of policies on competition, and guidelines for assessment of fair tariffs.

4. Training and support for preparation of contracts applicable to the delegation of the management and operation of water and wastewater services:

Under this component training and advice will be provided to staff of the Ministry of Public Administration, the regulatory authority and local government in possible arrangements, including concessions, to mobilise private sector financing and expertise in the provision of municipal services. This area of activity will include a financial facility to provide professional advisory support to municipal authorities on the legal, contractual, technical and financial aspects of setting up concession contracts, or other appropriate forms of private sector partnership relating to the provision of municipal services. Assistance under the facility will lead to the conclusion of at least three significant concession contracts relating to municipal services, which will serve as models of good practice for the future development of private sector participation in municipal services in Romania. The implementation of these activities will lead to an assessment of the level of demand from Romanian municipalities for advisory services relating to private sector partnership for provision of municipal services. In the event that a strong demand is found to exist for such services, it is expected that further Phare financing under future years’ programme may be provided for the financial facility set up under this project.

The activities under this project will be closely co-ordinated with those under the project RO0107.15 “Assistance for the implementation of environmental policies in Romania” implemented by the Ministry of Environment. Co-ordination is particularly required in relation to components 1 and 2 of the present project relating to development of legislation and policies for municipal services in line with EC environmental directives. The present project will take account of the expected outputs of RO0107.15, and an inter-ministerial co-ordination committee will be set up to ensure the coherence of the activities under the two projects, and avoid possible overlaps in their respective areas of activity.

Assistance under this project is provided subject to the Government’s continuing commitment to the development of private sector participation as an essential element in the provision of municipal services, and to the Ministry of Public Administration’s commitment to prepare and promote the necessary secondary legislation for implementation of the Municipal Services Law.

The Ministry of Public Administration is Implementing Authority. The CFCU is Implementing Agency under Phare DIS.

**RO-0106 Sub-Programme 3 – RO-0106 (Total: € 18.00 M)**

**Strengthening Administrative Capacity**

This sub-programme includes seven projects. A group of four inter-linked projects will be implemented which aim to develop and implement policy on public administration reform. They will reinforce the implementation of the 1999 Civil Service Law (Law 188/99) and support the creation of a stable, competent and non-political civil service with the capacity to perform all the tasks imposed by Romania’s accession process and the adoption of the Acquis Communautaire. In addition, a project with the office of the Romanian Ombudsman aims to improve the accountability of the public administration at national and local level. A
further project supports the Ministry of European Integration in the programming and management of the pre-accession instruments and provides a facility for short-term twinning. Further institution building support is also provided to the various bodies concerned with SAPARD implementation.

In order to effectively design and implement public administration reform, and successfully implement the four Phare projects in this area, the new structures responsible for public administration reform (i.e. the Ministry of Public Administration and the Civil Servants' National Agency) must be allocated (i) sufficient numbers of adequately qualified staff (ii) sufficient budgetary resources and (iii) sufficient political authority to supervise and lead (rather than simply to monitor) the reform process. This should be considered as a pre-condition of the successful outcome of the process.

**RO-0106.01 Strengthening the institutional capacity of the Ministry of Public Administration (€ 1.25 M)**

This project will reinforce the capacity of the Ministry of Public Administration in policy making and drafting regulations in the area of public administration.

Assistance will be provided to the Ministry of Public Administration concerning its leadership role in advising on, stimulating, and monitoring public administration reform activities and improving the managerial capacities of other ministries.

- Legislation will be adopted and implemented to complete the Romanian legal administrative framework for the Public Administration.
- Recommendations will be developed on the efficient and effective internal functioning of the Ministry of Public Administration.
- A training strategy for central and local civil servants will be developed and adopted.
- Policies and regulations will be developed and adopted concerning the territorial distribution of administrative responsibilities between the central and local governments, and their implementation launched.

The project will be implemented through a twinning (or twinnings) covering five areas of activity:

1. **Management of Central Public Administration Reform**

The project will prepare a methodology for a functional review of ministries and institutions depending on central government, steer the functional review process and make the subsequent analysis and recommendations. In the course of the review training will be provided to a selected pool of staff at the Ministry of Public Administration and other ministries in preparing organisational analysis in order to create permanent internal capacity. Limited informatics equipment may be provided for the Ministry of Public Information supporting its policy development and co-ordination functions.

2. **Management of Local Public Administration Reform**

A review will also be undertaken on the stage reached in decentralisation and the functioning of local public authorities, and recommendations will be prepared for the development of policies regarding decentralisation, taking into account budgetary constraints and financial control requirements. The review will lead to recommendations as regards measures to improve the capacity of local authorities in the areas of budgetary management and the development of local investment programmes. It will be based upon extensive consultation with local authorities' associations.

3. **Development of the General Legal Framework**
Based upon the work carried out under Phare project RO9804.05.01 (Support to the Civil Servants’ National Agency in designing and implementing Civil Service Reform), the project will analyse current administrative legislation, and, based upon the principles and best practise established in EU Member States, amendments and new legislation and regulations will be drafted. An Administrative Code with the relevant pieces of administrative legislation will be developed.

4. Management of the Ministry of Public Administration

The existing internal working procedures of the Ministry of Public Administration will be reviewed and a training needs assessment for staff carried out. A training plan for Ministry staff will be developed, and training programmes for officials in the Ministry of Public Administration and subordinated agencies prepared and delivered, focused on developing competence in planning and co-ordination of public administration reform measures.

5. Training Strategy for Central and Local Civil Servants

An overall training needs analysis will be carried out. This will lead to establishment of a training strategy which will identify priorities for investment in human resources development in a multi-annual perspective, and lead to recommendations for the implementation of the training strategy in co-operation with the existing training institutions, including the National Institute for Public Administration (which is supported by the parallel project RO0106.02), the European Institute and the School of Public Finance.

Special attention will be paid to requirements in relation to adoption of the EU acquis and management of the EU pre-accession instruments.

In terms of the management of the Phare projects, the Ministry of Public Administration is committed to reinforcing its internal structures by recruiting adequate qualified staff for policy development and co-ordination functions in order to effectively absorb the assistance provided under the project.

The Ministry of Public Administration is the Implementing Authority for the project. The CFCU is Implementing Agency under Phare DIS.

RO-0106.02 Develop an operational National Institute of Public Administration capable of educating competent civil servants (€ 1.75 M)

The Government of Romania attaches a high priority to development of the National Institute for Public Administration, and associated regional training centres, as centres of excellence in provision of training to civil servants. Phare 2001 will provide immediate support to the Institute in setting up programmes of training in priority areas related to the accession process. The support will take the form of preparation and delivery of training programmes and training of trainers. Training programmes will deal primarily with in-service training requirements.

These activities are seen as a pilot phase which may lead to more extensive support to the Institute which could be provided under future years' Phare programmes. Such support would be defined in the context of the development of the overall Civil Service training strategy which will emerge from the work to be undertaken with twinning support (RO-0106.01). Development of training should take account of the needs of serving civil servants in relation to the management of pre-accession instruments and adoption of the acquis, and should be closely co-ordinated with the training provision for the scheme (RO-0106.03) for recruitment of public managers.

The objective of the project is to strengthen the National Institute for Public Administration in its role as a specialised public body in the field of training and professional development of managers, professional civil servants and elected officials, at central and local government
levels, and to connect it to a national network of public administration training centres as well as to international networks of civil service training institutions in Europe.

Project activities will be implemented through the following three components:

1. Organisational Development of the Institute

The assistance under this project will review and make proposals for improving the Institute’s organisational structure, role and functions. This work will be carried out with reference to overall human resources policies for the public administration which are being developed by the Ministry of Public Administration, and the Civil Service Agency’s human resource development planning activities. A multi-year financing plan, including an assessment of possible sources of financing, will be developed. Mechanisms for co-ordination with training programmes provided by regional training centres for the public administration will be reinforced.

2. Support for the Training Activities within the Institute

The assistance will cover development of training curricula, teaching materials, visual aids and quality control, in line with the requirements identified in the context of the continuing public administration and civil service reform programmes co-ordinated by the Ministry of Public Administration. An analysis of the equipment needs will be made and training and informatics equipment for the Institute will be procured. A documentation centre will be set up. Training of trainers will be provided.

3. Enhancing the Capacity of Regional Training Centres

The project will also support the further development of the six regional public administration training centres, introducing improved curricula (and subsequent training of trainers) teaching materials, visual aids and quality control. Assistance will be provided in adapting the current organisation of the Regional Training Centres to the requirements of high-level courses in the context of continuing administrative decentralisation. Needs analysis as regards teaching equipment will be carried out, and appropriate equipment will be procured.

The project will be implemented through technical assistance and procurement contracts.

The twinning project RO-0106.01 “Strengthening the institutional capacity of the Ministry of Public Administration” will support co-ordination between the activities under the current project and the overall public administration and civil service reform programmes falling under the responsibility of the Ministry of Public Administration and the Civil Service Agency. Attention will be given to co-ordinating the activities of the National Institute of Public Administration and other specialised training providers, in particular the School of Public Finance.

As regards steering the overall process of reform of training provision, it will be necessary for the Romanian Government to establish and mandate a body specifically responsible for developing and implementing training policies. Such a body should be staffed by experienced training managers, and should be responsible for developing an integrated institutional framework for training of civil servants. Such a body should be empowered to actively supervise the training initiatives undertaken by line ministries.

Proposals for improving the Institute’s organisational structure, role and functions (Activity 1) will be based upon the training needs analysis and the feasibility study for a central training institute that are being carried out under Phare project RO-9804.05.01.

The Ministry of Public Administration Minister is the Implementing Authority for the project. The CFCU is Implementing Agency under Phare DIS.
The objective of this project is to strengthen the Romanian public administration by attracting competent professional staff and ensuring possibilities for their career development. Creation of accelerated mechanisms for recruitment and career development will lead to the establishment of a competent, non-political corps of Professional Public Managers within the Romanian civil service, with specific training enabling them to deal with EU accession related matters and the adoption and implementation of the acquis communautaire.

The project will be implemented through four components:

(1) Selection and placement

Candidates for the Professional Public Managers scheme will be selected on merit through transparent competitive procedures. The Phare project will support the management of the scheme, the organisation of recruitment procedures, and the identification of specific posts within the relevant Government ministries and public institutions in areas of high priority for the accession process and the implementation of the acquis, to which the recruits will be allocated. Particular attention will be given to informing and co-ordinating with Government ministries and other public institutions regarding the identification of appropriate posts to be filled by recruits under the scheme, and the obligations of the institutions to whom recruits are allocated under the scheme.

(2) Training and organisation of rotation

The Phare project will prepare and deliver a programme of training for the selected candidates, covering general issues of sound public management, as well as specific issues related to the adoption and implementation of the various areas of the acquis communautaire. The training programme will cover both induction and periodic in-service training. The project will also assist in the development of training arrangements and structures designed to ensure the sustainability of the Professional Public Managers scheme in the longer term. This activity should take account of the overall need to develop permanent training structures for the public administration in general. Mechanisms permitting the rotation of participants in the scheme between various ministries and public institutions will also be developed.

(3) Organising and Financing Stages in EU Member States’ Public Administrations

Stages in EU Member States’ Public Administrations and specifically designed training programmes in Member States are considered to be essential to build a corps of competent professionals with direct experience of best practise in public administration, in the context of the acquis, within member states. The project will support the design and organisation of stages and training programmes, and cover the relevant costs. In view of the long-term nature of the scheme it is expected that the Professional Public Managers will benefit from repeated stages, of a duration compatible with work requirements within their institutions, spread over a period of several years.

(4) EU Phare Scholarship Scheme for Postgraduate Studies

Under this component of the project grants, covering tuition fees and living costs, will be provided to Romanian students for post-graduate studies within the EU for periods normally not exceeding one year, in areas relevant to EU integration and adoption and implementation of the acquis. The project will develop criteria and priorities as regards selection of appropriate programmes of studies. It will also develop transparent, competitive grant award procedures based on open public competitions, and organise and manage the grant award procedures and the payment of grants and fees. Applicants will be expected to demonstrate that their selected programme of studies corresponds to the scheme’s criteria.
and priorities. Beneficiaries of grants under the scholarship scheme will be expected to give a commitment to work in the Romanian administration for an appropriate period following the completion of their studies. Beneficiaries of the EU Phare Scholarships will be recruited to the Romanian public administration through Professional Public Managers scheme detailed above.

It is anticipated that several years will be required to fully develop and implement the Professional Public Managers scheme. Activities to be supported under Phare 2001 are seen as a first phase. Subject to progress with the first phase, the Government of Romania anticipates requesting Phare support for the scheme over a multi-annual period, until a significant cadre of professional civil servants with the necessary expertise and knowledge of the acquis has been built up.

The Government of Romania is committed to ensuring that recruitment to the Professional Public Managers scheme takes place in a transparent, non-political manner on the basis of merit, and to offering to those selected permanent salaried positions in the public administration. The Ministry of Public Administration and the National Civil Servants’ Agency will establish adequately attractive conditions of service, including appropriate salary levels, under the scheme, and will take steps to ensure that good career development prospects provide incentives to recruits to pursue a long-term career in the civil service in support of Romania’s EU accession and membership.

The scheme is expected to have a significant long-term impact in developing sound recruitment and career development policies and procedures for the civil service.

A twinning project for the Ministry of Public Administration (RO-0106.01; Strengthening the institutional capacity of the Ministry of Public Administration) will be developed in parallel with this project and the pre-accession adviser of the twinning will be responsible for maintaining an overview and co-ordination on the functioning of the Professional Public Managers scheme, in order to ensure consistency with overall policies and legislative development regarding public administration reform.

The Commission’s responsibility for ex-ante financial control under Phare DIS procedures includes a control of the transparency and fairness of the selection procedures for the Professional Public Managers scheme and the grant award procedures for the scholarship scheme.

As a condition for the success of this overall initiative it will be necessary for the Romanian government to establish and mandate a body specifically responsible for the management of all aspects of this programme on a multi-annual basis. Such a body should be allocated sufficient financial resources and should be staffed by experienced professionals.

All components of the present project will be implemented through a technical assistance contract or contracts.

Secondary legislation in the context of Law 188/99 relating to recruitment, training, conditions of service and career development, is a necessary condition for the satisfactory implementation of the project RO-0106.03 ‘Creating a Corps of Professional Public Managers within the Civil Service’, and for effective development of this body of civil servants in the longer term.

The Implementing Authority for this project is the National Agency for Civil Servants. The CFCU is the Implementing Agency under Phare DIS.

| RO-0106.04 | Design and implement mechanisms for the full application of the Civil Servants Statute Law (€ 1.00 M) |

In line with the Civil Servants Statute Law no.188/199, the Government programme establishes as principles for development of the civil service that recruitment and promotion of
civil servants should be done exclusively on the basis of merit and ethical behaviour, and that management of the civil service should ensure competence, stability and continuity through payment of adequate levels of salary, and provision of appropriate working conditions and career development prospects. The importance of training to career development is recognised. The Law requires the establishment of an effective central co-ordination of civil service management, to ensure that common rules and procedures are followed across all institutions within the public administration.

The present project aims to underpin the development of the Romanian Civil Service system created by the Civil Servants Statute Law, in order to improve the professional performance of the public administration, through the elaboration of the legal framework and managerial instruments for career development and professionalisation of civil servants.

The project will support three areas of activity:

1. **Design and preparations for implementation of a competitive, merit-based system for recruitment and promotion of civil servants.**

   Recruitment procedures, examinations and tests will be developed based on civil service recruitment techniques used in EU Member States. Criteria and procedures will be developed for promotion and horizontal mobility of civil servants. Manuals and administrative instructions in these areas will be drafted.

2. **Design of a new salary system for civil servants.**

   A new salary scheme for civil servants will be elaborated, based on the principles of fairness, transparency, predictability and affordability. A strategy and relevant actions for improving motivation and performance of civil servants will be developed. In this context a performance appraisal scheme for civil servants will be developed aimed at enhancing professionalism and commitment. The feasibility of performance-related pay may be examined.

3. **Design of mechanisms for civil service human resources planning**

   This component will support the design of a methodology for human resources planning in the civil service. Policy options for human resources planning will be outlined, leading to the design of a career development scheme. Regulations required for human resources planning in the civil service will be drafted.

   Where relevant, the activities described above will be apply both to the broader development of civil service recruitment, career development and remuneration systems and procedures, as well as to the specific requirements of staff recruited under the professional public managers scheme.

   The project will be implemented through a Technical Assistance contract.

   The Implementing Authority for this project is the National Agency for Civil Servants. The CFCU is the Implementing Agency under Phare DIS.

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**RO-0106.05 Strengthening the Capacity of the Romanian Ombudsman (€ 1.00 M)**
The objective of the project is to improve the functioning of the public administration, by providing adequate recourse for individuals in cases of the incorrect exercise of the powers of central and local administrations. This objective will be achieved by adapting and improving the legal framework relating to the Romanian Ombudsman, improving the access of citizens to the Ombudsman through a network of regional offices, training staff of the institution and providing essential equipment, and improving awareness, within the public administration and with the public at large, of the functions of the Ombudsman.

The project will be implemented through a twinning with a comparable public body in a Member State.

The twinning will prepare a comparative study on the legal framework for Ombudsman offices and similar institutions in Member States, and identify any specific requirements for further adaptation in Romanian legislation and procedures. A guide to good practice in the public administration will be prepared, as the basis for an information campaign which will be directed at improving awareness of the functions of the Ombudsman, and procedures for investigation of complaints.

The twinning will also develop a training strategy for staff of the Romanian Ombudsman, and prepare and deliver a programme of training activities, taking particular account of the training requirements resulting from extending the coverage of the Ombudsman’s office by opening a network of regional branches. The twinning will support development of a permanent training capacity within the institution through training of trainers.

Limited essential equipment for the national and regional offices will also be provided.

The Romanian Ombudsman is the implementing authority for this project. The assistance is provided on the basis that the Romanian government will take account of recommendations for necessary amendments in legislation, and will provide adequate operating resources for the national and regional offices of the Romanian Ombudsman.

CFCU is implementing agency under Phare DIS.

**RO-0106.06 Project Preparation Facility, Project Cycle Management Training and Facility for Short- and Medium-Term Twinning (“Twinning Light”) (€ 7.00 M )**

The overall objective of this project is to support and accelerate Romania’s preparation for accession to the European Union, through improved preparation and management of programmes financed by the EU pre-accession financial instruments, and by support for short-term twinning projects dealing with specific acquis-related institution building needs identified in the Accession Partnership, the National Programme for the Adoption of the Acquis, the EC Regular Report, or emerging in the course of accession negotiations.

Three areas of activity are envisaged:

1. **Project preparation facility (PPF)**

   Along the lines of the assistance already provided under Phare 2000, the project preparation facility will provide technical assistance for 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. The PPF may also 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.

   When initial proposals for areas of possible future Phare support are proposed by eligible Romanian institutions, they will be assessed according to their conformity with Accession
Partnership and NPAA priorities, and also with respect to their degree of maturity. Proposed
areas of activity which are considered to be in conformity with the AP and NPAA, but which
are not fully mature as regards their readiness for implementation, will be eligible for support
under this facility. Decisions on eligibility for support under the Project Preparation Facility
will be taken by common accord between the Commission Services and the Romanian
National Aid Co-ordinator.

The project preparation facility may also be used for preparation of projects expected to be
financed by international financial institutions or other funding sources, where it can be
shown that project objectives are consistent with Accession Partnership and NPAA priorities.

2. Training for officials in project cycle management

The project responds to the urgent need which has been identified to strengthen the
capacities within both the national co-ordination structures for pre-accession assistance and
Project Implementation Units (PIU’s) attached to Ministries and other Romanian institutions,
to prepare, implement and monitor pre-accession programmes in a systematic and adequate
way. The training under this project will be compatible with the overall efforts to strengthen
training provision in the context of the reform of the Public Administration. The specific focus
of the training under this project will be on achieving a rapid improvement in the operational
effectiveness of the bodies concerned with pre-accession assistance. The longer-term
development of institutional capacity for training will be dealt with in the context of the Public
Administration Reform programme.

The training, to be delivered through one or more technical assistance contracts, will be
closely linked to the programming and implementation cycle, and will reinforce the capacity
to undertake feasibility studies and project design work, to prepare project documentation (project fiches, terms of reference, tender documents) according to the requirements of the
pre-accession instruments, to supervise and monitor the implementation of programmes,
and to conduct evaluations. The design of the training activities under this contract will take
account of similar support provided under Phare 2000, and where appropriate it will provide
more advanced follow-up training to officials who have already benefited from the first round
of training.

In addition to improving the officials’ knowledge of the general principles of project cycle
management, the training should, where possible, also take the form of practical on-the-job
coeaching in support of the actual preparation and implementation of pre-accession projects.

3. Facility for short- and medium term twinning projects (twinning light)

The experience in implementation of current 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, or assignments implemented on the basis of repeated short missions, having
the objective of providing rapid and flexible assistance focused on specific limited priority
areas related to the accession process. A “twinning light” facility will therefore be established
under the administration of the National Aid Co-ordinator. The financial and contractual
aspects of the twinning light facility will be handled by the CFCU.

Twinning light projects providing the expertise of Member States civil servants will be
proposed by Romanian public bodies having competence in various areas of the acquis. Projects financed under the facility will correspond to the priorities of the Accession Partnership and the National Programme for Adoption of the Acquis. Other specific needs identified through the Regular Report or arising in the context of accession negotiations may also be addressed. Services to be provided will include the development and appraisal of regulatory texts, supply of documentation, and the organisation of workshops, seminars and visits, relevant to the objectives of the Accession Partnership and National Programme for Adoption of the Acquis.
Decisions on financing of projects under the facility will be taken by common accord of the National Aid Co-ordinator and Commission services. The size of projects is not expected to exceed € 150,000.

The procedures for management of these assignments will be an adaptation of those used currently under the existing twinning arrangements. Member States will respond to requests for provision of expertise, on the basis of a project description circulated to the National Contact Points for twinning in all member states. The beneficiary institution will select the Member State offer which most closely corresponds to their needs. A twinning light contract between the selected Member State and the CFCU will be drawn up, on the basis of the selected Member State’s offer, defining the technical and financial aspects of the planned activity.

**RO0106.07 Strengthening the Romanian institutional capacity to apply the measures foreseen within the National Plan for Agriculture and Rural Development (€ 2.00 M)**

The objective of this project is to support the Romanian Government to create the structures needed to implement its rural development policy in line with the economic and social cohesion strategy adopted in the context of the pre-accession process.

Further institution building support will be needed for the various bodies involved in the implementation of the SAPARD programme: the Sapard Agency, the National Fund, the Managing Authority (Ministry of European Integration) and the Certifying Body (Romanian Court of Audit) during the period of start-up of operational activities during 2002-2003. Building on the twinning assistance provided under Phare 1998, and taking account of the recruitment of new personnel to the implementation bodies, further support to be provided under the present project will take the form of advisory support through technical assistance, and specialised training, in the following areas:

- **National Fund**: execution of payments, safeguarding of the treasury, the security of computer system, the maintenance of accounting records, division of duties and the adequacy of internal and external control, guarantees to be obtained, amounts to be collected, establishment of sound procedures relating to the selection of projects, tendering, contracting, and the respect of procurement rules.

- **Sapard Agency**: management of call for applications, project selection, checking of applications, definition of contractual obligations, reporting on progress, and payment tasks including checking of payment claims, authorisation and execution of payment, accounting of commitments and payments.

- **Court of Audit**: control of the Sapard euro account and the accounts of the Sapard Agency regarding their integrity, accuracy and veracity, and to deliver the certificate on these accounts; preparation of the annual report on the adequacy of management and control systems of the Sapard Agency and verification of the correctness of the national co-financing fund. Technical assistance and training in the field of audit will be closely coordinated with the overall support to the Romanian Court of Audit which is being provided under Phare 2000.

- **Managing Authority (Ministry of European Integration)**: financial and statistical monitoring of progress of SAPARD implementation.

In addition, further procurement of IT equipment will be supported in order to upgrade and complete the Sapard Agency’s and the Court of Account’s computer network.

The assistance is expected to be contracted through a series of technical assistance contracts or short-term twinnings designed to meet the specific needs of the various
concerned bodies. It will be provided in a flexible manner, taking account of the actual progress achieved in setting up the SAPARD structures, and the results of assistance currently being provided under other programmes. Terms of Reference for specific activities will be prepared by the concerned bodies for approval by the Ministry of European Integration and the Commission under normal DIS procedures.

The Implementing Authority for this project is the Ministry of European Integration, which will co-ordinate the activities between the various bodies concerned with SAPARD implementation. The CFCU is the Implementing Agency under Phare DIS.

**RO-0107** **SUB-PROGRAMME 4 – RO-0107 (Total: € 67.60 M)**

**MEETING THE OBLIGATIONS OF THE ACQUIS**

This sub-programme includes 17 projects in seven areas of the acquis communautaire:

**INTERNAL MARKET**

**RO-0107.01 Strengthening the National Regulatory Authority for Information Technology and Communications (NRA-IT&C) (€ 2.80 M)**

The project supports Romania’s objective of full liberalisation of telecommunications markets, in line with EC policies in this area, by 1 January 2003. It will support the adoption and implementation of secondary legislation on telecommunications, provide technical assistance support for the set-up of the Regulatory Authority, and develop training programmes for NRA-C staff.

The present Phare project represents a follow-up to a World Bank Regulatory Development Project (RDP) covering the elaboration of telecommunications, radiocommunications and postal Laws which will lead to the full adoption of EU legislation/directives on numbering, spectrum management, licensing, tariff regulation, alternative network provision, postal communications, broadcasting, IT, intellectual property and competition matters. These will facilitate the liberalisation of the sector and the transformation of General Inspectorate for Communications into a fully-fledged National Regulatory Authority for Communications (NRA-C). The fundamental measures for the liberalisation of the sector will thus be addressed.

Building on the outputs of the RDP, the Phare-funded project will cover:

1. **Secondary Legislation**

A specialised contractor will provide advisory support to assist in drafting regulations and procedures to complete the framework for the full adoption of the acquis, including R&TTE and licensing directives, market surveillance, Universal Service and consumer protection, data protection, interconnection and tariff policy.

The following aspects will receive particular attention:

- Development of the licensing regime, including preparation of model licenses, and drawing up regulations on licensing procedures and license fees.
- Regulations and procedures will be drafted to secure efficient surveillance of the market for radio and telecommunications terminal equipment.
- Universal service: regulations will be prepared on license conditions, funding and compensation arrangements, building on national policies in the area of universal service and consumer protection.
• Interconnection: regulations and procedures will be prepared concerning the reference interconnection offer and dispute resolution procedures.

• Tariff policy and procedures will be elaborated in accordance with the requirements of a fully liberalised market for the supply of telecommunications services.

2. Regulatory body implementation

Technical assistance will be supplied for the practical implementation of the regulatory authority, based on the design recommendations prepared under the World Bank RDP. The assistance will allow a transfer of experience on the organisation and operational procedures of a regulatory authority functioning under the legislation on telecommunications regulatory reform and market liberalisation which is expected to be adopted by the first quarter of 2002.

3. Training

The proper functioning of NRA-C will require a high level of professional competence on the part of its personnel. The establishment of an adequately resourced NRA-C training centre to provide periodic staff training is considered essential. The main areas to be covered by training include market regulation and licensing procedures, as well as in technical aspects such as: spectrum management, testing and certification of telecommunications equipment, EMC matters, law enforcement and market surveillance. Procurement of equipment for the training centre will be supported. The identification and technical specifications for equipment procurement will be part of the responsibilities of the technical assistance to be recruited. The consultants will also identify and specify further equipment needs where appropriate.

Phare assistance is provided subject to the continuing commitment of the Romanian government to the creation of an effective and sustainable regulatory framework for telecommunications in line with the acquis and favourable to the emergence of a dynamic market in telecommunications services. The project is therefore conditional to the adoption of legislation on regulatory reform and liberalisation of the telecommunications sector in line with the relevant EC directives, and progress in the creation of regulatory structures, in accordance with the objectives of the World Bank RDP project.

RO-0107.02 Adoption and implementation of the audio-visual acquis (€ 1.50 M)

The objective of the project is to reinforce democratic structures and civil society through the preparation and adoption of an adequate and balanced audiovisual legislative framework harmonised with the acquis in the audiovisual field. The project also aims to strengthen the capacity of Ministry of Culture (MoCRA) to develop audio-visual policy and to establish its role as a key actor in legislative issues and to strengthen National Audio-visual Council (NAC) to implement the regulatory framework and to monitor the correct implementation of the legislation in force.

The project will draw on experience within Member States as regards the proportion of European works broadcast, free competition and pluralism, transparency, protection of cultural diversity, independence of media outlets, freedom of expression and free access to pluralistic sources of information and opinions, technological convergence, audio-visual and new services and the protection of minors and human dignity.

The activities, which are to be implemented through technical assistance and procurement contracts, will include:

a) the preparation of guidelines for an audio-visual policy aiming at ensuring the promotion of cultural diversity and the pluralism of sources and opinions; the
elaboration of a harmonized legal framework and specific regulations for the implementation of the provisions of the Television without Frontiers Directive;

b) strengthening the newly created audio-visual unit within the MoCRA through professional training and upgrading of equipment;

c) establishing a more effective monitoring of local radio and television networks through design and implementation of the integrated monitoring and control network of the National Audio-visual Council in Bucharest and at territorial unit level;

d) design and delivery of training courses and workshops for NAC and MoCRA personnel and audio-visual professionals on the implications of audio-visual acquis for the development and regulation of the audio-visual sector in Romania; preparation of information materials; establishment of a permanent training capacity within the NAC;

e) carrying out studies on current European audio-visual policies and the impact of the implementation of the acquis to the Romanian audio-visual sector;

f) Procurement of IT equipment for the audio-visual unit within the MoCRA, and equipment required for the development of the integrated monitoring and control network of NAC.

The National Audio-visual Council will act as Implementing Authority for the project. The CFCU is Implementing Agency under Phare DIS.

RO-0107.03 Further strengthening of the operational capacity of the Romanian Customs Administration (€ 4.50 M)

The objective of this project is to support Romania in the process of fulfilling EU pre-accession requirements concerning the Customs Union. The project will result in the strengthening of the operational capacity of the Romanian Customs Administration (RCA) in accordance with EU standards in three priority areas of customs activity: (1) the customs enforcement function, (2) the control of transit operations, and (3) implementation of the Romanian Integrated Tariff (TARIR) compatible with the Community Integrated Tariff. Phare support in these areas builds on the results of assistance provided by TAIEX as well as the Phare Multi-country Customs Programme. It will relate to needs identified through the gap-analysis performed by RCA in June 2000 in the preparation of the Report on ‘Administrative and Operational Capacity Based on the Customs Blueprints’.

1. Enhancement of the Customs Enforcement Function

The introduction of simplified customs procedures creates for RCA a need for more efficient techniques and tools to fight against fraud. In this context, Phare will assist the Romanian Customs Administration to further strengthen the enforcement function in three areas where it is possible to achieve a high impact in the fight against fraud: (i) post-clearance audit, (ii) the use of information for customs intelligence purposes and (iii) the protection of the intellectual and industrial property. Project activities will lead to greater focus of resources on fraudulent transactions and non-compliant traders. Customs enforcement policies, methodologies, and procedures will be brought into line with EU requirements, and faster, more effective customs clearance will be facilitated. Institutional co-operation between RCA
and other bodies including tax authorities, police, the National Office for Prevention and Control of Money Laundering etc. will be improved, as will co-operation with European institutions with competence in the area of customs enforcement.

The project will undertake an analysis of the current legislative framework for post-clearance audit, customs intelligence and intellectual and industrial property. Particular attention will be given to legislation in the area of importers’ and exporters’ commercial audit and accounting practices. Necessary amendments to primary and secondary legislation to provide RCA with the necessary powers to carry out post-clearance controls and to enforce compliance will be proposed. The project will also assist in the development of procedures and methodologies for post-clearance audit, for the handling and evaluation of information from various sources, and for the protection of intellectual and industrial property.

A training plan for the customs enforcement function will be drawn up, and training and operational support will be provided to specialised structures and teams dealing with customs enforcement, particularly at regional and local level. The development of training capacity will be addressed through training of trainers and the preparation of training materials and methodologies.

The assistance will also cover development and implementation of appropriate informatics systems/applications and methodologies to allow the Enforcement Department to properly undertake its functions in the areas of post-clearance audit, customs intelligence and the protection of intellectual and industrial property.

The last-mentioned activity - development of informatics systems - will be implemented through technical assistance. The other activities will be implemented through a twinning with a Member State customs service, which will work within the Romanian Customs Administration division for surveillance and fight against customs fraud.

2. Preparation to join to the Common Transit Convention

In line with the accession priorities, RCA is planning to accelerate preparation for the adhesion to the Common Transit Convention and the connection to the EU New Computerised Transit System (NCTS). The present project contributes to realisation of the Draft Implementation Plan for NCTS agreed between the RCA and the Commission/DG Taxation and Customs Union Interconnectivity Study Team. It supports implementation of the RCA Development Strategy for 2000-2005.

Phare support under the present project will assist in preparation of necessary modifications in national legislation and identify changes needed in the organisational structures, working procedures, methodologies and information flows in compliance with the provisions of the Common Transit Reform and the NCTS requirements. Manuals and documentation on working procedures for the operation of the NCTS will be prepared, and training will be provided to RCA staff. The procurement of standard informatics hardware and specialised software for NCTS will be financed. The systems to be provided will cover all the internal functionalities required by NCTS, and will facilitate communication within the trade community, and with the Commission system.

This component will be implemented through technical assistance and procurement contracts.

3. Implementation of the Romanian Integrated Tariff (TARIR)

Three phases are foreseen in the implementation of the integrated tariff system fully compatible with the Community Integrated Tariff: (i) development of TARIR, as regards
management principles and mechanisms; (ii) development of an automated management information system for TARIR; and, (iii) integration of TARIR into the Integrated Customs Information System (ICIS). The present project will support the first two phases. It is envisaged to finalise the implementation of a fully TARIC-compatible system in Romania (third stage) with the assistance of the 2003 Phare National Programme.

The results of the first two phases of TARIR implementation will be achieved through amending the relevant legislation and adapting the inter-ministerial procedures for the implementation of TARIR/TARIC. The RCA's organisational structure, internal regulations, working procedures, methodologies, information flows, staff responsibilities and job descriptions will be appropriately adapted. Operating manuals for the RCA staff will be prepared. A train-the-trainers programme will be undertaken to develop a sustainable human resources development capacity for TARIR. An information campaign will be carried out to create a common awareness amongst groups participating in customs operations (brokers, importers/exporters etc). Development of a TARIR Management System will be supported through the definition and documentation of the necessary methodologies, procedures and rules (legal provisions, customs tariff – taxes and duties, commercial preferences, documents needed for customs clearance, restrictions etc.), and the provision of software and equipment.

The activities in support of TARIR implementation will be implemented through a twinning project with the exception of the sub-component on development of a TARIR Management System. This sub-component which includes the financing of investments related to software licenses, software design, development, testing, installation and integration, equipment and documentation as well as development of knowledge and skills of the involved customs personnel and of participants to the customs operations (brokers, importers/exporters etc.) will be implemented through technical assistance. IT systems developed under this project with the aim of being connected to EU systems need to pass the conformance tests of DG Taxation and Customs Union.

All components for the development of RCA training capacity for which Phare assistance will be provided will be closely co-ordinated with the Ministry of Public Finance’s efforts to develop the School of Public Finance as the key institution for human resource development in the sphere of public finance.

RCA is the Implementing Authority for the project. The CFCU is the Implementing Agency under the Phare DIS.

Phare 2001 will support the National Institute for Statistics and Economic Studies (INSSE) in four priority areas of activity concerned with further development of the national statistics system, in line with Eurostat recommendations:

1. **Statistics Quality Review**
   The project will ensure compliance with the EU norms and standards in statistics through supporting preparation of official documents describing the methodological aspects of data collection, processing and dissemination in all major statistical fields. It will also support the establishment of a quality network involving INSSE and other providers and users of statistical data. These activities will allow problems of discrepancies and poor data quality to be effectively addressed.

2. **Environment statistics**

The project will lead to strengthened co-operation between the main producers of environmental statistics, and improvements in the methodologies for collection and processing of environmental statistics, relating in particular to water use and discharges to water, waste and emissions. It aims at achieving the compliance of the Romanian environmental statistics surveys with the EU standards and regulations.

3. Government finance statistics

The project will develop a common work strategy for the Ministry of Finance, National Bank and INSSE leading to the introduction of ESA 95 principles in the preparation of national financial statistics.

4. Strengthening the economic study capacity of INSSE

Training will be provided for INSSE staff in economic and social analysis, and pilot studies involving complex socio-economic analysis will be undertaken in areas such as regional profiles, industrial trends, poverty, etc.

It is expected that the activities and inputs covered by this project will be provided through a twinning (or if required, more than one twinning) with a statistical institution from a Member State, and procurement contracts. The twinning partner will give particular attention to supporting the reinforcement of co-ordination between INSSE and the Ministry of Waters and Environment, Ministry of Finance, National Bank of Romania, and other public bodies concerned.

INSSE is the Implementing Authority for this project. The CFCU is the Implementing Agency under the Phare DIS.

RO-0107.05 National Bank of Romania - Institution Building (€ 4.00 M)

The project aims at strengthening the institutional and administrative capacity of the National Bank of Romania (NBR) to implement the acquis and to align its activities to best international practice. It has the following specific objectives and activities:

1. Strengthening banking supervision for ensuring full compliance with the prudential regulations.

This objective will be achieved through short-term twinning support and/or technical assistance focused on improving the indicators for banking supervision and designing appropriate software applications. A system will be developed for evaluating banks’ exposure to risk, and the system for monitoring banks’ liquidity will be improved.

2. Fully implementing the new Balance of Payments system in line with IMF, Eurostat and ECB criteria through development of the technical infrastructure required.

The project will provide a follow-up of the Phare 1998 twinning project currently underway in order to ensure full operation of the new Balance of Payments system, and will permit the procurement of computer equipment and software needed for the system being established through the current twinning project.

3. Design and implementation of a computerised system for the supervision of cash operations.

The project will provide technical assistance, possibly in the form of short-term twinning, to set up a system to support management decisions by providing access to complete and
relevant information in all aspects of cash operations including monetary issue and circulation. The procurement of the necessary computer equipment and software will also be financed.

4. To upgrade the efficiency of banking operations inside NBR.

Technical assistance and investment support will be provided to improve computerisation of banking operations in line with the recommendations of the operational audit carried out under the Phare 1998 programme. The support will be provided to the Market Operations Department and the Supervision Department. Payments & Revenues accounting, and Payroll accounting and Stocks management operations will also benefit from the assistance, and linkages will be assured with the NBR General Ledger.

5. To improve the level of qualifications of NBR staff.

Staff training programmes will be prepared and carried out in areas such as implementing prudential regulations and accounting regulations, training for operating the electronic Balance of Payments system and the computerised system for supervision of cash operations, as well as training for staff working on banking operations. Training is envisaged also for staff of the Internal Audit Department, Legal Department, and Monetary Policy Department. Emphasis will be given to European Integration aspects. Non-technical training, in particular, managerial skills development, will be provided for key staff.

NBR is the Implementing Authority for this project. The CFCU is the Implementing Agency under the Phare DIS.

RO-0107.06 Strengthening of implementing authorities of intellectual and industrial property rights (€ 2.00 M)

The overall objective of this project is effective enforcement of intellectual and industrial property rights in Romania. The project purpose in contribution to this objective is to assist Romania in meeting the requirements of the *acquis communautaire* in intellectual and industrial property matters.

Acquiring knowledge and expertise in intellectual and industrial property matters is necessary for all of the stakeholders within the framework of an overall and straightforward strategy linking training opportunities to implementation.

Close co-operation is necessary between all the stakeholders in intellectual and industrial property matters. Administrative bodies like ORDA, OSIM, Company register with the Chambers of Commerce, Customs, Police and Ministry of Justice will receive the required training in order to increase their awareness and willingness to address intellectual and industrial property issues.

The project will provide technical assistance and training to Romania with the following intended results. Own resources will be used to procure necessary equipment and supplies:
- Reduce piracy

Given the importance of trade in pirated and counterfeit goods transiting through Romania, technical training of different services involved in the various basic technical skills required for the detection of pirated goods, both industrial and intellectual, is required. This will involve training anti-fraud officers (ORDA — Romanian Copyright Office), customs, police, judges, General Parquet (“Procuratura”), and lawyers. Assistance under this project will be co-ordinated with Phare support for customs enforcement under RO-0107.03 “Further strengthening of the operational capacity of the Romanian Customs Administration.”
Responsibilities and co-operation methods of the different bodies involved in border controls (customs in particular) should be clearly defined.


Becoming a member of the European Patent Convention requires that the personnel of OSIM (Romanian Patent and Trade-Mark Office) be efficiently trained both in Romania (on the job training) and in Munich (location of the European Patent Office) and with some Member States’ Patent Offices.

- Harmonise with the EU Directives (databases, Information Society & designs) and prepare the Community trademark (Alicante).

The Database Directive and the Copyright in the Information Society Directive should be integrated within the Copyright law (ORDA), including the sui generis right. The Design Directive should be introduced within the Copyright law (sui generis right) (ORDA) and registered designs with OSIM.

Assistance will be provided to both ORDA and OSIM in order to draft the law, the related regulations, and to train the different administrative personnel. Moreover, civil servants involved in intellectual and industrial property will be made aware of these new regulations and how to apply them. This training should also be offered to judges and to the General Parquet. Assistance under this project will take account of Phare support for training of the judiciary under RO-9905-01 "Assistance to the Ministry of Justice in continuing the reform of the Romanian judiciary."

- Limit conflicts between the different intellectual and industrial property rights

There is an absolute need to avoid any overlapping and conflicting rights to the use of names and marks. To ensure avoidance of such conflicts prior control by the different administrative bodies is required. Registers and databases maintained by these organisations must therefore be interconnected and mutually accessible. This will require training for staff in the relevant agencies in establishing and exploitation of these databases.

The project activities will be implemented via external technical assistance to be recruited under a single tendering procedure with the possibility of sub-contracting. A programme implementation unit (PIU) will be established within OSIM and a programme steering committee will co-ordinate the various stakeholders and beneficiaries. The implementing agency will be the CFCU under the Phare DIS.

**AGRICULTURE AND FISHERIES**

| RO-0107.07 | Strengthening the phytosanitary administration capacity in order to adopt and implement the acquis communautaire (€ 7.00 M) |

The objectives of the project are to further develop the capacity to conduct pesticide residues analysis in plants and plant products, and to align plant protection product quality control with European standards. In addition, the project will provide a continuation of Phare support to phytosanitary inspections, reinforcing their capacity to control the spread of harmful plant parasitic organisms.

The project will be implemented through the following five distinct components:

1. **Strengthening pesticide residues control and the implementation of the specific legislation**
Phare support will result in improved capacity to implement legislation on pesticide residues control. A national residues monitoring programme for pesticide residues in food products, including fruit and vegetables, will be elaborated. The programme will define institutional responsibilities, identify human resource and training requirements, and assess the budgetary and investment requirements for ensuring that a sustainable system is put in place. The project will also develop standards for pesticides residue monitoring in preparation for accreditation of control bodies, in order to facilitate recognition of pesticide residues analytical data by EU Member States. Further staff training and technical seminars will be provided in the methods for pesticide residues analysis in accordance with European standards. Training and technical support will be provided in preparation for accreditation.

Investment will be provided for the further endowment of the central laboratory for pesticide residues control.

2. **Strengthening plant protection products quality control**

The project will support harmonisation of the national legislation with EC legislation on the authorisation, quality control, use and trade of plant protection products. Physical/chemical analysis methods will also be aligned. Analytical and other laboratory equipment will be provided to the laboratory for plant protection products quality control within the Central Laboratory for Phytosanitary Quarantine, and to five laboratories within the county phytosanitary departments. Assistance will be provided to the Central Laboratory for Phytosanitary Quarantine and laboratories within county phytosanitary departments to prepare for accreditation to EU standards as regards quality control of plant protection products. Training and seminars on relevant technical and legislative issues will be undertaken for staff at the central and regional level. An information system will be developed for improving technical and scientific communication within and between laboratories.

3. **Strengthening of phytosanitary inspection in Romania at the future European Union frontier**

This component is directed towards implementation of Directive 98/22/EEC on border phytosanitary inspection. This will be achieved through:

a) an assessment by EU experts of the state of the border phytosanitary inspection and development of a coherent programme of measures to strengthen it;

b) preparation of training materials on border phytosanitary inspection (manuals, brochures and guidelines) and delivery of training;

c) introduction of improved procedures for inspection, sampling and diagnosis;

d) development of an improved communication system linking the border phytosanitary quarantine inspectorates, the Central Laboratory for Phytosanitary Quarantine and the Phytosanitary Department;

e) modernisation and equipping of laboratories and offices.

Responsibilities and co-operation methods of the different bodies involved in border controls should be clearly defined. Particular attention will be paid to reinforcing operational cooperation with the customs service.

4. **Strengthening of the phytosanitary control at the place of production**

This component will lead to the design and implementation of an administrative system for the registration of producers, importers and traders of plants and plant products. Computer equipment and the required software for the system will be procured. The assistance will support the implementation of legislation on plant passports, and support the provision of advice to private business on the plant passport system.
In addition, investment support will be provided for upgrading a number of regional phytosanitary laboratories for the detection, diagnosis and monitoring of harmful organisms. Training and information will be provided to phytosanitary inspectors of the county phytosanitary departments on inspection procedures and diagnosis of diseases and pests.

5. Improving professional skills in the detection, diagnosis and identification of harmful organisms

A training programme will be designed and implemented to improve professional skills of the specialists in the phytosanitary field with particular reference to modern detection and identification techniques and pest risk assessment. It will result in increased competence in implementation of the relevant areas of the acquis on the part of staff of Ministry of Agriculture, Food and Forestry Phytosanitary Department and the units that it technically co-ordinates: border phytosanitary quarantine inspectorates, county phytosanitary departments, Central Laboratory for Phytosanitary Quarantine.

The project will be implemented through a twinning (or a series of twinnings) which will provide support for each of the five project components. In addition, technical assistance will be provided for specific tasks required under the components for pesticide residues control and plant protection products quality control. Investment support will be provided for each component, with the exception of component 5 (training programme).

The Ministry of Agriculture, Food and Forestry, Phytosanitary Department is the Implementing Authority for this project. The CFCU is the Implementing Agency under the Phare DIS.

RO-0107.08 Developing and implementing the nation-wide bovine animal Identification and Registration System (€ 3.00 M)

The project has the objective of designing and preparing for the implementation of a national animal identification and registration system, in line with EU standards and practices, which will support essential functions in the areas of animal health and management of animal genetic resources, and be capable of providing an adequate basis for the management of relevant aspects of the Common Agricultural Policy upon accession.

Priority will be given to development of a system for cattle identification and registration, which should be capable of being upgraded in future to cover other species (e.g. pigs, sheep and goats).

Project activities will cover the following areas:

1. Inception phase

A detailed assessment of the current situation as regards animal identification systems in Romania will be undertaken, taking account of the results of various pilot projects which have been implemented to date, identifying the functions of various concerned public institutions (in particular the National Sanitary Veterinary Agency and the General
Directorate for Strategies and Policies in the Animal Breeding Sector) and assessing their capacities and performance.

2. Design phase

A detailed design of the system will be prepared, identifying the functions to be provided by the system, describing its operation in respect of the different functions to be fulfilled, and identifying the responsibilities of the various concerned public bodies at central level and in the field. The institutional requirements for effective operation of the system will be defined in terms of human resources, infrastructure, and operating budgets. The training needs associated with the system will be defined. Specifications for informatics and communication systems required for the national animal identification and registration system will be developed. The overall design of the system should take into account the experience of Member States in this area, as well as the specific situation of the Romanian livestock sector and implementation capacities. A plan for implementation of the system, based on a phased approach which distinguishes immediate and longer-term priorities, will be developed. Subject to formal adoption of the plan by the Ministry of Agriculture, the plan is expected to form the basis for the longer-term development of the identification and registration system, and to provide a framework for possible Phare funding under future years’ programmes.

3. The development and implementation of legislation

The existing legislation will be analysed and proposals for necessary changes will be formulated. Draft regulations and procedural manuals will be prepared. A training programme for the managers of the system will be developed and implemented. A public information campaign will be designed and implemented to inform farmers and other groups involved in the livestock industry about the animal identification and registration system.

4. Procurement of equipment

The project will finance equipment, including informatics and communications equipment and software and ear-tagging equipment. The procurement will relate to items identified as priorities during the design phase.

It is anticipated that the project will be implemented through a technical assistance and procurement contract.

Phare support for the development of a national animal identification system is provided on the basis that the Ministry of Agriculture, Food and Forestry will ensure adequate co-ordination between the various services concerned in implementation of the system, and will promote and ensure adoption of the legislation which will be required for the implementation of a national animal identification system in line with the requirements of the acquis.

The Ministry of Agriculture, Food and Forestry, Sanitary Veterinary Agency is the Implementing Authority for this project. The CFCU is the Implementing Agency under the Phare DIS.

**RO-0107.09 Strengthening the Romanian fishery institutions and identification of development opportunities** (€ 1.50 M)

The objective of the project is to strengthen the institutional structure in the Romanian fisheries sector, in order to adjust to the requirements of EU and national legislation on fisheries management, conservation, licensing, fisheries structures, fish marketing, and the role of fishing organisations. It will also assist in identifying viable development opportunities for marine fisheries, aquaculture and fish marketing.
The project will be implemented through a twinning (or more than one twinning) with a national fisheries administration from an EU Member State, which will assist in the preparation of laws and ordinances required for alignment with EU fisheries policy. In addition, it will support the following specific activities:

1. **Reinforcement of fisheries administration**

   An analysis will be undertaken of the administrative structures and human resources required for implementation of the Common Fishery Policy and development of the marine and inland fishery sectors and aquaculture. The twinning will prepare recommendations for reinforcement of fisheries administration at central and regional level, and for the creation of sections responsible for the fleet, aquaculture, conservation, processing and market structures, producer organisations, fisheries management and licensing. The responsibilities of these sections, and job descriptions for their personnel, will be defined. The recommendations will take appropriately into account the constraints on public sector recruitment. Support may be provided for the recruitment and training of personnel for functions within the fisheries administration and inspection.

2. **Strengthening the statistical system for the fisheries sector**

   The project will support efforts to strengthen the statistical system for marine and inland fisheries and aquaculture. These efforts should be consistent with, and reinforce other activities such as catch reporting, fisheries enforcement, and fisheries management. Recommendations for improved methodologies for the collection and analysis of fisheries statistics, in line with EU standards, will be prepared, institutional responsibilities in this area will be clearly defined, and human resource requirements will be analysed. Co-ordination will be ensured with the overall efforts of the National Institute for Statistics and Economic Studies to develop the national statistical system in line with acquis requirements.

3. **Reinforcement of fisheries inspection**

   Alignment with EU fisheries policy requires the strengthening of national capacity for monitoring and control of fisheries in compliance with legislation on sustainable fishery. The twinning will therefore undertake a review of enforcement requirements, and develop an implementation plan for monitoring, control and surveillance of offshore, marine and inland fisheries and aquaculture in compliance with the EU's marketing standards, including a coherent set of measures to overcome weaknesses in the existing regime. The measures will relate to the development of capacity to monitor the sale and distribution of fish in line with EU marketing regulations. A review of the system of fines and administrative penalties will be undertaken. Performance indicators and a code of conduct for the Inspection will be developed.

   The twinning will assist in the identification of the staffing, training and procurement requirements for the Fisheries Inspection. Preliminary training will be provided for staff.

4. **Development of Producer Organisations**

   Development of Producer Organisations is required to create an associative environment which will enhance the activities and returns of producers in the market. Proposals will be prepared for the creation of fish producer organisations to facilitate the management of resources and marketing, specifically in relation to the EU's common marketing regulation. Appropriate information and advice will be provided to producers to encourage the setting up and development of such organisations.

5. **Identification of development opportunities in the fisheries and aquaculture sector**

   The twinning will also support the Directorate General for Fisheries to examine sector development requirements in respect to fleet evolution, aquaculture and the fish market. The
identification of development opportunities for marine fisheries, aquaculture and fish marketing will strengthen Romania’s capacity to take full advantage of, and effectively manage, EU pre-accession investment funds and structural funds after accession.

The present project will provide limited investment support to provide essential communications and informatics equipment for the fisheries administration and inspection services. It is expected that implementation of the twinning project will lead to a comprehensive identification of investment needs for development of the administration and inspection services. Such investment could be covered in part by Phare support under a future programme.

The Ministry of Agriculture, Food and Forestry, Directorate General for Fisheries is the Implementing Authority for this project. The CFCU is the Implementing Agency under the Phare DIS.

**ENERGY**

**RO-0107.10 Strengthening of key institutions in the energy sector (€ 2.80 M)**

The objectives of the project include continuation of reform of the energy sector in Romania through the introduction of market mechanisms and discipline, and compliance with the acquis on oil stocks.

These objectives will be achieved through assistance provided as a follow-up to the Phare 2000 energy programme, aimed at further development and strengthening of the commercial market operator for electricity markets, with the objective of consolidating and developing the energy market in Romania. Assistance will also be provided for development of the institutions, regulations and crisis management procedures required by the acquis on oil and petroleum stocks. Restructuring of the power generation company Termoelectrica will also be supported.

The project will be implemented under four distinct areas of activity:

**Sub-project 1: Strengthening of the electricity commercial operator**

Under the recent electricity sector reorganisation, a commercial operator (OPCOM S.A) has been set up to manage the system of market trading and commercial relations between generators and consumers, and operate the market settlement system.

Technical assistance under the current project will support OPCOM S.A to implement a settlement and clearing system and develop appropriate financial instruments. In addition it is planned to support further development of the market through the establishment of an institutional and operational power derivative exchange.

This component is closely linked to the Phare 2000 project RO-0005.01 providing investment and institution building support for restructuring of the electricity sector. Its implementation is linked to satisfactory progress with implementation of RO-0005.01.

**Sub-project 2: Development of competitive gas markets**

The institutional framework for competitive gas markets has been developed through the establishment of a regulatory authority for the gas sector (ANRGN). In this context the development of competitive gas markets and the possible establishment of a gas commercial market operator, mirroring developments in the electricity market, is under consideration. Under the present project technical assistance will be provided in order to study the options for the development of the competitive gas market, and to develop a strategy for the establishment and operation of a gas commercial market operator.

**Sub-project 3: Harmonisation with Acquis relating to oil stockpiling and crisis management rules**
Community energy policies include provisions relating to the establishment of an obligatory storage mechanism for oil and petroleum products, and measures intended to respond to supply difficulties, including a levy on stocks, demand restraint, and redistribution of oil saved.

Previous Phare assistance has financed a study on appropriate arrangements for management and financing of the oil stockholding system. As a follow up, the current Phare project will fund technical assistance to draft the required legislative changes, to establish the system of monitoring and control and to train the personnel of the body that will be responsible for management of the stock.

Sub-project 4: Assistance to the restructuring of Termoelectrica

Termoelectrica is the national power generation company which resulted from the break-up of the former integrated national electricity company CONEL. It produces most of the electricity in Romania. It has inherited a generation park in which many units are both old, and uneconomic. In addition, with the recent decision of Romania to build a second nuclear reactor at Cernavoda, some of Termoelectrica generation units will have to be closed. Further efforts to rationalise and modernise the electricity generation capacity and to improve the economic performance of Termoelectrica, are required.

Phare will finance further studies of the existing generation capacity to review and further detail the government energy strategy and facilitate the closure of non-viable units.

The Ministry of Industry and Resources is the Implementing Authority for this project. The CFCU is the Implementing Agency under the Phare DIS.

<table>
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<th>TRANSPORT</th>
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<td>RO-0107.11 Improvement of Road Safety and Institution Building in the field of Transport (€ 3.50 M)</td>
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</table>

The project includes four components:

1. **Further harmonisation of the road safety legislation and strengthening the related institutions in order to comply with EU requirements**

The Ministry of Public Works, Transport and Housing and the relevant bodies involved in road safety, mainly the Romanian Road Transport Authority (ARR) will be assisted mainly through twinning to review the present Romanian legislation, and to elaborate new legislation needed to complete the harmonisation with EC legislation in the areas of (i) driving and rest times, (ii) recording equipment in road transport, and (iii) road transport of dangerous goods. An action plan will be elaborated for the implementation of this legislation. The bodies responsible for traffic control, (the Romanian Road Transport Authority, the Road Police and the Romanian Auto Register) will be supported to carry out an assessment of needs as regards the staffing, equipment and operating budgets for control and supervision structures, and of other measures required to support implementation of the legislation in the above areas. Assistance will also be provided in preparation for harmonisation with other areas of the transport safety acquis.

2. **Safety Audit system**

Technical assistance will be provided to establish a safety audit system for road infrastructure in Romania. The design of new national roads would then have to be checked and approved by this body, which will perform a safety assessment of the proposed infrastructure. Necessary draft legislation will be prepared, and a system for training and authentication of safety auditors will be developed. A specific study will also be undertaken assisting in the development of safety features for roads passing through linear villages, which are common in Romania.

3. **Traffic and accidents database**
The project will finance technical assistance and procurement of equipment to support development and implementation of an integrated database covering traffic flows and accidents.

4. **TA for strengthening the administrative capacity in the field of transport**

This sub-project aims mainly at providing assistance to the General Directorate for European Integration of the Ministry of Public Works, Transport and Housing to conduct an overall analysis of the institutions within the transport sector across all transport modes, with a view to identifying objectives, missions, functions, information flows, redundant responsibilities and gaps in the framework for the implementation of the acquis. An assessment will be prepared of human resource development needs for institutions. Preparations will be undertaken related to the accreditation by relevant EU institutions of the Romanian Road Transport Authority, the Romanian Railways Transport Authority, Inspectorate of Civil Navigation and Romanian Civil Aviation Authority as the “notified bodies” of the Romanian government:

The Ministry of Public Works, Transport and Housing is the Implementing Authority for the project. Within the Ministry, the General Directorate for European Integration, responsible for co-ordinating the transposition of the acquis communautaire, is the principal beneficiary of the assistance. The components of the project may be implemented through twinning and/or technical assistance contracts.

**RO-0107.12 Improvement of maritime and inland waterway safety (€ 12.70 M)**

The project aims to improve maritime safety standards in Romania, as well as inland waterway safety on the Danube. Assistance will be provided for harmonisation of Romanian legislation with the acquis communautaire in the field of maritime safety, particularly in the field of Flag State Control. Capacity to implement international conventions for search and rescue activities and for Oil Pollution Preparedness, Response and Co-ordination will be strengthened, and investments will be made to enhance Romania’s capacity to meet the requirements of EC legislation on statistical returns and technical requirements for management of inland waterway traffic.

The project includes four components:

1. **Further strengthening of the maritime safety institutions**

Following up the Phare 1999 twinning project for maritime safety, the main activities under this project component will be: (i) support to the Ministry for harmonisation of legislation in further areas of the maritime safety acquis, (ii) assistance (including staff training and procurement of inspection equipment) to the Civil Navigation Inspectorate, for implementation and enforcement of the acquis in the field of Flag State Control, and (iii) strengthening of the national Search and Rescue system, in line with the SAR 1979 and SOLAS 1974 conventions, and training for search and rescue and marine pollution control staff.

2. **Equipment for Search and Rescue (SAR) and Oil Pollution Preparedness, Response and Co-ordination (OPRC)**

In line with the recommendations of the Phare 1999 twinning project and in order to implement the requirements of the SAR and SOLAS conventions, Phare will support the procurement of a SAR boat for the Port of Constanta Intervention and Rescue Group, for the purpose of detecting and monitoring pollution, and to undertake routine maritime safety controls and emergency interventions. In addition, for environmental purposes, OPRC equipment, including booms, skimmers and portable storage tanks will be purchased for use in the case of oil pollution emergencies.
3. Procurement of Navtex system

This sub-project provides for the acquisition of a Navtex system for the National Company Radionav S.A, in order to transmit meteorological data, according to the requirements of the SOLAS 1974 Convention.

4. Vessel Traffic Management System (VTMS)

Phare will support the Romanian Inspectorate for Civil Navigation to implement the first phase of a complete VTMS on the Danube, to be operated by local harbour masters' offices. This information system will provide general information and statistics services and navigational assistance, and will support traffic organisation. It will contribute and facilitate the implementation of Directive 80/1119 on statistical returns in respect of carriage of goods by inland waterways and Directive 82/714 laying down technical requirements of inland waterway vessels. Pollution monitoring will be facilitated and co-ordination with Search and Rescue services assured. Activities under the first phase, which is to focus the most dangerous and heavily trafficked zones of the Danube, include the completion of technical designs and preparation of tender documentation, procurement of equipment including radar, processing equipment and communications systems, and a programme of staff training.

The Ministry of Public Works, Transport and Housing is the Implementing Authority for the project. The Romanian Inspectorate for Civil Navigation, the Port of Constanta Intervention and Rescue Group, and Radionav S.A. are the principal beneficiaries. These bodies will provide the necessary national budget co-financing, part of which may come from the 2001 budget. The CFCU is the Implementing Agency under the Phare DIS.

<table>
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<th>RO-0107.13</th>
<th>Improvement of railway safety by modernisation of the Romanian railway testing centre (€ 4.50 M)</th>
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Phare will provide investment support to the Romanian Railway Authority (AFER) the specialised technical body subordinated to the Ministry of Public Works, Transport and Housing, which has the responsibility to ensure respect of domestic and international regulations in the field of railway and subway transport, as regards traffic safety, transport security, environmental protection and the quality of public services. The investment will provide AFER with the necessary testing equipment to be able to operate according to the EU requirements, and permit the modernisation of the Faurei Railway Testing Centre. The operation of the rehabilitated centre should be self-financing through the revenues that will be raised through performance of tests.

The first component of the project aims at providing equipment for testing railway vehicles in laboratory and in traffic, for the purpose of certification for their admission in traffic. Equipment for testing the railway infrastructure with a view to certifying its conformity with the compulsory requirements for the traffic safety, according to the European norms in force, will also be procured, together with equipment for mechanical, physical and chemical testing of the railway infrastructure and vehicles subassemblies. A computerised data processing system will be established for AFER, and assistance will be provided for the creation of a data bank required for railway interoperability in Europe, accessible to the railway operators of the countries participating in the international traffic.

The second component deals with modernisation of the railway testing centre of Faurei which is currently functioning at lower parameters than it was designed for. This centre is used mainly for testing safety, riding quality and braking of the rolling stock, and performance of the locomotives, track, signalling and traction power supply. The maximum
speed on the test ring will be raised from 120 km/h to 200 km/h, which is necessary for performing the tests according to the European norms in force. The works to be carried out with Phare support will consist of replacing the track elements (rails, concrete slippers, elastic fastenings, switches), remaking the track benches, upgrading of the track ballast prism completion, embankment reinforcement, rail welding, general tamping and dynamic stabilisation, and replacement of used components of the electric traction facilities.

Project supervision in accordance with Phare rules will also be financed.

The Ministry of Public Works, Transport and Housing is the Implementing Authority for the project. The CFCU is the Implementing Agency under the Phare DIS.

**HEALTH**

**RO-0107.14 Strengthening the Romanian system for epidemiological surveillance and control of communicable diseases (€ 4.00 M)**

The project is intended to support preparations for Romania’s integration into the European Community epidemiological surveillance and control system for communicable diseases which entered into force in 1999, as well as in the relevant specialised networks. In this context there is an urgent need for the strengthening of the national structure for infectious diseases surveillance, control and prevention, as the current structure has become ineffective as a result of the problems of socio-economic transition and the need for further reform of the health system.

This Phare project will support a review of the functioning and financing the epidemiological surveillance and reporting system leading to recommendations as to how the effectiveness and sustainability of the system can be assured. In addition, the national legislative framework will be examined, leading to the preparation of proposals for improvement in Romanian legislation to ensure conformity with EU legislation. The project will assist in the creation of a National Committee with responsibility for developing national standards for case definitions and epidemiological data collection and reporting for communicable diseases. Procedures will be established for laboratory testing at international standards, and training will be provided for central and local level epidemiologists. Investment will be provided to rehabilitate and upgrade laboratories for epidemiological surveillance and for data collection and reporting.

The Implementing Authority for the project is the Ministry of Health. The General Directorate for Public Health within the Ministry, the District Public Health Directorates, Institutes of Public Health (of Bucharest, Cluj, Iasi, Timisoara) and the Centre for Computing, Sanitary Statistics and Medical Information of the Ministry of Health and the Family are beneficiaries of the activities.

**ENVIRONMENT**

**RO-0107.15 Assistance for the implementation of environmental policies in Romania (€ 7.50 M)**

The objectives of this project are the definition of a sound national investment programme in the field of environment, and strengthened capacity at national and local level to transpose and implement the environmental acquis. The project will lead to further alignment with the acquis in the field of waste management. It will support a start to implementation of the Water Framework Directive. A detailed national programme of environmental investments will be drawn up. The Romanian authorities will be supported in implementation of the IPPC Directive (Industrial pollution control and risk management).
The project will be implemented through five components:

**Sub-project 1: Transposition and implementation of legislation on Waste Management**

This component, which is expected to be implemented through a twinning located in the Ministry of Water and Environmental Protection (MoWEP), will focus on the elaboration of documents, strategies and secondary legislation that are necessary for the implementation of the legislation on waste management. It will assist one Regional Environmental Protection Inspection in the elaboration of a regional waste management plan which will serve as a model for other regional plans. It will also support the updating of the National Strategy for Waste Management as foreseen in the law on waste regime. Relevant components in the National Environmental Action Plan will also be updated. In addition, as a direct continuation of Phare 1998 twinning support, the project will assist in the alignment of Romanian legislation with the requirements of the EC directives and regulations in a number of areas, including transport of waste, the management of sewage sludge, and landfill.

**Sub-project 2: Implementation of the Water Framework Directive on pilot basins**

Support will be provided for the elaboration of a River Basin Management Plan on the Somes River Basin and to develop a cost evaluation methodology in the field of water quality for the Arges River Basin. These pilot studies will serve as a basis to elaborate similar studies for each of the 11 hydrographic basins in Romania. In addition, monitoring equipment to fulfil the requirements of the Directive will be provided.

**Sub-project 3: Environmental cost assessment and investment plan**

Taking account of a number of existing studies financed by Phare and other donors, a wide-ranging study will be undertaken to identify, and prepare a database covering, all the investments required to comply with “heavy investment” directives (Urban Waste Water, IPPC, Seveso, landfill and incineration). Cost evaluation methodologies will be developed, and the costs for each investment will be estimated. Criteria will be developed allowing for prioritisation of the investment projects, and a multi-annual investment plan will be drawn up, taking account of all financing sources.

Implementation of this project component will be co-ordinated with implementation by the Ministry of Public Administration of RO-0105.01 “Support for the Development of Improved Management of Municipal Services”, as regards development of policies and legislation. An inter-ministerial co-ordination committee will be established to ensure the necessary co-ordination.

**Sub-project 4: Assistance for the implementation of IPPC Directive (Industrial pollution control and risk management).**

This component supports strengthening of the inspection and control of the activities of economic agents having a major environmental impact. It will be focused on ten county Environmental Protection Inspections (EPIs), which have been selected on the basis of the serious level of industrial pollution in each locality.

Phare will provide technical assistance and training on the IPPC Directive for the Direction of Ecological Control and Monitoring within MoWEP and the ten EPIs. Norms and guidelines to be used by the EPIs will be developed on control methods for specific industrial sectors (e.g. for steel industry and chemical industry). The modalities of implementation and organisational aspects will be fully elaborated. The role of the EPIs as regards taxes, tariffs, penalties, environmental fund etc. will be specified. Pilot projects for the practical implementation of controls on industries with major environmental impact and serious pollution risks will be developed in at least two EPIs. Workshops will be conducted to disseminate the results amongst all EPIs.

Equipment for measurement, analysis and testing, and some protection equipment, will be provided for the ten selected EPIs for integrated control activities in line with IPPC requirements.

**Sub-project 5: Technical assistance for project implementation**

A specialised consultant will be contracted to assist MoWEP in overall management of the programme, with the exception of the twinning component. The consultant will prepare, as required, terms of reference, technical specifications and other documents required in contracting and monitoring the various components, and will assist in ensuring the necessary co-ordination. The support may also cover the identification of areas where proposals for future activity should be elaborated, and preparation of terms of reference for the Project Preparation Facility.

MoWEP is the Implementing Authority for all components of this project. The CFCU is the Implementing Agency under the Phare DIS.

**JUSTICE AND HOME AFFAIRS**

**RO-0107.16 Strengthening border management (€ 1.10 M)**

The project aims at further harmonisation of the relevant Romanian legislation with EU legislation and best practice concerning border management and controls, including the Schengen Acquis, and the improvement of the operational capacity of the Romanian Border Police (RBP). This will be achieved through continuing the process of harmonisation of national secondary legislation and regulations with the EU/Schengen Acquis, and the strengthening of the border security, through enhanced border surveillance and control procedures and infrastructure, and inter-agency co-operation at national, regional and European level. The project includes three components:

**1. Development of secondary legislation and regulations**

The activities under this component, which is expected to be implemented through a twinning light, will include support for development of secondary legislation and regulations as required by the draft Law on Romanian State Frontier and the Law on Organisation and Functioning of the RBP, and the Schengen Acquis. The component will be implemented following the adoption by the Parliament of these laws, which introduce new concepts and institutions, such as: internal borders, common border crossing points, Border Information System, personal data protection, undercover investigators. Secondary legislation and regulations in these areas need to be in line with the practice within the authorised institutions of the EU Member States.

An assessment will be undertaken of the regulations governing the RBP, and new texts drafted where necessary. Guides and manuals for the implementation of the Schengen
acquis will be prepared. The activities of this component would comprise short-term assistance through twinning light, seminars, workshops and exchange of experience focused on border-related EU legislation.

2. Development of an integrated border management strategy

This component will support the implementation of an integrated border management strategy through improved inter-agency co-operation, and co-operation with corresponding bodies in neighbouring countries. Following the Phare 1999 assistance on border management, which covered development of a national integrated border management strategy and investment support concentrated on the borders with Ukraine and Moldova, activities under the 2001 programme will be implemented:

a) At the border with Hungary, through development of a concept and procedures for joint control at this border in line with similar border control arrangements in European Union. It is intended to establish a Border Contact Centre in Timişoara with representatives from Romanian and Hungarian authorities for internal and external/cross border inter-agencies co-operation, and to create a 10 km. Border Action Zone for control of illegal movements.

b) At the Black Sea Coast, through development of a concept and procedures for controlling ships in line with control of ships in great harbours within EU, in order to stop illegal migration and drugs traffic. A local inter-agency planning committee will be set up. Activities in this area will cover also the elaboration of a concept for joint Search and Rescue Operations under the command of the Coast Guard.

The project will place particular emphasis on co-operation between the border police and customs, and will contribute to defining the responsibilities and co-operation methods of these two services and other agencies involved in border management. Strategies developed for other Phare countries should be taken into account. Furthermore, work done under the Imatra initiative (Cross-border co-operation involving customs and border police between EU, candidate and NIS countries) should also be taken into consideration.

It is envisaged that support in this area will be provided through a twinning.

3. Investments in improved control procedures on the eastern borders

This component supports Romania as regards the fulfilment of its commitments to improve controls on the eastern borders, in the context of the discussions with the EU related to the lifting of visa restrictions on Romanian citizens. Checking procedures in the border crossing posts on the borders with Ukraine and Moldova will be strengthened, and the capacity to detect fake or forged travel documents will be improved, through provision of modern checking equipment.

The Ministry of Interior is the Implementing Authority for this project. The CFCU is the Implementing Agency under the Phare DIS.

RO-0107.17 Strengthening the management of the migration phenomenon in Romania (€ 3.00 M)

The objective of this project is to enhance Romania’s alignment to, and implementation of, the EU acquis in the field of migration.

This objective is to be achieved through a twinning with a Member State national institution with authority for migration. The twinning will cover the following areas:

a) Support for the further elaboration of a National Migration Strategy, including the fight against illegal migration, building upon the results of the migration module in the 1999
Phare horizontal project “Visa, migration and border management”. The activities will relate to defining the arrangements for improved inter-agency co-operation in the field of migration, and the development of concepts and procedures regarding the granting of entry visas for third country citizens, the granting of right of residence, and tracking, apprehending and returning illegal migrants and illegally working aliens.

b) Creation of a legal framework for a better management of migration, approximated to the EU acquis as regards the regime of aliens. Enforcement regulations and methodologies will be prepared in relation to legal provisions in the field of migration, in line with similar migration systems within the European Union. In this respect the project will support preparations for Romania’s participation in the Schengen Information System.

c) Further development of the institutional framework of the authorities dealing with immigration issues, through an analysis of structures and functions of relevant state institutions, with particular focus on the Directorate for Aliens and Migration Issues (DAMI). Institutional strengthening and training needs will be identified.

d) Development of programmes for integration of recognised refugees and other aliens with legal stay in Romania as well as Romanian citizens returned from EU member states. This part of the project will be carried out in co-operation with Romanian and international NGOs, and will lead to the definition of specific packages of measures, which could be supported by Romanian funds, EU assistance, or other donors. The project will also prepare and launch an awareness campaign focused on (a) integration of recognised asylum-seekers and other aliens with legal stay in Romania and (b) on prevention of illegal immigration, especially targeting women, on the risks of working illegally abroad and on fair terms of labour contracts.

e) Promotion of international co-operation to combat illegal migration through negotiating and starting the implementation of co-operation agreements between Ministry of Interior and IOM, UNHCR and other international organisations.

The project will also provide investment support to reinforce the operational capacity of DAMI in relation to the management of migration issues. The investment will cover:

a) Procurement of IT equipment providing linkages between territorial units of DAMI and the DAMI central data-base on aliens, and to other systems; and related training for system operators and administrators;

b) Works for the upgrading of centres for accommodation of illegal migrants: the Bucharest-Otopeni Accommodation Center and the rehabilitation of two buildings in the eastern and southern border areas (Iasi and Giurgiu) to be used as accommodation centres.

Support for the upgrading of centres for accommodation of illegal migrants is provided on the basis that the Romanian authorities will demonstrate that the rules regarding detention and return of illegal immigrants and rejected asylum-seekers are compatible with the European Convention on Human Rights and the EU acquis in this area prior to contracting of the assistance for the above-mentioned accommodation centres.

The main beneficiaries of the project are the Ministry of Interior through the Directorate for Aliens and Migration Issues, which will act as implementing authority, and the Romanian National Refugee Office, which is in charge of enforcing, in a unitary manner, the legal provisions on migration-related issues.

The CFCU is the Implementing Agency under the Phare DIS.

RO-0108  SUB-PROGRAMME 5 – RO-0108 (Total: € 109.25 M)
ECONOMIC AND SOCIAL COHESION

This sub-programme includes two projects for Institution Building, and two projects, one providing a package of investment measures, and the other financing a pilot project relating to the metering of municipal district heating services:

**RO-0108.01 Institution building for Economic and Social Cohesion (€ 14.25M)**

Phare 2001 will support strengthening of the institutional capacity of central ministries (Ministry of Development and Prognosis, Ministry for Small and Medium-sized Enterprises and Co-operatives, Ministry of Education and Research, Ministry of Tourism) and the relevant regional bodies and local authorities to prepare for implementation of investment support to be provided on a multi-annual basis under Phare 2002-3.

The project builds on assistance for institution building provided to the Ministry of Development and Prognosis and the 8 Regional Development Agencies (RDAs) under Phare 2000 (Twinning and Project Preparation Facility – National Development Plan Implementation)

The overall objective of the project is to develop and implement national and sectoral policies and programmes, in line with the provisions of the National Development Plan (NDP) and of Council Regulation 1266/99 on Extended Decentralised Implementation Systems (EDIS) in candidate countries.

The project is divided into four sub-components:

**Sub-component 1 - Overall co-ordination, decentralisation, programme and project preparation**

Technical Assistance and/or short-term twinning for the Ministry of Development and Prognosis (MDP), providing:

- Support to enhance MDP’s overall co-ordination of policy implementation for Economic and Social Cohesion at the national level in line with progress of EU accession negotiations and preparations for the EU Structural Funds;

- Assistance with the development of fully operational capacities for decentralised implementation at the regional level in line with the requirements for introduction of extended decentralisation.

- Assistance to MDP and RDAs for programming of Phare investments in the context of the National Development Plan to ensure a continuous programming process in 2002-2006, including research into key regional and sectoral issues to provide an improved basis for programming and operational substance for partnership development activities;

- Training of MDP and RDAs staff and key personnel from other institutions involved in the design, technical and financial management, monitoring and evaluation of projects and programmes and continuous assessment of training needs with regard to the adopted Programme for Regional Development Training and proposals for programming future training activities; In this context and in view of the requirement to strengthen institutional capacity for ESF-type activities, the specific needs of the Ministry of Labour and Social Solidarity and of the National Agency for Employment will be taken into account.

- Support for the continued development of operational partnerships at national level between governmental and non-governmental sectors, building a wide range of financial and intellectual contributions and increasing the commitment of key actors;

- Support for RDAs to help them develop broader operational partnerships in the regions to strengthen local/regional ownership of the projects/programmes by the specific target groups;
  - Support for the RDAs to help them develop project and programme management and implementation capacities;

A Project Preparation Facility for Phare 2002 investments in Economic and Social Cohesion to assist:

- Preparation of large projects with regional impact, including elaboration of all required technical, financial, environmental analysis and implementation documents, including assistance from experts
- Implementation of large scale national promotion campaign, including dissemination of good regional development practices;
- Ex post evaluation of large regional development projects and grant schemes under previous Phare regional projects in order to substantiate Phare 2002 and 2003 programming exercise;
- Identification and design of strategic development projects with regional and inter-regional impact to be financed under different schemes, including need analysis, identification of available resources, building of inter-institutional partnership;
- Training and technical assistance in the appraisal of large regional infrastructure projects, facilities and grant schemes to be supported;
- Preparation of valid, mature regional development programmes and projects including feasibility studies and detailed design in line with regional development and sectoral strategies for SMEs, HRD, social services and small scale infrastructure, with the view to financing by Phare, national and regional budgets and other external sources of investments in 2002-2003.

Implementing Authorities for this sub-component will be the Ministry of Development and Prognosis (MDP) and the 8 Regional Development Agencies (RDAs).

Sub-component 2 – Institution building support to the SME sector

Technical assistance targeting the Ministry of Small and Medium-Sized and Enterprises and Co-operatives, in close collaboration with the RDAs, to support their work on project preparation, strategic planning and programming, including:

- Elaborating methodologies for reviewing the evolution, assessing the needs and monitoring the health of the SME sector, designing policies and programmes for SME development, programming by prioritisation, assessing the overall impact and effectiveness of SME developed policies / programmes / projects, assessing the impact on SMEs of the regulatory framework.
- Create a comprehensive statistical database on SMEs.
- Develop, implement and assess impact of SME support strategies and policies
- Prepare projects with national and regional impact, including elaboration of required technical and implementation documents
- Establish a mechanism for monitoring for programmes/projects developed for SMEs;
- Apply methodologies for designing, monitoring the implementation and assessing impact of specific SME development programmes / projects.
- Create mechanisms to adapt policies / programmes to the changing requirements of the SME sector.

- Conduct a survey among SME advisory and training centres to assess support needs to improve sectoral and other specialisation.
- Monitor the implementation and assess impact of the programmes aimed at assisting SMEs to meet EU norms and standards on environment protection, and quality and safety standards.
- Elaborate and publish relevant studies, practical guides for SMEs, SME Policy Handbook, surveys, reports etc.
- Organise the SME Forum, publish the SME Annual Report, and upgrade the MSMEC web site.

Twinning arrangements supporting the implementation of the *acquis communautaire* in the SME sector aimed at establishing an enabling environment for enterprise and co-operative development, through collective work to:

- Undertake an impact study on legislative and administrative framework related to SME sector; elaborate practical solutions based on existing experience and practice in the EU.
- Implement the Action Plan for Removing Barriers Faced by SMEs (APBR) and enhance the capacity of Ministry for SMEs and co-operatives to co-ordinate efforts for improving business environment for SMEs;
- Carry out an assessment of current SME programmes/schemes (including grant and credit schemes) financed from different sources (EU, IFIs, Romanian budget, different private sources);
- Elaborate a coherent implementation framework for existing aid schemes
- Define a national policy to improve SMEs access to medium and long term finance for investment;
- Organise the activities and build consensus of inter-ministerial task forces relating to the above activities.
- Organise round tables with national and regional private and public stakeholders for SME sector relating to the above activities.

Implementing Authority for this sub-component will be the Ministry of SMEs and Co-operatives.

**Sub-component 3 – Institution building support for Technical and Vocational Education and Training (TVET)**

Technical Assistance for the Ministry of Education and Research supporting national-level policy development actions, including:

- Research into the feasibility of developing a modern, rationalised TVET System in Romania, covering issues of decentralised governance and accountability and development of the necessary institutional capacities;
- Elaboration of policy and procedures for co-operation between central ministries and other major stakeholders in TVET to develop a system of National Vocational Qualifications and an accreditation system with confirming vocational qualifications;
- Development of a model-School Partnership Action Plan;
- Development and implementation of a quality assurance methodology in 100 selected schools and 11 resource centres selected for the Phare 2001 investment component;
- Training of teacher trainers;
Construction and maintenance of an interactive website in the National Centre for TVET Development to enable communication with and between all actors in the Phare TVET programme, teaching staff of schools and resource centres, as well as specialists of the National Centre;

Study visits in EU Member States for representatives of the VET project Advisory Board, Ministry of Education and Research and the National Centre for TVET Development, as well as co-ordinators of the Local Development Committees for Social Partnerships in TVET.

Technical Assistance for the Ministry of Education and Research supporting regional-level actions and measures, including:

- Support to the operation of Regional consortia through their annual Regional Education Action Plan, through the development of a model-plan to assist the Regional consortia with the development of their respective action plans;
- Adaptation of the Educational Management Information System to the specific needs of TVET at the regional level;
- Reinforcement of the network of school inspectorates in the regions;
- Support for the design and delivery of training programmes, including training of trainers, for teaching staff and management of all project schools and resource centres, staff of the National Centre for TVET Development, inspectors and staff of the Ministry of Education and Research in:
  - school-based curriculum development using IT (focused on the teaching staff the selected project schools);
  - partnership working with enterprises (together with representatives of local enterprises);
  - student centred education;
  - planning of education to meet demand;
  - teaching students with special needs;
  - managing the delivery of modern TVET, including finance, human resources management, quality assurance and action planning.

Assistance with development of school-based components of the curriculum and TVET organisation at judets and local levels according to the measures and priorities set by the Regional Education Action Plan, including:

- Assistance with the development of standards for training on new trades and professions for all levels;
- Support for the development of consortia of TVET schools to provide career counselling, to facilitate transition school to work, as well as continuous training opportunities for adults;
- Assistance to the TVET school-partnerships to apply relevant actions defined by the regional education action plans and development of projects for schools to further participation in local networks;
- Support for the development of teaching and learning materials, including course specifications and evaluation methodologies;
- Provision of school-based assistance to teaching staff in the use of occupational learning equipment in conformity with the required curriculum standards;
- Establishment of work placement in enterprises for students.
Implementing Authority for this sub-component will be the Ministry of Education and Research.

Sub-component 4 – Institution building support for the Tourism sector

Technical assistance for the Ministry of Tourism in order to update and support implementation of the Medium-Term Action Plan for Tourism Development, including:

- Assistance with analysis of the current situation in the tourism sector and benchmarking in comparison with countries with successful tourism development;
- Assistance with the improvement of the accreditation system for tourism service providers and defining quality standards;
- Practical support to the Ministry of Tourism for applying the accreditation procedure and quality standards and for undertaking the first accreditation rounds;
- Assistance with the design and development of an operative information system for accreditation in the Romanian tourism industry;

Technical Assistance for the production of a Medium Term Action Plan for Training in the Tourism sector and support for its implementation, including:

- Training needs analysis (main areas of training, beneficiaries, staff required, resources required, etc.) and benchmarking against other countries;
- Detailed, tailored training curricula, manuals and training packages;
- Pilot training of trainers and beneficiaries using materials developed during the project.

Implementing Authority for this sub-component will be the Ministry of Tourism.

The Implementing Agency for the entire Institution Building Component will be the Ministry of Finance/CFCU.

The Ministry of Development and Prognosis will chair and organise one or more Steering Committees comprising the Implementing Agency and Implementing Authorities of each sub-component to monitor progress of the Institution Building Component overall and ensure complementarity between the four sub-components.

RO-0108.02 Social Services Institution Building (€ 5.00 M)

An effective reform of the social assistance system is seen as an essential aspect of social and economic cohesion, providing a necessary complement to the efforts to advance economic restructuring through the introduction of economic and financial discipline and incentives. The present structure of the social assistance system is fragmented and unable to cope with all the requirements for the payment of benefits and for the delivery of much-needed social benefits and services. Local authorities have severe financial and human resource constraints. There is a need to introduce more efficient systems of management and targeting of existing cash benefits; to improve transparency and accountability and to increase public involvement in social policy, notably by enhancing responsibilities of local authorities and non-governmental organisations.

The overall objective of the present Phare project is to support national policy for economic and social cohesion through the reform of the social assistance system in order to provide social benefits and social services targeted on the real needs of different vulnerable groups.

Three components, representing three specific objectives, will be supported:
1. To develop the capacity of the Ministry of Labour and Social Solidarity at central and local level to efficiently carry out the tasks required for the organisation and implementation of Romania’s new social assistance system.

The activities to be implemented through Phare technical assistance include development and implementation of a plan for introduction of the new legislation and organisational model, and preparation of secondary legislation and procedural manuals for staff necessary to implement the social assistance reform. The support will also assist in the establishment of fraud protection mechanisms and appeals procedures. A coherent personnel plan related to the development of human resources at central and local level will be developed, training manuals will be prepared, and training of a cadre of trainers will be undertaken. A system for continuous monitoring and evaluation of the performance of the social assistance system will be set up.

2. To improve the Romanian population’s awareness on social assistance rights, through a Public Information Campaign.

Phare will support technical assistance to design and implement a communication strategy and a public information campaign on social assistance rights and the prevention of social exclusion. Training will be provided to MLSS staff at central and local level concerning the design and implementation of the communication strategy. The support will also aim at improving inter-institutional communication and information exchange between institutions involved in social assistance field and at defining the communication supports to be used by all institutions involved in social assistance field.

3. Institutional support to develop and diversify more appropriate community social services for vulnerable groups.

This component will be implemented through a twinning which will lead to a transfer of experience from a Member State as regards policies and the legislative framework to implement social and care services. Policy development will be based on an evaluation of the current situation of the elderly in Romania concerning the access to social and care services, and should cover provision of an appropriate balance between residential care and care in the community. The twinning partner will assist in the design of home care services and in development of a methodology to determine the costs for each package of services. Criteria and methodology to establish quality standards (conditions of care, staff ratios etc.) for these services will be developed. A training programme will be developed for MLSS staff responsible for the control of the activities undertaken by formal or informal networks providing social and care services.

**RO-0108.03 Investments in Economic and Social Cohesion (€ 85.00 M)**

The main objective of the economic and social cohesion component is to support the Romanian authorities at national, regional and local levels in implementing an integrated pluri-annual regional development policy through investment projects in priority sectors, in order to enhance the indigenous economic and social potential of identified target areas, in line with the provision of the National Development Plan and in close correlation with the institution building support provided for designing national economic and social cohesion policies.

The Romanian Government has, with the Regional development agencies, identified eleven target areas against two sets of criteria. First, they face severe industrial restructuring (large number of unemployed workers, concentration of mono-industrial activities and large enterprises, serious environmental problems and population confronted to poverty and risks of social exclusion). Second, they show potential for economic growth (transport infrastructure and connection with Trans-European networks, historical co-operation relationships between localities, tourism potential, confirmed dynamism of the local

communities.). Seven of the eight Development Regions of Romania (not Bucharest-Ilfov) are concerned. As regards the impact and concentration of public efforts and investment, these eleven areas represent 30% of the national population.

In each area a set of measures will be implemented around five main axes:

- Economic diversification, including tourism potential: grant schemes for SMEs (sub-component A)
- Human resources development: modernisation of vocational schools (sub-component B) and provision of social services (sub component C)
- Improving the quality of the regional infrastructure network: The Regional and Local infrastructures “pipeline” initiated in Phare 2000 will continue with an emphasis given to environmental remediation and tourism development. (sub component D)
- Rehabilitation of urban and tourist infrastructures through a small-scale infrastructure scheme (sub-component E)
- Support for ensuring a good implementation of these axes will be provided through technical assistance for awareness campaign, preparation and supervision of projects, training to beneficiaries (sub component F)

At national level, the Ministry of Development and Prognosis is responsible for ensuring the co-ordination of the whole process. Institution building will be provided to this Ministry as well as to other Ministries (Ministry of SMEs and Co-operatives, Ministry of Labour and Social Solidarity, Ministry of Education, Ministry of Tourism) for the definition of national sectoral policies, national standards and definition of national programmes, in line with the Accession Partnership priorities.

**Sub-component A Assistance to small and medium size enterprises**

The specific objectives of this sub-component are:

- To foster investment for the establishment of new enterprises and the development of existing micro and young enterprises in order to increase the overall contribution of Micro, Small and Medium Sized Enterprises (SMEs) to the creation of employment and sustainable economic growth in the targeted zones;
- To develop a network of support organisations able to provide to the SMEs information of sufficient quality to meet the existing and specific needs of SMEs

The measures for achieving these objectives are two grant schemes:

- Grant Support Scheme for Business Start-ups, Young Enterprises and Micro-Enterprises. Grants shall finance productive investment and investment in related advice and counselling in order to establish and/or expand productive capacity and creates new jobs. (A1.1) This scheme is the continuation of previous Phare SMEs support schemes. Support will also be available for investment related to R&D, innovation, transfer of technology, IT technology, as well as investments linked to quality certification and clean technologies. The maximum amount of each individual grant (including the Phare and Romanian budget co-financing) will be 100,000 Euro. The private participation in each project will be minimum 40% of the total eligible investment. The tourism services (accommodation, catering, tour operators, etc) are eligible if the provider is actually a SME and under the condition that he/she can demonstrate objective capacity for attracting visitors from outside

- Counselling and Advice Scheme

Support will be provided to qualified organisations able to identify the specific needs of the SMEs in the target zones and to organise training sessions, seminars and provision of information relating to these needs. Possible areas of such activities could be:
information on sources of financing, adequate preparation for applications for finance, and negotiation with the financial institution, sign posting to the most appropriate services providers. Access to specialised databases and market information will be also supported, as well as support to take part in relevant regional, national and international fairs, exhibitions, commercial missions and company visits when directly linked to tangible investment projects.

The eligible organisations will be as a general rule public and private non-profit organisations (as Universities, Chamber of commerce, Business centres or information centres). They will have to prove that they have the necessary human and material resources in order to provide the training and counselling services required and that the activities granted will be collective and open to any enterprise of the target zones.

The maximum amount of grant will be 100.000 Euro. Participation from the beneficiary will be minimum 20%. In case of profitable organisations the rate of assistance should be adapted and should be 60% of the eligible expenditures.

Sub-component B Modernisation of the Technical and Vocational schools

The specific objectives of this sub-component are:

• to strengthen and consolidate the achievements of the reform achieved through the Phare VET RO 9405 programme for initial Technical and Vocational Education and Training (TVET); and to support the rationalisation and the modernisation of the present TVET system;

• to contribute in reviewing responsibilities, governance and accountability mechanisms in the provision of initial TVET in line with the requirements of social and economic development as defined in the National Development Plan;

• to contribute in promoting equality of opportunity for young people to obtain a good professional qualification at a level equal to European standards, by providing TVET which responds flexibly to the needs of each individual.

The planning of the activities for this component will cover a medium – term perspective of 2 Phare programmes. An indicative figure to cover all the investment needs during the 2 years period has been preliminarily estimated, which includes the 16 Meuro of Phare support in 2001 and an additional amount to be defined in 2002 The pluri-annual perspective corresponds to the planning integrated in the NDP.

In 2001 around 100 schools will be selected in the eleven target areas and will benefit from gradual basic rehabilitation, upgrading of classes and vocational workshops and basic IT equipment. In addition, 11 resources centres will be equipped in order to ensure the provision of training of trainers at local and regional level. An additional number of 11 resource centres, outside the priority areas, will assist the implementation of the IB activities and assure the provision of trainer training at the regional level. Two types of contracts will be concluded under this component:

• A works contract for providing structural repairs and consolidation to the schools presenting serious damages, provision of essential utilities, upgrading of training class room for installing IT equipment and rehabilitation and upgrading of the vocational workshops

• A supply contract with the aim for delivering the information technology and office equipment as well as the preparation of technical specification for specialised equipment.

It is intended to propose funding of the following phases (rehabilitation of vocational workshops, upgrading for installing specialised equipment and delivering of specialised
equipment) under the Phare programme in a later year, conditioned upon the achievement of the general benchmarks, described in the project fiche.

The European Training Foundation will assist the Ministry of Education in Management of the TVET programme, and participate in the programme steering committee.

**Sub-component C: Provision of social services**

This scheme aims to provide social support to people hardest hit by industrial restructuring and those exposed to risk of exclusion and poverty, in urban areas as well as in the rural surroundings. Inspired by the measures decided or implemented through previous Phare programmes (SESAM and RICOP), this scheme is expected to provide employment and training opportunities and will be based on strong partnership between local authorities, NGOs, local public services (like employment offices, schools, hospitals) and local population.

The main objectives of this scheme are:

- To develop the capacity of the social assistance system in Romania to respond to the needs of the citizens by creating appropriate community social services for vulnerable groups in areas facing social-economic difficulties including reorganisation and rehabilitation of selected hostels for elderly persons and development of home care services for elderly people;

- To support social inclusion, poverty reduction and effective labour market integration of the vulnerable social groups in the 11 target areas undergoing severe industrial restructuring;

- To strengthen the capacities of regional and local administrations to build effective and innovative local partnerships in implementing social service initiatives.

The investment component will include the following types of activities:

- Investment for development and improvement of community based social services for vulnerable groups as: social canteens, night shelters for homeless, temporary shelters for young persons leaving institutions, home care services, day care centres, day clubs and respite centres, centres for social recovery and rehabilitation, home services, protected workshops, temporary housing, day centres for people in need, centres for counselling, home-aide support, hot-line advice,

- Investment for the rehabilitation of the selected hostels and the endowment of the elderly care home with specific equipment (medical, social, maintenance and rehabilitation therapy) for this kind of persons;

Preference will be given to financing projects with a strong training impact.

In parallel, the project will finance technical assistance for carrying out a training needs assessment, providing training for trainers, preparing and delivering targeted training packages for young and unemployed people in the course of realisation and for the management of the investment project. Such training will be provided particularly in areas such as social services and the construction industry, in order to promote the trainees' (re)insertion into the labour market. Staff from social services and from training institutions in social fields will also benefit from these training packages (training for trainers).

**Sub-component D Regional infrastructures**

This measure is the continuation of the "pipeline " mechanism initiated in 2000

- Transport infrastructures will only be supported when a direct and demonstrable link to economic development could be established and measured. (number of enterprises concerned, regional importance of the traffic, temporary and/or permanent jobs created and/or maintained).
• Business and tourism infrastructure: Selected projects shall aim to develop infrastructure for business and tourism activity and to rehabilitate existing economic areas, with a view of strengthening the competitiveness of forecasted future beneficiaries and of preparing the conditions for further development and diversification of the tourism sector. No direct support for ‘productive’ (private, public or mixed) tourism investments, like accommodation or catering, will be provided under this component.

• Environmental rehabilitation and protection of industrial sites and areas with economic and tourist potential, including remedial projects for severely contaminated industrial sites

The identification, appraisal, selection and implementation of the projects will follow the same rules decided in 2000: a long list of eligible projects is annexed to the project fiche, the complete feasibility studies including Environmental Impact Assessment will be completed with the support of 2000 Phare programme (PPF component), the final selection of the projects will be made by the National Board for Regional Development. Priority will be given to project located in the 11 target areas.

Sub-component E Small scale infrastructure scheme

The main objectives of this component are:

• To improve the local infrastructure, in order to increase the attractiveness of the urban areas for inward investment, to rehabilitate the urban environment and increase the quality of life of communities affected by loss of employment resulting from industrial restructuring;

• To rehabilitate the historical and cultural built heritage, in order to improve the tourism and business attractiveness of the urban areas.

This measure could allow localities from the target areas to take advantage of the potential positive effects of larger infrastructure development initiatives at regional and national level. The positive effect on employment of public works, even temporary, could also regarded as a tool for economic revival.

The small-scale infrastructure scheme may support projects concerning:

• The rehabilitation and improvement of local transport infrastructure (modernisation, rehabilitation, consolidation works, etc.), environmental infrastructure, health and social infrastructure

• Investment projects intended to improve the quality of tourism infrastructure and to increase the diversification of tourist facilities: rehabilitation and preservation of historical and cultural buildings or famous public sites, museums and other public exhibitions, youth hostels, tourism tour sights.

Direct beneficiaries will be public authorities, public institutions and non-profit organisations (NGOs). Direct support to individual commercial enterprises, groups of commercial enterprises and state-owned enterprises are not eligible. The main selection criteria will be the relevance of the project against the priorities identified for the area, complementarity with other projects, level of local partnership, sustainability and local commitment to the preservation of the public asset, management capacities of the applicant.

The small scale of the projects to be implemented will ensure that there is no potential of overlap with areas of transport or environmental investment which may be eligible for ISPA.
Priority will be given to projects which demonstrate training opportunities for young and unemployed people from the area with a view to promoting the trainees’ (re)insertion into the labour market.

**Sub-component F Awareness campaign, selection, monitoring and evaluation**

The implementation and monitoring of this programme requires technical assistance:

- To ensure a transparent and competitive process for project selection.
- To ensure an appropriate and effective implementation for projects financed under this programme, through close monitoring and ex-ante and ex-post evaluation.
- To develop and sustain an adequate implementation system for the infrastructure type projects, including site supervision and inspection.

For achieving these tasks, the following three type of measures are proposed:

- Awareness campaign and publicity will raise awareness of potential beneficiaries on the availability of Phare support and modalities to access it. Information will be disseminated through a diversity of channels in order to reach as many potential beneficiaries as possible. Support under this activity will include covering costs for press advertisements, seminars and conferences, for editing, publishing, and disseminating information materials, brochures, guidelines. At the end of the programme publicity will be organised to spread among the regions information about the results of the programme and the implemented projects.

- Support will be focused for monitoring and ex-ante and ex-post evaluation for projects financed under this programme through three two types of measures.

  For each component, a team of independent experts, supporting the MDP and the RDAs in the co-ordinating and implementation of the whole selection procedure and ensuring its transparency and efficiency will be in charge of supporting each Evaluation Committee in selecting the individual projects. The Consultant will also have the task of helping the RDAs in project monitoring during the implementation phases, including support for developing systems for assessing the impact of each measure/activity, as well as for actually measuring impact of each measure/activity.

- Support to the Regional Development Agencies will be provided for them to ensure ex-ante evaluation, monitoring, evaluation and control of the projects.

  The Romanian authorities responsible for the implementation of the large-scale infrastructure projects and of the ‘works’ activities contracted under the TVET component should ensure technical site supervision of the contractors’ work. Independent experts agreed by EC Delegation will also supervise the implementation of these projects at regional and national level.

**Visibility/Publicity** The Ministry of Development and Prognosis will require all implementing authorities and project beneficiaries to ensure that projects financed under the Economic and Social Cohesion programme are identified with information panels bearing the EU symbol and providing details of the amount and sources of the financing. For projects where the cost is more than 1 Meuro, information and publicity measures must comply with the provisions detailed in the annex on information and publicity.

**Institutional Framework.** The responsibilities of various Romanian institutions under the programme are summarised in the following table:
### Institutional framework ** Phare 2001 ** Economic and Social Cohesion ** Investment

<table>
<thead>
<tr>
<th>Programme Component</th>
<th>Implementing Agency (contracting, payments and financial control (1))</th>
<th>Project selection authority (Project selection mechanism) (N.B. Representative of line ministries are not voting members in the regional selection committees. (2))</th>
<th>Implementing Authority (Technical implementation and monitoring) (3)</th>
<th>Line Ministries technically competent (Steering committee) (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant schemes for SMEs (A)</td>
<td>Ministry for Development and Prognosis</td>
<td>Regional development Board (Local open calls Regional Selection Committees including RDAs, representatives of MoSMEC, independent evaluators, observers from MDP, MEI, EC delegation)</td>
<td>RDA</td>
<td>Ministry of SMEs and Co-operatives (MDP, RDAs, MoSMEC, Ministry of Labour and Social solidarity, Ministry of Waters and Environment Protection aso)</td>
</tr>
<tr>
<td>Modernisation of vocational schools (B) (works and supply)</td>
<td>Ministry for Development and Prognosis</td>
<td>Regional development board (Regional consortia led by RDAs will select the schools and identify needs)</td>
<td>MDP(works) Ministry of Education and research (supply)</td>
<td>Ministry of Education and Research (MDP, RDAs, MoER, MoLSS aso)</td>
</tr>
<tr>
<td>Social services (C)</td>
<td>Ministry for Development and Prognosis</td>
<td>Regional development board (Local open calls Regional Selection Committees including RDAs, representatives of MLSS, independent evaluators, observers from MDP, MEI, EC delegation)</td>
<td>RDA</td>
<td>Ministry of Labour and Social Solidarity (MDP, RDAs, MoLSS, MoER)</td>
</tr>
<tr>
<td>Regional infrastructures (D)</td>
<td>Ministry for Development and Prognosis</td>
<td>National Board for Regional Development (Maturity and impact of projects appraised at regional level List of projects approved by RDBs Final approval by NBRD based on RDB approval)</td>
<td>RDA National authority for Roads for national roads</td>
<td>Ministry of Transport, National authority for Roads, Ministry of Tourism, Ministry of Environment (MDP, RDAs, Ministry of Public works, Transport and Dwellings, Ministry of Waters, and Environment Protection, Ministry of Tourism)</td>
</tr>
<tr>
<td>Small scale infrastructures (E)</td>
<td>Ministry for Development and Prognosis</td>
<td>Regional development board (Local open calls Regional Selection Committees including RDAs, independent evaluators, observers from MDP, MEI, EC delegation)</td>
<td>RDA</td>
<td>Steering committee: MDP, RDAs, Ministry of Public Works, Transport and Dwellings, Ministry of Waters and Environment protection, Ministry of Tourism aso.)</td>
</tr>
<tr>
<td>Technical assistance (F)</td>
<td>Ministry for Development and Prognosis</td>
<td></td>
<td></td>
<td>Ministry for Development and Prognosis</td>
</tr>
</tbody>
</table>
(1) As implementing agency the MDP will be responsible for elaborating the selection and implementation procedures, contracting the grants with the selected applicants, monitoring and evaluation of the programme and components, acting as paying agency and ensuring the link with National Fund, RDAs and with the contractors/grant beneficiaries and reporting to National Board for Regional Development and EC Delegation on the stage of implementation of the programme.

(2) Regional selection Committees will be set up for each component at regional level in order to assess grant applications and project proposals. Regional selection committees will comprise members of the RDAs, independent experts agreed by the Delegation of the European Commission as voting members and, as observers, the decentralised services of relevant ministries where they exist, and other relevant stakeholders that will be identified at the regional level.

To ensure coherence with national orientation and policies, the Ministry of development and Prognosis will be member of the regional steering committee as observer. Representatives of Ministry of European Integration, representatives of the relevant sectoral ministries (Ministry of SME and Co-operatives, Ministry of Labour and Social Solidarity, Ministry of Education and Research) and representatives of the Delegation of the European may attend as observers.

The regional development boards will take the final decision and the list of selected projects will be endorsed by the Delegation of the European Commission.

As regards sub-component B (TVET), the project selection mechanism will involve regional consortia led by RDAs and gathering County committee for social partnership development and county school inspectorates.

The final list of the selected large regional infrastructure (sub-component D) will be approved by the National Board for regional development and endorsed by the Delegation of European Commission.

(3) The Regional Development Agencies will act as Implementing Authorities, with specific implementation responsibilities for the respective development regions. The RDAs will have overall responsibility for technical implementation and monitoring of the projects within their regions, will chair the Regional Steering Committees, and will prepare and conclude grant contracts with the selected applicants. They will accomplish the tasks related to monitoring and evaluation and ensure the link with MDP. They will also provide reports to Regional Development Board and to the MDP the stage of implementation of the programme.

As regard sub-component B (TVET) implementing authorities will be Ministry of development and Prognosis (works contract) and Ministry of Education and Research (supply contracts). As regards sub-component D (regional infrastructures) National Authority for Roads will be Implementing Authority for national roads.

(4) MDP will chair the National Steering Committees set up for each sub/component of the project, composed of representatives of: the Ministry of Development and Prognosis, Ministry of SMEs and Co-operatives, Ministry of Education and Research, Ministry of Labour and Social Solidarity, Ministry of Transport, National Administration of Roads, the Ministry of Water and Environment Protection, National Centre for Vocational and Technical Education Development, Ministry for European Integration, EC Delegation and other relevant stakeholders identified at the national level for each project sub-component. The main task of the National Steering Committees will be to secure that the actions implemented under the five components of Phare 2001 are in line with the National Development Plan and other relevant strategies. The Steering Committee will have a participative role, offering advice for the selection and implementation of the projects, and will play a role in each phase of the process. The members of the Steering Committee will participate in the monitoring and in the ex-post evaluation of the programme.
The project has the overall objective of improving energy efficiency in the housing sector, providing benefits to both the operators and consumers of district heating services. It aims to demonstrate the technical and financial viability of improving energy efficiency in district heated housing, through the introduction of heat control and metering for individual apartments, and to lead in the longer term to a widespread replication of individual heat control and metering in district heating systems.

The project will permit experience to be gained in the technical and practical aspects of equipping a large number of apartments with thermostatic radiator valves and heat meters, in order to allow the households to control their heat consumption and pay according to their consumption. The sites to benefit from the investment will be selected on the basis of achieving a maximum synergy with investment programmes aimed at rehabilitating district heating generation and distribution systems which are to be financed by EBRD, the Council of Europe Development Bank, and from other sources.

Phare support will finance both the design and the installation of control and metering systems.

Support will also be provided for a review of the billing system, to identify the changes needed in order to provide billing for individual apartments on the basis of their consumption. Any changes needed in legislation and regulations will be prepared. The review should also cover the development of arrangements for financing the investment costs of future large-scale installation of individual control and metering.

Implementation of the project will lead to a better understanding by all parties involved in district heating of the legal, economic and organisational aspects of introduction of individual apartment control and metering. Training will be provided for district heating system operators and block administrators concerned with introduction of the system and the new arrangements for billing. Public awareness campaigns will be undertaken in preparation for the installation of the control and metering systems, and a detailed evaluation of the technical and economic impact of the implementation will be carried out.

This project is an integral part of national and municipal efforts to rehabilitate district heating systems. The planned activities regarding the introduction of individual apartment control and metering systems will be implemented through 100% financing by Phare of a turnkey pilot project. The national co-financing requirement of the Phare project is covered by overall national and municipal financing for rehabilitation of district heating systems, and by the EBRD and Council of Europe Development Bank loans for the same purpose, and the project will be implemented in close co-ordination with these activities.

In view of the complexity of the investment components of this project, and the need to co-ordinate the timing of the activities with overall rehabilitation of district heating systems funded by the IFI loans, an additional period of one year is expected to be required for the disbursement of the Phare grant funds. The deadline for disbursements is therefore 30 November 2005.

The Ministry of Industry and Resources is the Implementing Authority for this project. The CFCU is the Implementing Agency under the Phare DIS.
On the basis of Association Council decisions and Agreements, candidate countries may participate in certain European Community programmes and agencies.

An allocation is provided under the Phare 2001 national programme for Romania to co-finance the financial contribution to be paid by Romania to participate in these programmes and agencies in the following calendar year (2002) with one exception. An allocation for the SAVE programme is made also for participation in 2001, with the condition that Romania pays as a minimum the administrative costs of this participation in 2001.

The total allocation to Community programmes respects the general principle that a maximum of 10% of the Phare national programme may be used for such co-financing. Participation in the R&D programme does not count towards the 10% limit.

The estimated individual allocations for specific programmes are detailed in a separate information fiche.

Co-ordination of Romania’s participation in Community Programmes and Agencies is the responsibility of the Ministry of European Integration.

**RO-0109.02 Phare end-user support for the student participants of the Socrates II Community Programme Erasmus mobility schemes (€ 3.00 M)**

The scheme financed under this project will facilitate access of Romanian higher education students to educational and training resources in Europe by ensuring additional funding for all Romanian students participating in the mobility schemes (Erasmus) of the Socrates II Community Programme.

Given the high level of demand to participate in Socrates II, the project will ensure equal access to studies abroad to all students, irrespective of their financial background, and will provide support to alleviate the financial burden for final beneficiaries.

The scheme will be managed by the Romanian National Agency for Socrates, which is responsible for publishing details of the project and checking the transparency of the information at the university level. The universities will be responsible for the payments of the grants to final beneficiaries. The scheme will be implemented according to the rules established by the National Socrates Council, and approved by the EC Delegation.

The CFCU will enter into an agreement with the National Socrates Agency. This agreement (Memorandum of Understanding) will set the conditions for the transfer to the National Socrates Agency of the totality of the funds, criteria for provision of end-user support, priorities, level of financing, decision making and reporting to CFCU. The financial management of grants will be the responsibility of the National Socrates Agency which will sign grant agreements with universities participating in the scheme. The grants for the final beneficiaries, the students will be allocated on the basis of an individual contract between the university and the student.

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All investment projects financed under this programme which, according to the rules stipulated in Directive 85/337/CEE, as amended by Directive 97/11, require an Environmental Impact Assessment, should be the subject of an Environmental Impact Assessment. If the directive has not yet been fully transposed, the procedure should be similar to that established by the above-mentioned directive.

All investment projects shall be carried out in compliance with the relevant Community environmental legislation. The Project Fiches will contain specific clauses on compliance with
the relevant EU-legislation in the field of the environment according to the type of activity carried out under each investment project.

2. Budget

<table>
<thead>
<tr>
<th>SUB-PROGRAMME</th>
<th>Investment (indicative)</th>
<th>Institution Building (indicative)</th>
<th>OVERALL TOTAL IN M €</th>
</tr>
</thead>
<tbody>
<tr>
<td>RO-0104 Political Criteria</td>
<td>4.00</td>
<td>23.00</td>
<td>27.00</td>
</tr>
<tr>
<td>Continued support for &quot;Children First&quot;; Roma children access to education; Civil Society</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RO-0105 Economic Criteria</td>
<td></td>
<td>5.60</td>
<td>5.60</td>
</tr>
<tr>
<td>Support for the Development of Improved Management of Municipal Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RO-0106 Strengthening administrative capacity</td>
<td>0.70</td>
<td>17.30</td>
<td>18.00</td>
</tr>
<tr>
<td>Strengthening the institutional capacity of the Ministry of Public Administration; Develop an operational National Institute of Public Administration; Creating a Corps of Professional Public Managers within the Civil Service; Design and implement mechanisms for the full application of the Civil Servants Statute Law; Strengthening the Capacity of the Romanian Ombudsman; Project Preparation Facility, Project Cycle Management Training and Facility for Short- and Medium-Term Twinning (&quot;Twinning Light&quot;); Strengthening the Romanian institutional capacity to apply the measures foreseen within the National Plan for Agriculture and Rural Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RO-0107 Meeting the obligations of the acquis</td>
<td>35.22</td>
<td>32.38</td>
<td>67.60</td>
</tr>
<tr>
<td>Strengthening the National Regulatory Authority for Information Technology and Communications (NRA-IT&amp;C); Adoption and implementation of the audio-visual acquis; Further strengthening of the operation capacity of the Romanian Customs Administration; Compliance of Romanian statistics with European statistical system; National Bank of Romania - Institution Building: Intellectual and industrial property; Strengthening the phytosanitary administration capacity in order to adopt and implement the acquis communautaire; Developing and implementing the nationwide bovine animal Identification and Registration System; Strengthening the Romanian fishery institution and identification of development opportunities; Strengthening of key institutions in the energy sector; Improvement of Road Safety and Institution Building in the field of Transport; Improvement of maritime and inland waterway safety; Improvement of railway safety; Strengthening epidemiological surveillance and control of communicable diseases; Assistance for the implementation of environmental policies; Strengthening border management; Strengthening the management of the migration phenomenon.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RO-0108 Economic and Social Cohesion</td>
<td>81.00</td>
<td>28.25</td>
<td>109.25</td>
</tr>
</tbody>
</table>
All projects involving the supply of equipment and works require national co-financing as shown in the relevant project fiche. If the total cost of such equipment or works turns out to be less than the amount envisaged in the fiche, the amount of Phare support will be reduced to maintain unchanged the relative proportions of Phare support and national co-financing shown in the fiche. If the total cost turns out to be greater than the amount envisaged in the fiche, the extra support required will be provided by additional national co-financing.

3. Implementation Arrangements

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) procedures. The National Aid Co-ordinator (NAC) will have overall responsibility for programming, monitoring and implementation of Phare programmes. The National Aid Co-ordinator and the National Authorising Officer shall be jointly responsible for co-ordination between PHARE (including PHARE CBC), ISPA and SAPARD.

The National Fund (NF) in the Ministry of Public Finance, headed by the National Authorising Officer (NAO), will supervise the financial management of the Programme, and will be responsible for reporting to the European Commission. The National Authorising Officer shall have overall responsibility for financial management of the PHARE funds. He shall ensure that the PHARE rules, regulations and procedures pertaining to procurement, reporting and financial management, as well as Community state aid rules are respected, and that a proper reporting and project information system is functioning. The National Authorising Officer shall have the full overall accountability for the PHARE funds of a programme until the closure of the programme.

Appropriate financial control shall be carried out by the competent National Control Authority with respect to the implementation of the programme.

The Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Romania in December 1998. Funds will be transferred following requests from the NAO.

A distinction should be made between the payments concerning the participation in Community programmes and agencies and the payments concerning the other sub-programmes. However, only 1 bank account will be opened at the National Fund.

1/ Community programmes and agencies

A single advance will be made to the National Fund to cover the full amount of the PHARE part of the financial contribution for participation in Community programmes and agencies.

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1 Taking into consideration the rules set down in the annex of Council Regulation 1266/1999

(programme no. RO-0109.01). This advance will be made, following signature of the Financing Memorandum and upon request from the National Fund.

This advance is separate from the advances made for the rest of the programme. However, it should be noted that the Phare contribution for each programme will only be transferred after the entry into force of the Association Council Decision establishing the terms and conditions for participation in that programme. If there is a delay in the entry into force of some of the Association Council Decisions the payment to the National Fund may be divided into two or more tranches, so that 100% of the funds necessary for the programmes in force can be transferred immediately.

The National Fund will be responsible for transferring the funds back to the Commission, following the call for funds of the Commission’s Directorate General responsible for the programmes concerned and within the deadlines requested.

2/ Other sub-programmes

A payment of up to 20% of the funds to be managed locally\(^2\) will be transferred to the NF following signature of the Financing Memorandum and the Financing Agreements (FAs) between the NF and the Implementing Agencies (IAs)/Central Finance and Contracts Unit (CFCU). The provisions foreseen in articles 2 and 13 of the MoU on the NF must also be met. Furthermore, the NAO must submit to the Commission the designation of the PAOs and a description of the system put in place, highlighting the flow of information between the NF and the IA/CFCU and the manner in which the payment function will be carried out.

Four Replenishments will be made of up to 20% of the funds to be managed locally* or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 10% of the budget* has been disbursed by the IAs and the CFCU. The second replenishment may be requested when 30% of the total budget* in force has been disbursed. The trigger point for the third replenishment is 50%, and for the final fourth instalment when 70% is disbursed*. Save for express prior authorisation from the Commission HQs, no replenishment request may be made if the aggregate of the funds deposited in the NF and the IAs exceeds 10% of the total budget in force of the commitment. Exceptionally the NAO may request an advance payment of more than 20% in accordance with the procedures laid down in the aforesaid Memorandum of Understanding.

The CFCU will act as Implementing Agency for all components of the programme with the exception of RO-0108.03 Investments in Economic and Social Cohesion, for which the Ministry of Development and Prognosis will act as Implementing Agency and RO-0109.02 Phare End-user Support for the student participants of the Socrates II Community Programme Erasmus mobility schemes, for which the National Agency for Socrates will act as Implementing Agency.

The National Fund will transfer funds to Implementing Agencies, including the Central Financing and Contracting Unit (CFCU), in accordance with Financing Agreements (FAs) signed between the NFs and the IAs/CFCU where applicable. Each individual FA will be endorsed in advance by the European Commission. In cases where the NF is itself the paying agent for the CFCU/IA there will be no transfer of funds from the NF to the CFCU/IA. The CFCU and the IAs must each be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the relevant CFCU/IA.

The following table summarises the Implementing Authorities responsible for the technical implementation of all projects within the programme:

\(^2\) excluding the amount foreseen for participation in Community programmes (RO-0109.01)
<table>
<thead>
<tr>
<th>RO-0104.01</th>
<th>Continued support for “Children First”</th>
<th>National Authority for Protection of Children’s Rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>RO-0104.02</td>
<td>Access of Roma Children to Education</td>
<td>Ministry of Education, Directorate for Pre-university Education</td>
</tr>
<tr>
<td>RO-0104.03</td>
<td>Civil Society</td>
<td>Romanian Civil Society Development Foundation</td>
</tr>
<tr>
<td>RO-0105.01</td>
<td>Support for the Development of Improved Management of Municipal Services</td>
<td>Ministry of Public Administration</td>
</tr>
<tr>
<td>RO-0106.01</td>
<td>Strengthening the institutional capacity of the Ministry of Public Administration</td>
<td>Ministry of Public Administration</td>
</tr>
<tr>
<td>RO-0106.02</td>
<td>Develop an operational National Institute of Public Administration capable of educating competent civil servants</td>
<td>Ministry of Public Administration</td>
</tr>
<tr>
<td>RO-0106.03</td>
<td>Creating a Corps of Professional Public Managers within the Civil Service</td>
<td>Ministry of Public Administration/National Civil Servants’ Agency</td>
</tr>
<tr>
<td>RO-0106.04</td>
<td>Design and implement mechanisms for the full application of the Civil Servants Statute Law</td>
<td>Ministry of Public Administration/National Civil Servants’ Agency</td>
</tr>
<tr>
<td>RO-0106.05</td>
<td>Strengthening the Capacity of the Romanian Ombudsman</td>
<td>Office of the Romanian Ombudsman</td>
</tr>
<tr>
<td>RO-0106.06</td>
<td>Project Preparation Facility, Project Cycle Management Training and Facility for Short- and Medium-Term Twinning (“Twinning Light”)</td>
<td>Ministry of European Integration</td>
</tr>
<tr>
<td>RO-0106.07</td>
<td>Strengthening the Romanian institutional capacity to apply the measures foreseen within the National Plan for Agriculture and Rural Development</td>
<td>Ministry of European Integration</td>
</tr>
<tr>
<td>RO-0107.01</td>
<td>Strengthening the National Regulatory Authority for Information Technology and Communications (NRA-IT&amp;C)</td>
<td>Ministry for Communications and Information Technology/(NRA-IT&amp;C)</td>
</tr>
<tr>
<td>RO-0107.02</td>
<td>Adoption and implementation of the audio-visual acquis</td>
<td>National Audio-visual Council</td>
</tr>
<tr>
<td>RO-0107.03</td>
<td>Further strengthening of the operation capacity of the Romanian Customs Administration</td>
<td>Romanian Customs Administration</td>
</tr>
<tr>
<td>RO-0107.04</td>
<td>Compliance of Romanian statistics with European statistical system</td>
<td>National Institute for Statistics and Economic Studies</td>
</tr>
<tr>
<td>RO-0107.05</td>
<td>National Bank of Romania - Institution Building</td>
<td>National Bank of Romania</td>
</tr>
<tr>
<td>RO-0107.06</td>
<td>Strengthening of implementing authorities of intellectual and industrial property rights</td>
<td>OSIM (Romanian Patent Office)</td>
</tr>
<tr>
<td>RO-0107.07</td>
<td>Strengthening the phytosanitary administration capacity in order to adopt and implement the acquis communautaire</td>
<td>Ministry of Agriculture, Food and Forestry, Phytosanitary Department</td>
</tr>
<tr>
<td>RO-0107.08</td>
<td>Developing and implementing the nation-wide bovine animal Identification and Registration System</td>
<td>Ministry of Agriculture, Food and Forestry, Sanitary Veterinary Agency</td>
</tr>
<tr>
<td>RO-0107.09</td>
<td>Strengthening the Romanian fishery institution and identification of development opportunities</td>
<td>Ministry of Agriculture, Food and Forestry, Directorate General for Fisheries</td>
</tr>
<tr>
<td>RO-0107.10</td>
<td>Strengthening of key institutions in the energy sector</td>
<td>Ministry of Industry and Resources</td>
</tr>
<tr>
<td>RO-0107.11</td>
<td>Improvement of Road Safety and Institution Building in the field of Transport</td>
<td>Ministry of Public Works, Transport and Housing</td>
</tr>
<tr>
<td>RO-0107.12</td>
<td>Improvement of maritime and inland waterway safety</td>
<td>Ministry of Public Works, Transport and Housing</td>
</tr>
<tr>
<td>RO-0107.13</td>
<td>Improvement of railway safety by modernisation of the Romanian railway testing centre</td>
<td>Ministry of Public Works, Transport and Housing</td>
</tr>
<tr>
<td>RO-0107.14</td>
<td>Strengthening the Romanian system for epidemiological surveillance and control of communicable diseases</td>
<td>Ministry of Heath</td>
</tr>
<tr>
<td>RO-0107.15</td>
<td>Assistance for the implementation of environmental policies in Romania</td>
<td>Ministry of Water and Environmental protection</td>
</tr>
<tr>
<td>RO-0107.16</td>
<td>Strengthening border management</td>
<td>Ministry of Interior</td>
</tr>
<tr>
<td>RO-0108.01</td>
<td>Institution Building for Economic and Social Cohesion</td>
<td>Ministry of Development and Prognosis co-ordinating other ministries; 8 regional Development agencies</td>
</tr>
<tr>
<td>RO-0108.02</td>
<td>Social Services Institution Building</td>
<td>Ministry of Labour and Social Solidarity</td>
</tr>
<tr>
<td>RO-0108.03</td>
<td>Investments in Economic and Social Cohesion</td>
<td>See summary table above</td>
</tr>
<tr>
<td>RO-0108.04</td>
<td>Energy efficiency improvement in district heating systems</td>
<td>Ministry of Industry and Resources</td>
</tr>
<tr>
<td>RO-0109.01</td>
<td>Participation in Community Programmes and Agencies</td>
<td>Ministry of European Integration</td>
</tr>
<tr>
<td>RO-0109.02</td>
<td>Phare end-user support for the student participants of the Socrates II Community Programme Erasmus mobility schemes</td>
<td>Ministry of Education and Research</td>
</tr>
</tbody>
</table>

A separate bank account, denominated in Euro will be opened and managed by the NF in a separate accounting system in a Bank agreed in advance with the Commission. In principle, all bank accounts will be interest bearing. Interest will be reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be reinvested in the Programme. The same procedures will apply to any funds transferred to an IA or the CFCU.

The NAO and the PAOs will ensure that all contracts are being prepared in accordance with the PHARE Decentralised Implementation System (DIS) procedures.

In the case of grant schemes supporting NGO projects under the Civil Society project, and within the sub-programme "Economic and Social Cohesion", contracts with the beneficiaries of grants may specify, as an exception to normal Phare procedures, that payments will be made on the basis of an advance payment of 50%, a subsequent interim payment of up to 40% and a final payment of the remaining balance of the grant, rather than the normal 80% advance payment and 20% final payment, where the National Authorising Officer considers this necessary to ensure adequate control over the implementation of the grant schemes.

As regards the size of grants for SME support under the sub-programme "Economic and Social Cohesion", in line with the approach developed under Phare 2000, and in view of the continuing emphasis on start-ups and micro-enterprises, as an exception grants of less than € 50,000 may be awarded.

The first consolidated draft of twinning covenants must be submitted to the EC Delegation within 3 months of the Delegation's notification to the Member States of their selection as twinning partner. Failure to meet this deadline can result in the re-circulation of the relevant project fiche.

The amounts earmarked for twinning projects will cover the eligible costs (as set down in the DIS instructions) for implementing the work plan agreed between the Member State and the Applicant Country. The eligible costs may include costs incurred by the selected Member State during the preparation of the twinning covenant in the period between signature of the financing memorandum and the final notification of the financing approval of the covenant.
All contracts will be greater than 2 million euro, except in projects involving institution building, where contracts for both services and supplies may be for lesser amounts.

Contracts must be concluded by 30 November 2003. Disbursements must be made by 30 November 2004, with the exception of the following investment projects, where the disbursement period will continue until 30 November 2005, to allow adequate time for implementation of complex works and/or procurement projects:

<table>
<thead>
<tr>
<th>RO-0108.04</th>
<th>Energy efficiency improvement in district heating systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>RO-0107.12</td>
<td>Improvement of maritime and inland waterway safety</td>
</tr>
<tr>
<td>RO-0107.15</td>
<td>Assistance for the implementation of environmental policies in Romania</td>
</tr>
<tr>
<td>RO-0108.03</td>
<td>Investments in Economic and Social Cohesion</td>
</tr>
</tbody>
</table>

Any funds not used by the expiry date of the programme will be recovered by the Commission.

For those contracts with funds retained for a warranty period extending beyond the end of the disbursement period of the programme, the overall total of funds related to those contracts, as calculated by the PAO and established by the Commission, will be paid to the Implementing Agency before the official closure of the programme. The Implementing Agency assumes full responsibility of depositing the funds until final payment is due and for ensuring that said funds will only be used to make payments related to the retention clauses. The Implementing Agency further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Interests accrued on the funds deposited will be paid to the Commission after final payment to the contractors. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued will annually be provided by the NAO to the Commission.

4. Monitoring and Assessment

A Joint Monitoring Committee (JMC) will be established. It will include the National Authorising Officer, the National Aid Co-ordinator and the Commission. The JMC will meet at least once a year to review all Phare funded programmes in order to assess their progress towards meeting the objectives set out in Financing Memoranda and the Accession Partnership. The JMC may recommend a change of priorities and/or the re-allocation of Phare funds.

The JMC will be assisted by Monitoring Sub-Committees (MSC) and will include the National Aid Co-ordinator, the Programme Authorising Officer of each Implementing Agency (and of the CFCU where applicable) and the Commission Services. The MSC will review in detail the progress of each programme, including its components and contracts, on the basis of regular Monitoring and Assessment reports produced with the assistance of external consultant (in accordance with the provisions of the DIS Manual), and will put forward recommendations on aspects of management and design, ensuring these are effected. The MSC will report to the JMC, to which it will submit overall detailed reports on all Phare financed programmes.
5. Anti-fraud-measures, Audit and Evaluation

All financing memoranda as well as the resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the EC Delegation in the Candidate Country concerned and on-the-spot checks.

In order to ensure efficient protection of the financial interests of the Community, the Commission can conduct check-ups and inspections on site in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96 dated from November 11, 1996, concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities’ financial interests against fraud and other irregularities.

The procedures foreseen in Art. 15 para 3 of Commission Regulation No. 2222/2000 dated from June 7, 2000, on the communication in case of irregularities and the putting in place of a system to administrate the information in this field shall apply. The accounts and operations of the National Fund, and, where applicable, the CFCU and all relevant Implementing Agencies may be checked at the Commission’s discretion by an outside auditor contracted by the Commission without prejudice to the responsibilities of the Commission and the European Union's Court of Auditors as referred to in the General Conditions relating to the Financing Memorandum attached to the Framework Agreement.

The Commission services shall ensure that an ex-post evaluation is carried out after completion of the Programme.

6. Visibility/Publicity

The appropriate Programme Authorising Officer will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme. This will be done in close liaison with the Commission Delegation. Further details are at the Annex 'Visibility/Publicity".

7. Special conditions

Successful implementation of the Phare 2001 Romania National Programme requires the Government of Romania to make a particular effort to identify and remedy gaps and weaknesses in the management systems under which the programme will be implemented. The National Aid Co-ordinator will, by 31 March 2002 prepare a governmental action plan to be agreed with the European Commission specifying the actions needed to reinforce the implementing agencies and implementing authorities in order to ensure that all have an adequate endowment of qualified full-time personnel, as well as operating budgets and other necessary conditions for the effective implementation of programmes. As regards financial management capacities, the action plan will draw on relevant elements of the “gap analysis” currently being undertaken of the institutional capacities of implementing agencies for implementation of extended decentralisation for Phare programmes in Romania. As regards technical management capacity, the action plan will be based on an assessment of the resources required within each implementing authority, taking account of the size and complexity of the programmes for which they are responsible.

The action plan should give particular attention to areas of activity where Phare support is likely to continue on a multi-annual basis.
In the event that agreed commitments are not met for reasons which are within the control of the Government of Romania, the Commission may review the programme with a view, at the Commission's discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Phare programme.
ANNEX ON

INFORMATION AND PUBLICITY FOR THE PHARE, ISPA AND SAPARD PROGRAMMES OF THE EUROPEAN COMMUNITIES

1. Objective and scope

Information and publicity measures concerning assistance from the European Community Phare Programme are intended to increase public awareness and transparency of EU action and to create a consistent image of the measures concerned in all applicant countries. Information and publicity shall concern measures receiving a contribution from the Phare Programme.

2. General principles

The appropriate Programme Authorising Officer in charge of the implementation of Financing Memoranda, and other forms of assistance shall be responsible for publicity on the spot. Publicity shall be carried out in co-operation with the EC Delegations, which shall be informed of measures taken for this purpose.

The competent national and regional authorities shall take all the appropriate administrative steps to ensure the effective application of these arrangements and to collaborate with the EC Delegations on the spot.

The information and publicity measures described below are based on the provisions of the regulations and decisions applicable to the Structural Funds. They are:


Specific provisions concerning ISPA are included in:


Information and publicity measures must comply with the provisions of the above mentioned regulation and decision. A manual on compliance is available to national, regional and local authorities from the EC Delegation in the country concerned.

3. Information and publicity concerning Phare programmes

Information and publicity shall be the subject of a coherent set of measures defined by the competent national, regional and local authorities in collaboration with the EC Delegations for the duration of the Financing Memorandum and shall concern both programmes and other forms of assistance.

The costs of information and publicity relating to individual projects shall be met from the budget for those projects.
When Phare programmes are implemented, the measures set out at (a) and (b) below shall apply:

(a) The competent authorities of the applicant countries shall publish the content of programmes and other forms of assistance in the most appropriate form. They shall ensure that such documents are appropriately disseminated and shall hold them available for interested parties. They shall ensure the consistent presentation throughout the territory of the applicant country of information and publicity material produced.

(b) Information and publicity measures on the spot shall include the following:

(i) In the case of infrastructure investments with a cost exceeding EUR 1 million:

- billboards erected on the sites, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

- permanent commemorative plaques for infrastructures accessible to the general public, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

(ii) In the case of productive investments, measures to develop local potential and all other measures receiving financial assistance from Phare, Ispa or Sapard:

- measures to make potential beneficiaries and the general public aware of Phare, Ispa or Sapard assistance, in accordance with the provisions cited at paragraph 3(b)(i) above.

- measures targeting applicants for public aids part-financed by Phare, ISPA or SAPARD in the form of an indication on the forms to be filled out by such applications, that part of the aid comes from the EU, and specifically, the Phare, ISPA or SAPARD Programmes in accordance with the provisions outlined above.

4. Visibility of EU assistance in business circles and among potential beneficiaries and the general public

4.1 Business circles

Business circles must be involved as closely as possible with the assistance, which concerns them most directly.

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to potential beneficiaries, particularly SMEs. These should include an indication of the administrative procedures to be followed.

4.2 Other potential beneficiaries

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to all persons who benefit or could benefit from measures concerning training, employment or the development of human
resources. To this end, they shall secure the co-operation of vocational training bodies involved in employment, business and groups of business, training centres and non-governmental organisations.

Forms

Forms issued by national, regional or local authorities concerning the announcement of, application for and grant of assistance intended for final beneficiaries or any other person eligible for such assistance shall indicate that the EU, and specifically the Phare, Ispa or Sapard Programmes, is providing financial support. The notification of aid sent to beneficiaries shall mention the amount or percentage of the assistance financed by the Programme in question. If such documents bear the national or regional emblem, they shall also bear the EU logo of the same size.

4.3 The general public

The media

The competent authorities shall inform the media in the most appropriate manner about actions co-financed by the EU, and Phare, ISPA or SAPARD in particular. Such participation shall be fairly reflected in this information.

To this end, the launch of operations (once they have been adopted by the Commission) and important phases in their implementation shall be the subject of information measures, particularly in respect of regional media (press, radio and television). Appropriate collaboration must be ensured with the EC Delegation in the applicant country.

The principles laid down in the two preceding paragraphs shall apply to advertisements such as press releases or publicity communiqués.

Information events

The organisers of information events such as conferences, seminars, fairs and exhibitions in connection with the implementation of operations part-financed by the Phare, Ispa or Sapard Programmes shall undertake to make explicit the participation of the EU. The opportunity could be taken of displaying the European flags in meeting rooms and the EU logo upon documents depending on the circumstances. The EC Delegation in the applicant country shall assist, as necessary, in the preparation and implementation of such events.

Information material

Publications (such as brochures and pamphlets) about programmes or similar measures financed or co-financed by Phare, Ispa or Sapard should, on the title page, contain a clear indication of the EU participation as well as the EU logo where the national or regional emblem is used.

Where such publications include a preface, it should be signed by both the person responsible in the applicant country and, for the Commission, the Delegate of the Commission to ensure that EU participation is made clear.

Such publications shall refer to the national and regional bodies responsible for informing interested parties.
The above-mentioned principles shall also apply to audio-visual material.

5. **Special arrangements concerning billboards, commemorative plaques and posters**

In order to ensure the visibility of measures part-financed by the Phare, Ispa or Sapard Programmes, applicant countries shall ensure that the following information and publicity measures are complied with:

**Billboards**

Billboards providing information on EU participation in the financing of the investment should be erected on the sites of all projects in which EU participation amounts to EUR 1 million or more. Even where the competent national or regional authorities do not erect a billboard announcing their own involvement in financing the EU assistance must nevertheless be announced on a special billboard. Billboards must be of a size which is appreciable to the scale of operation (taking into account the amount of co-financing from the EU) and should be prepared according to the instructions contained in the technical manual obtainable from EC Delegations, referred to above.

Billboards shall be removed not earlier than six months after completion of the work and replaced, wherever possible, by a commemorative plaque in accordance with the specifications outlined in the technical manual referred to above.

**Commemorative plaques**

Permanent commemorative plaques should be placed at sites accessible to the general public (congress centres, airports, stations, etc.). In addition to the EU logo, such plaques must mention the EU part financing together with a mention of the relevant Programme (Phare, Ispa or Sapard).

Where a national, regional or local authority or another final beneficiary decides to erect a billboard, place a commemorative plaque, display a poster or take any other step to provide information about projects with a cost of less than EUR 1 million, the EU participation must also be indicated.

6. **Final provisions**

The national, regional or local authorities concerned may, in any event, carry out additional measures if they deem this appropriate. They shall consult the EC Delegation and inform it of the initiatives they take so that the Delegation may participate appropriately in their realisation.

In order to facilitate the implementation of these provisions, the Commission, through its Delegations on the spot, shall provide technical assistance in the form of guidance on design requirements, where necessary. A manual will be prepared in the relevant national language, which will contain detailed design guidelines in electronic form and this will be available upon request.