Ex Post Evaluation of the European Union Solidarity Fund 2002-2016

Case Study – Romania

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1. INTRODUCTION

This report presents a case study for the Ex-Post Evaluation of the European Union Solidarity Fund, assessing the EUSF application relating to **floods in the region of South West Oltenia in July-August, 2014 (case 115)** – an early post-reform case.[1] The aim of the case study is to analyse the implementation and performance of the EUSF as a contribution to understanding the effectiveness, efficiency, relevance, added value and solidarity of the EU funding. The report sets out the context for the EUSF support and a brief overview of the intervention. It then examines the experience of implementation, the factors influencing implementation, the relevance of EUSF, the administrative burdens and costs associated with the intervention, the achievements and added value of the EUSF support and the lessons learned. An annex provides details on the methodology, data sources and interviews covered for the preparation of the report.

2. CONTEXT

Romania has one of the highest levels of flood risk in Europe.[2] In particular, the South West Oltenia region is repeatedly affected by floods.[3] New research suggests the region is subject to significant recent climate changes that led to new records in terms of temperature and rainfall registered for the month of August between 2000 and 2017 compared to the previous century (1900-1990).[4]

In summer 2014, Romania experienced torrential rain that led to major flooding in the five counties of Dolj, Gorj, Mehedinti, Olt and Valcea in South West Oltenia. The heavy rainfall and subsequent flooding began on 28 July 2014 and continued until mid-August, causing significant damage to infrastructure, businesses, public and private buildings, and agriculture.[5] Repeated heavy downpours exceeded the capacity of river basins, which were very quickly unable to cope with the volume of water, resulting in dangerous torrents and large-scale flooding. Emergency operations were carried out by local and central authorities to mitigate the effects of the heavy rainfall, floods and associated problems.

Some 125 thousand people were directly affected in the five counties. Damage included partial or complete devastation of more than 2,300 homes. Agriculture was severely affected, with approximately 40,000 hectares of crops ruined, and 700 livestock animals drowned. Clogged pipes and damage to water treatment plants left some rural areas with restricted access to safe drinking water. The flooding had a significant and lasting impact on the living conditions of the population, with over 20 schools, nine kindergartens, 11 churches, three health centres and other cultural buildings requiring restoration work.

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[1] The case study was researched and originally drafted by Monica Roman and Liliana Lucaciu and revised and edited by the EPRC Core Team.

[2] Zaharia L and Ioana-Toroimac G (2018) Overview of River-Induced Hazards in Romania: Impacts and Management, in M Zelenakova M (ed.) *Water Management and the Environment: Case Studies*. WINEC 2017. Water Science and Technology Library, 86: 197-211, Springer, Cham.

[3] Oltenia was most recently affected by floods in summer 2018, https://www.igsu.ro/media/comunicate/IGSU_efecte_29_iunie.pdf.

[4] Constantin D, Floriana Marinică A, Marinica I, Zaharia L, Grigore E and Ioana-Toroimac, G (2018) *The months of August 2000 to 2017: temperature and rainfall records in South-Western Romania*. Paper to 31st Colloquium of International Association for Climate, Nice: https://bit.ly/2LbV4DU

[5] Application Form for EU Solidarity Fund – Romania summer flooding of 2014, p.3.

The flooding was not restricted to Romania, affecting a large area of south-eastern Europe in spring/summer 2014, including Bulgaria, Croatia, Serbia and Italy. These countries also made applications to the EUSF requesting financial assistance.

3. OVERVIEW OF EUSF INTERVENTION

The Romanian authorities submitted an application to the Commission on 3 October 2014, within ten weeks of the date of the floods, requesting financial assistance from the European Union Solidarity Fund (see Table 1). In the application, the total direct damage was estimated at EUR 196.922 million.[6] Most of the damage affected the agriculture and forestry sectors (51 percent of the total damage estimated) with infrastructure accounting for 45 percent. Other types of damage accounted for small shares of less than 2 percent, such as damage to private homes and assets (1.5%), cleaning up (1.3%), cultural heritage (0.4%) and cost of emergency services (0.3%). The estimated cost of eligible operations was calculated as EUR 93.955 million, 47.71 percent of total direct damage.

A recalculation of the damage to agriculture and forestry requested by the Commission, to avoid duplication of damage estimates by different institutions, led to a reduction in the estimate of total damage from the initial value of EUR 196.922 million to EUR 171.911 million.[7]

Table1: Timeline of the EUSF intervention

Intervention stage	Date
Disaster occurrence	28/07/2014
Application submission	03/10/2014
Clarification request from EC	5/12/2014
Response to clarification request	13/01/2015
Date of proposal	09/04/2015
Date of EP and Council Decision	08/07/2015
Commission Implementing Decision	06/08/2015
Payment date	23/08/2015
Implementation period end	23/02/2017
Implementation Report due	23/08/2017
Implementation Report received (following granted extension)	23/03/2018
Closure date	Ongoing

Source: DG REGIO, 2018.

As the total direct damage was below the threshold for a major disaster, the application was assessed under the regional disaster criterion. The estimated damage represented 1.88 percent of the regional GDP of the NUTS 2 Sud-Vest Oltenia region[8], above the eligibility threshold of 1.5 percent.[9] The Commission accepted the revised estimates of

[6] European Commission, EUSF Application Assessment Form, Romania, Summer Flooding of 2014. (CCI2014RO16SPO002), p. 4-5.

[7] *Ibid.*

[8] The final figure was 1.64 percent, after the adjustments made following the clarifications requested by DG REGIO, according to:, Romanian Government, Report on the Implementation of the European Union Solidarity Fund - Summer 2014, March 2018, p. 11.

[9] Romanian Government, Report on the Implementation of the European Union Solidarity Fund - Summer 2014, March 2018.

damage and on 9 April 2015 proposed mobilisation of the Fund to the Parliament and Council; this was agreed on 8 July 2015.[10]

On 6 August 2015, the Commission issued Implementing Decision C (2015) 5656, awarding a financial contribution of EUR 4.3 million from the EUSF to finance emergency and recovery operations. The date of the receipt of the amount transferred to the Romanian Government was 23 August 2015. The implementation period therefore ran for 18 months from 23 August 2015 to 23 February 2017. The Implementation Report was due in August 2017; however, following a request from Romania, an extension was granted to March 2018. The extension was requested to allow ineligible expenditure established after audit missions to be replaced with other, eligible expenditure, but this was only partly successful. In the course of the audit process, the level of eligible costs for reimbursement was reduced; only 71 percent of the funding allocated from the Fund was finally deemed eligible. The Implementation Report was delivered on 23 March 2018 and subsequently translated, and the case is currently awaiting closure.

Table 2: EUSF granted and reported (EUR million)

Categories of damage	EUSF awarded	EUSF reported
Infrastructure restoration	2.670	1.736
Temporary accommodation	0.143	0.284
Preventative infrastructure	1.126	1.005
Clean-up of disaster area	0.358	0.023
Total	4.298	3.048

Source: DG REGIO, 2018.
Note: breakdown by category is based on applicant estimates of eligible operations.

Comparison of the timetable for this case with other EUSF cases[11] indicates that the time period between the occurrence of the disaster and the payment of aid was (at 55.6 weeks) very similar to the average of all 47 EUSF flooding cases (56.3 weeks) and shorter than the average for all six EUSF cases in Romania (66.4 weeks) (see Table 3). The duration of the application submission and updating process was, at 24.1 weeks,[12] much longer than the average for all flooding cases (14.9 weeks), although only about a month longer than the average for all Romanian cases. The Commission assessment was, though, faster than both averages.

[10] Commission Implementing Decision C(2015) 5656/2015 awarding a financial contribution from the European Union Solidarity Fund to finance emergency and recovery operations following the disaster caused by flooding in Romania.

[11] Based on analysis of all EUSF cases undertaken for the Interim Report.

[12] The CMA notes that nine weeks of this time was the duration between submission of the application and the Commission request for clarification.

Table 3: Comparison of administration of the case study with other EUSF cases

Indicators	Case study : RO115 (weeks)	Average of all other Floods (weeks) (n=48)	Average of all RO interventions (weeks) (n=7)
Submission of application in relation to deadline*	-2.4	:	:
Application completion duration	24.1	14.9	20.7
Commission assessment duration	12.3	14.6	18.6
EP & EC assessment duration	12.9	12.5	9.9
Time between disaster occurrence and payment of aid to beneficiary country	55.6	56.3	64.8
Submission of IR in relation to deadline*	+0.3	6.5	11.3
Duration of updates to implementation report	:	88.8	183.9**
Duration of closure process	:	72.6	140.9

Source: DG REGIO, 2018.
* Number of weeks that the application/IR was submitted before or after the deadline.
**This is influenced by one case, Case RO62, where the Implementation Report was submitted one year late in April 2012. Last update to the implementation report was in 21 November 2016.

4. IMPLEMENTATION OF EUSF

The following sections describe the implementation of the EUSF in more detail, covering the institutional context, as well as the specific phases of the grant: application/submission, evaluation/assessment and approval, implementation and closure, as well as the public visibility of the EU contribution.

4.1 Institutional context

The institutional architecture for the implementation of the EUSF financial contribution is designed for each grant awarded and set out in Government Decisions (GD), in this case GD 1021/2015.[13] The main organisational elements are as follows (see Table 4).

The Coordination and Management Authority (CMA) is a permanent body within the Chancellery of the Prime Minister[14] (Directorate for Coordination of Policies and Priorities) and, in the case of a disaster involving EUSF intervention, is responsible for the overall management and coordination of EUSF implementation in Romania.

For each EUSF intervention, individual government ministries take on the roles of Implementing Authorities (IAs), depending on the forms of damage experienced and the responsibilities/tasks required for recovery operations. For the 2014 summer floods, the institutional architecture was based on eight IAs (government ministries) entrusted to carry out the implementation of the financial contribution in their areas of responsibility.

[13] Romanian Government Decision No. 1021 of 30 December 2015, regarding the use of funds allocated from EUSF to defray the eligible public costs related to the emergency operations undertaken in order to eliminate the damage produced by the floods occurred in the spring and summer of 2014 […], accessible at: http://legislatie.just.ro/Public/DetaliiDocument/174584.

[14] General Secretariat of the Government of Romania, as per the latest Government structure from 2017 onwards.

EUSF implementing units were set up within each IA and entrusted with the management of the eligible operations of EUSF-funded projects. The organisational structure of each EUSF implementing unit was established under an order of the Minister responsible for the IA. The duties of the implementing units for the management of the European Union Solidarity Fund were established under Subsidiary Implementing Agreements Nos 1-8 signed between the CMA and IAs.[15]

Table 4: Institutions and roles in the implementation of the EUSF support

Institution	Role	Comments
Chancellery of the Prime Minister, currently the General Secretariat of the Government Directorate for Coordination of Policies and Priorities (Direcția Coordonare Politici și Priorități)	EUSF CMA	EUSF CMA is the body which, in accordance with the legal framework in force, ensures the coordination of the entire activity pertaining to the accessing and management of the non-reimbursable financial aid from EUSF.
1. Ministry of Internal Affairs (MAI) 2. Ministry of the Environment, Waters and Forestry, 3. Ministry of National Defence, 4. Ministry of Regional Development and Public Administration (MDRAP) 5. Ministry of Health, 6. Ministry of Transport (MT) 7. Ministry of Agriculture and Rural Development (MADR) 8. Ministry of the Economy, Trade and Business Relations	EUSF Implementing Authorities[16]	The Implementing Authorities are authorised to establish the selection and prioritisation criteria for the types of operations funded from the EUSF contribution, being responsible for the technical and financial implementation of the grant in accordance with the Subsidiary Implementing Agreements concluded with the EUSF CMA and the procedure for the justification of the expenses proposed for the EUSF.
Central public administration authorities Local public administration (county councils of the five counties of the SW region) Local councils of the territorial administrative units in SW region	Beneficiaries	The eligible beneficiaries were defined in GD 1021/2015 as: Any public entity using or administering public funds or the public patrimony, functioning subordinated to, or under the coordination of the IAs, respectively territorial administrative units, which implemented eligible operations [….] to recover the damage produced by the 2014 summer floods.
Citizens, businesses, NGOs, public institutions in the affected area	Final beneficiaries	They represent the final recipients of the benefits of the financial support implementation.
Prefectures in the five counties of the SW Region	Local administration supporting EUSF implementation, but do not directly participate in the implementation	The prefectures have an important role in the evaluation of damage, according to Romanian legislation,[17] and they work closely with the EUSF CMA. They also have a role in implementing the financial contribution, and in informing and supporting the eligible public administration units in the counties to prepare the applications.

[15] The Court Of Accounts, Directorate for Audit for the European Social Fund and other funds. Final control report, 23.3.2018.

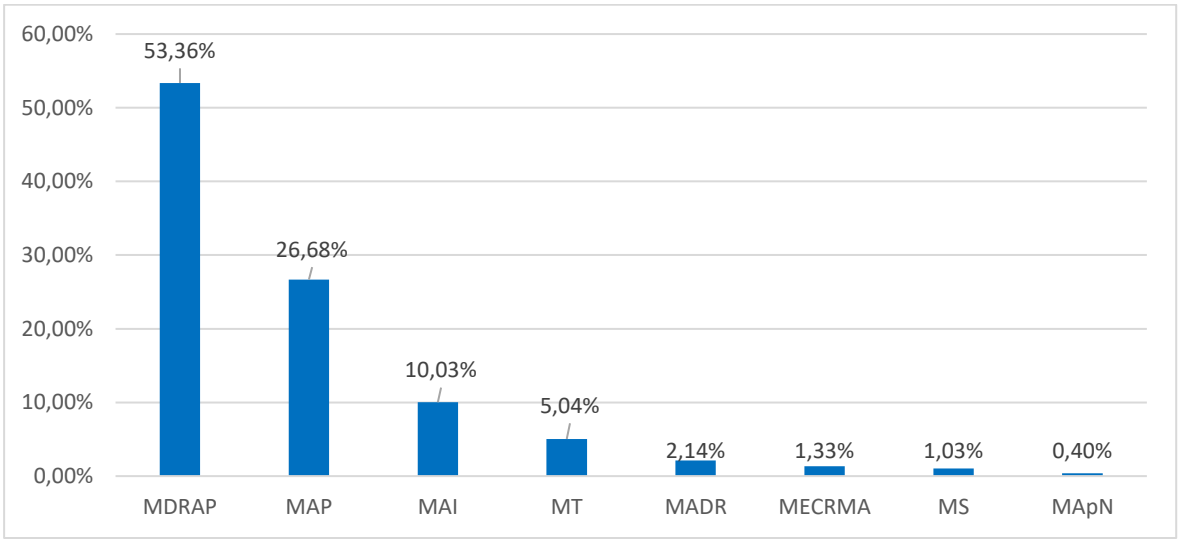
[16] As assigned by Romanian Government Decision No. 1021 of 30 December 2015. Two of the institutions – the Ministry of Health and Ministry of the Economy, Trade and Business Relations - did not submit any eligible applications.

[17] Government Emergency Order No. 21/2004 on the national system for the management of emergency cases.

	of the financial contribution	
NGOs, Journalists	Other stakeholders	Journalists/media provide public opinion snapshots of the perception of various groups regarding the solidarity principle transmitted through the grant. NGOs directly involved in the emergency and recovery operations, humanitarian associations, etc.
ESIF coordination structure (Ministry of European Funds) ESIF Operational Programmes (relevant for the EUSF) General Inspectorate for Emergency Situations ANAR National Administration Authority 'Romanian Waters' National Institute for Hydrology and Administration of Waters	Institutions with complementary role to fund recovery projects after natural disasters	National authorities responsible for public policies related to natural disasters prevention and risk management as well as ESIF coordinating and implementing authorities.

The number of potential and final (effective) beneficiaries varies significantly across the IAs. For instance, the IA Ministry of Transport (MT) worked with a single beneficiary, the National Company for Motorways and Road Infrastructure (CNAIR), while the IA Ministry of Regional Development and Public Administration (MDRAP) worked with a large number of beneficiaries that included county councils and local councils from the five counties of the South West Region. The volume of work at the level of the IA was influenced by the type of projects and eligible expenditure and also by the amounts allocated, which varied significantly in the case of the 2014 summer floods, as shown in Figure 1 below.

Figure 1: Share of the EUSF allocation by Implementing Authority



Source: Data from EUSF Implementation Report, 2018.

For this case study, the work of three IAs was examined in detail (MDRAP, MT and MAI) to gain a broad and representative coverage of the variety of actors, types of projects, beneficiaries and territorial distribution, in order to understand which factors influenced (and how they impacted on) the EUSF financial support (see Table 5).

Table 5: IAs and stakeholders analysed for this case study[18]

Implementing authority	MDRAP	MT	MAI
Beneficiaries	1. County Council Gorj (beneficiary – investment reconstruction of a bridge on county road) 2. Commune Vaideeni, Valcea county (beneficiary – rehabilitation of water system, electrical energy supply) 3. Commune Albeni, Gorj County (final recipient – commune isolated due to collapse of the bridge reconstructed with EUSF support; the beneficiary of funding was Gorj County Council, see point 1)*	CNAIR (beneficiary – rehabilitation of the national road DN7)	1. IGSU General Inspectorate for Emergency Situations 2. IGAV The General Aviation Inspectorate 3. IGJR The Romanian Gendarmerie 4. ANRSPS National Administration of State Reserves and Special Issues
Stakeholders	1. Prefecture Gorj 2. Prefecture Valcea 3. Group of citizens in Vaideeni commune (people involved in operations, NGOs, business, church) 4. Local journal in Valcea county		
ESIF and National Authorities	Ministry of European Funds (Coordinating body – Evaluation unit) Large Infrastructure Operational Programme MA Regional Operational Programme MA National Rural Development Programme MA National authorities responsible for the national policies for natural disaster prevention and risk management: IGSU General Inspectorate for Emergency Situations		

The EUSF support is complementary to other funds mobilised by the Romanian authorities in case of natural disasters. EUSF interventions have as particular feature, the direct link to a disaster event and the limitation of the intervention to the recovery to the functional status before the event. DPM measures and actions are wider in scope and time horizon than EUSF, covering preventative measures, including infrastructure development, risks management, and immediate interventions after the event but before EUSF activation is possible, infrastructure recovery including modernization elements, not eligible under EUSF. Therefore EUSF interventions are integrated into a wider framework of actions to prevent and manage the consequences of the natural disasters. The key role for an effective complementarity is played by the **General Inspectorate for Emergency Situations (IGSU),** a structure under the Department for Emergency Situation of the Ministry of Internal Affairs. IGSU is assigned as 'Integrator' in the National System of Emergency Situations Management (NSESM). Other funds used complementary to EUSF include the following.

- Funds mobilised immediately after the event from the Budgetary Reserve Fund and the Intervention Fund, but are limited to emergency interventions to stop the phenomena and their immediate consequences. The mobilisation is more rapid than

[18] Further details on the methodology are provided in the Annex.

EUSF activation, 1 – 2 weeks from the event. Part of the measures funded from these two funds could be covered from EUSF.

- Investment funds allocated for the recovery of the infrastructure affected by the disaster or preventive measures. These funds could be from the National/ local State budget or ESIF or other funds from International Financial Institutions. As in the case of the emergency operations only part of the recovery interventions could be funded from EUSF.

The local authorities have an important role in creating complementarities at the project level. The beneficiary has to establish for a larger project what is eligible under EUSF and what remains covered from the state budget or other sources. Cooperation with the Implementation authority and CMA is required in order to ensure correct eligibility and maximization of the opportunity for funding from EUSF.

4.2 Application / submission phase

The main body responsible for the application and submission phase was the General Secretariat of the Government, as the EUSF CMA. The first task was the assessment of the damage caused by the floods, performed according to the Romanian legislation[19] with the involvement of a large number of actors, including local and public authorities, prefectures, line ministries and subordinated institutions. The assessment reports were collected and aggregated by line ministries at central level, and by the prefectures in the case of damage at local level.

Building on previous experience[20] in applying for EUSF support, the CMA integrated all the information gathered from prefectures and from the ministries involved and prepared the application, which was submitted in the tenth week after the event period,[21] two weeks before the deadline. An advance payment was not requested.

The application form was perceived by CMA as 'straightforward, with no particular difficulties'. The process was said to be simple: interviewees considered that it was easy to understand eligibility and thresholds criteria, while guidance from the EUSF unit or in documents provided clarification on specific issues.

Nevertheless, during the preparation of the application, the assessment of damage as the key element of the application form was clearly challenging. This is evident both from the Implementation Report[22] and the interview research at CMA, IA and local levels – and is reflected in the request for clarification by the Commission during the evaluation phase (see below). Specifically, the following problems were encountered:

- insufficient documentation regarding the existing and damaged infrastructure, mainly in the case of old local infrastructure in small communes;
- data collection covered a large number of entities, and there was difficulty in ensuring efficient correlation and coordination between various institutions, especially the avoidance of duplication; and

[19] Government Emergency Order No. 21/2004 on the national system for the management of emergency cases.

[20] For instance, in the same year a previous application was submitted following the spring floods.

[21] In line with Council Regulation No. 2012/2002 establishing the European Union Solidarity Fund, as subsequently amended, more specifically Regulation (EU) No. 661/2014.

[22] Government of Romania, EUSF Implementation Report, The EUSF grant: floods between 28 July and mid-August 2014 in the South West Oltenia Development Region.

- limitations of the damage assessment methodology.[23]

Examples of the limitations of the damage assessment methodology are provided in the Implementation Report, supplemented by the interviews. For example, the current methodology does not cover the evaluation of economic damage. One IA mentioned that in some cases the costs were under-valued; for example, the items taken from the State Reserve[24] and mobilised for the 2014 summer floods were costed at their historic value, much lower than current value.

Although the application was submitted before the deadline, interviewees noted their support for the 2014 extension to 12 weeks,[25] considering the large volume of work required for damage assessment in EUSF-funded interventions.

The recovery needs generated by the floods were, to a large extent, reflected in the application. However, there were several examples of limitations of the eligibility of costs, such as the case of forest damage, where clean-up was eligible but replanting was ineligible. Other limitations related to domestic factors. An example noted by stakeholders, also related to forestry, is that the National Forestry Authority (Romsilva) does not record forest damage, but only damage to the forestry infrastructure facilities. Romsilva can only provide data regarding the damage to the public forests, while private forests are the responsibility of a large number of small associations, making it 'impossible' for a coherent assessment of damage to have been undertaken in the limited timeframe.

The Romanian authorities decided not to use an advance from the grant for the 2014 summer floods, for the following reasons identified through interviews with relevant bodies. The request for an advance payment has to be submitted together with the application. In the case of 2014 summer floods, the application was sent at the end of the 12 weeks deadline for submitting an application, a period of time needed to ensure a proper evaluation of the damage. Therefore the advance payment would not have helped funding of the immediate emergency operations. The funds for the emergency operations, just after the event were mobilized from the Budgetary Reserve Fund and the Intervention Fund, but were limited to interventions to stop the disaster and its immediate consequences. The mobilization was rapid, within 1–2 weeks of the event. (In the case of large disasters (at national scale), the EUSF advance could be essential to complement the national funds for the early emergency interventions.)

Moreover, the distribution of the advance to the relevant Romanian institutions involved in the mitigation of the effects of the disaster has to follow a similar procedure as the grant itself (a relatively complex procedure involving issuing a Government decision). In total this would probably mean that the advance payment would be received at least a couple of months after the start of the disaster, so the public authorities could no longer use any

[23] The assessment of the damage was carried out by the responsible institutions/emergency committees taking into account the provisions of Government Emergency Order No 21/2004 on the national system for management of emergency cases (for floods), as subsequently amended, and the "Prefect's Manual on the Management of Emergency Cases for Floods" and the "Mayor's Manual on the Management of Emergency Cases for Floods".

[24] The items taken from the State Reserve administrated by ANRSPS refer to food supplies, water, construction materials and blankets.

[25] In line with Regulation (EU) No. 661/2011 of the European Parliament and of the Council of 14 May 2014 amending Council Regulation (EU) No. 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund.

simplified public procurement procedure for contracting the works. This would probably mean that this advance payment could not be of limited use for the works needed to rebuild the damaged infrastructures.

Throughout the EUSF applications submitted to date, the system adopted by the Romanian authorities was based on the reimbursement of eligible costs for projects contracted, financed and already executed (or at least in their final stages of execution, to ensure that the works would be completed within the 18 months implementation period of the grant) by the public authorities themselves. This approach gave some flexibility to the beneficiaries to start the recovery projects, from their own sources or funds mobilised from the national Intervention Fund, even before the EP and Council Decision in July 2015 (one year from the event). Moreover, when speaking from the point of view of the law governing public procurement, the intervention could start only after the funds are secured through funding decisions of the competent authorities.

Overall, the application/submission phase was perceived as 'fairly complex' at both central and local levels (Table 6); at local level, only prefectures could express an opinion due to their involvement in the assessment of the damage. The complexity is determined by the process to assess the damage; in comparison, the application form was considered to be simple and easy to understand, complete and submit.

Table 6: Assessment of application/submission phase

Assessment of application phase	Straight-forward	Neutral	Fairly complex	Excessively complex
CMA			X	
Prefectures			X	

Note: Assessment based on three interview respondents.

4.3 Appraisal / evaluation and approval phase

The evaluation phase ran from 3 October 2014, the date of the submission of the application, to 9 April 2015, the date of the proposal by the Commission to the Parliament and Council to mobilise the fund. The evaluation phase milestones were: the Commission request for clarification on 5 December 2014; the response from the Romanian authorities dated 13 January 2015; and the proposal for fund mobilisation on 9 April 2015.

After the initial analysis of the application, the EUSF Unit contacted the Romanian authorities questioning the plausibility of estimates of damage and requesting additional information in order to complete the assessment. On 13 January 2015, the EUSF Unit received further clarification regarding the general damage assessment, the calculation of the forestry and agriculture damage figures, the impact of the deforestation and the flood mapping used by Romania.

The subjects[26] of the clarification requests consisted of:

- the damage assessment, where the Commission noted some inconsistencies compared to previous assessments;

[26] European Commission, EUSF application relating to the flooding disaster of summer 2014 – Request for further information (CCI2014RO16SPO003), ARES(2014) 4077913, 5.12.2014, Brussels.

- possible overestimation of certain categories of damage (e.g. forestry in the public domain, agriculture), and underestimation of others (e.g. the private business infrastructure, private households, cultural establishments, forestry in the private domain);
- the extent of preventive works covered under EUSF grant or ESIF; and
- the use of Flood Risk Mapping and the effect of deforestation in the flood area.

The responses by the Romanian authorities to the clarification requests confirmed the constraints faced in the assessment of damage as outlined above.[27] The recalculation of the damage in agriculture and forestry (avoiding overlap of damage calculated by different institutions) led to a reduction in the total damage amount from the initial value of EUR 196.922 million to EUR 171.911 million.[28]

Following the recalculation, the Commission proposed to the European Parliament and Council on 15 April 2015 to mobilise EUSF (along with EUSF support for Romania for spring flooding and flooding in Bulgaria and Italy). Approval was given on 8 July 2015.

The timeline of the EUSF intervention (Table 7) shows that the evaluation phase took approximately six months, of which the Romanian authorities needed around one month to provide the answer to clarifications, which happened at the end of the year and included the winter holidays. Even so, the time taken greatly exceeded the notional six weeks stipulated in the post-reform verion of the EUSF regulation and is well above the median for accepted cases.

The overall assessment of the evaluation/ approval phase by the CMA was 'neutral'. Compared to the application phase, the evaluation was regarded as less demanding, requiring clarifications on a limited number of issues.

Table 7: Assessment of evaluation/approval phase

Assessment of evaluation/approval phase	Straight-forward	Neutral	Fairly complex	Excessively complex
CMA		X		

Note: Assessment based on interviews with the CMA.

4.4 Implementation phase

The implementation phase started on 23 August 2015, the date of the payment receipt, and ended after 18 months on 23 February 2017.

The first and also the key step in the implementation phase was to establish the legal framework, a process managed by EUSF CMA, including:

- Government Decision No. 1021 of 30 December 2015 on the use of funds allocated from the EUSF for the settlement of eligible public expenditure incurred with the emergency operations conducted in order to address the damage caused by the

[27] Chancellery of the Prime Minister, EUSF application relating to the flooding disaster of summer 2014 – Request for further information – Response by the CMEA, 13.1.2015, Bucharest.

[28] European Commission, EUSF Application Assessment Form – Summer flooding of 2014 (CCI2014RO16SPO002) updated, January 2015, Brussels.

floods in spring and summer of 2014 and amending Article 4(2) of Government Decision No. 478/2010 approving the organisational structure of the CMA and IAs for the management of EU assistance granted through the EUSF; and

- Provision of support for the IAs (mainly for those without previous experience in EUSF implementation) to set up the operational framework and procedures (order for the establishment of the implementing unit, job description records for the unit staff, procedures and checklist forms, rules of procedure, etc.).

Once the operational framework was settled, the process of identification of the eligible beneficiaries and operations, collection of application evaluation and checks to establish eligibility for EUSF support was managed by the IAs.

The EUSF support was requested for the following types of operations.

- emergency operations consisting of:
  - removal of the damage, search and rescue missions, special transport and air interventions , search, extrication and rescue of persons, performed by the Romanian Gendarmerie, General Aviation Inspectorate, *General Inspectorate for Emergency Cases* (IGSU) and Ministry of National Defence;
  - distribution of primary need products to the affected population, which are conducted by the *National Administration of State Reserves and Special Issues;*
  - pumping/draining operations performed by The National Land Improvement Agency (*ANIF*);
  - electricity for the modules of disaster-stricken people, Vaideeni Commune, Valcea County;

- restoration of infrastructure damaged by floods
  - reconstruction of bridge on DJ 675B over Gilort river, Albeni Commune Gorj County;
  - restoration and reinforcement of the commune road DC 32A Șerbăneasa - Gâltofani, Nicolae Balcescu Commune, Valcea County;
  - restoration of the water supply system, including catchments, in the Vaideeni commune;
  - reinforcement of embankments on DJ 661, Crasna Commune, Gorj County;
  - restoration of the partitioned footbridge, Rosia Village, Bucovi Community, Alunu Commune, Valcea County;
  - repairs to and improvement of roads, Vladesti Commune, Valcea County;
  - restoration of public flood defence infrastructures seriously affected by the floods;
  - recovery of works to the defence line against the floods on the Teslui river.

An application was made for the recovery of bridge protection works and of national roads, i.e. hydrological works, bridge repairs and reinforcement and recovery of the carriageway on DN 7A (DN 7 is one of the main national roads in Romania and it has a major importance, due to the high commercial traffic on this route). However, the intervention was not funded from EUSF because the auditors considered the project costs to be ineligible.

The CMA recorded eligible expenditure of EUR 3,348,341.26 The audit conducted led to ineligible expenses being detected and corrected as well as the initiation of corrective procedures, amounting to EUR 331,371 euro, part of them (EUR 16,409) being compensated with additional expenditure at project level.

Having regard to the possibility provided by the EUSF procedures, which Romania used in previous applications as well, to replace expenditure considered by auditors as ineligible with potential new eligible operations, and the fact that the audit reports were submitted only a few days before the deadline of 23 August 2017, the EUSF CMA requested a six-month extension of the period of completion of the final Implementation Reports to allow time for potential new eligible expenditure to be identified, where applicable, in order to compensate for the established financial impact. Despite the efforts of the IAs and CMA during the six-month extension period, only EUR 38,483 were identified as additional eligible expenditure.

The significant differences in scope to implement funding in the various categories of damage are shown in Figure 2.

The Implementation Report[29] records two main difficulties that occurred during implementation: (a) the long time period needed to establish and ensure operationalisation of the IAs; and (b) the difficulties in identifying eligible projects complying with national legislation and EUSF regulations.

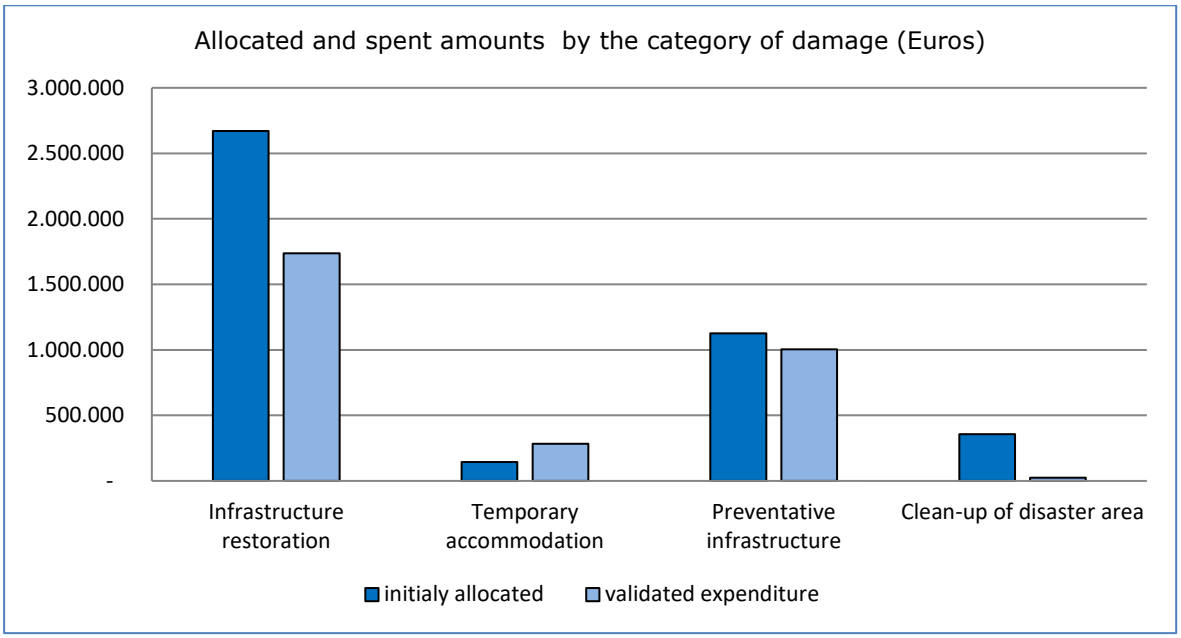
First, the main legal document (GD 1021/2015) was issued four months after the start of implementation, while operationalisation of IAs took between two and nine months. During the implementation period, there were four changes in the governmental team and one change at local authority level (following the local elections in 2016), which led to delays in setting up the structures and staff within the IAs. Interviews with the MDRAP confirmed the significant delay in implementation generated by setting up the institutional framework and by working with complex teams, including members from different departments of the ministry.

Second, the task of the IAs to identify eligible projects, complying with both the national legislation and EUSF regulations, proved to be difficult for all IAs. Two cases (Ministry of Health and Ministry of the Economy, Trade and Relations with the Business Environment) could not identify and submit eligible projects to be funded from EUSF.[30] In other cases, such as MDRAP, only eight projects were selected as eligible and proposed to the CMA out of 80 projects evaluated, according to the information provided during the interviews. CMA approved for funding seven of the eight projects submitted by the IA MDRAP.

[29] *Op. cit.* footnote 17.

[30] Government of Romania, EUSF Implementation Report, The EUSF grant: floods between 28 July and mid-August 2014 in the South West Oltenia Development Region. The analysis performed at the implementing authority within the Ministry of Health revealed that the files received from the Public Health Directorates, containing the operations conducted by them right after the floods, were ineligible and the supporting documentation was incomplete. Similarly, the supporting documents submitted by the final beneficiary to the implementing authority from the Ministry of the Economy did not meet the legal requirements from the viewpoint of the financial-accounting analysis (inconsistencies in regard to material expenses) and the implementing authority decided to reject the file; (Implementation report p 29.)

Figure 2: Allocated and spent amounts by categories of damage (EUR)



Source: Implementation Report, pages 26-27 and 46-48, processed by authors.

Despite the complex institutional architecture that extended down to commune level, the local interviewees mentioned as a positive factor the good coordination and cooperation of the CMA and IAs with beneficiaries. The prefectures supported the identification and preparation of the projects by informing and guiding the local authorities, mainly those with limited institutional capacity.

In this context, the key problem in implementation was the assessment of the eligibility of operations and costs. This problem was highlighted in the Implementation Report and confirmed in all interviews with government public authorities (CMA, IAs and beneficiaries), local authorities and citizens.

Two specific issues caused delays or rejection of projects, due to ineligibility of costs. The first problems related to the *interpretation of 'restoring infrastructure and plant to their condition prior to the occurrence of the natural disaster'.* In some cases, it was found to be technically impossible to restore old infrastructure due, for example, to new regulations that do not allow the initial specific type of construction.

The second problem related to the *documentation of costs.* EUSF payments are made on the basis of actual costs, which have to be properly documented. A number of issues regarding the documentation of costs were highlighted in the interviews with public authorities.

- Specific operations involved a large number of costs of low value that generated a large volume of paperwork for relatively limited amounts of money, and were noted particularly by interviewees in the MAI and IGSU.

- During the event and within the emergency timeframe (which was, according to the interviewees, subject to different interpretations), the procurement legislation allowed a simplified procedure. In some cases, the simplified procedure was not accepted due to different interpretation of the emergency timeframe, while in other cases the beneficiaries could not provide full documentation for the costs incurred and could not include them in the EUSF project or they were later rejected by IA,

CMA or the Audit Authority. One mayor interviewed said 'in an emergency situation, the priorities are the lives of the citizens and their goods and only after that can I think about receipts and procurement contracts'.

- Technical documents relating to infrastructure (proving their state before the event and the ownership of the land/public patrimony) were not always available, mainly in small communes. As interviewees in local authorities explained, changes and rehabilitation of the infrastructure are not always correctly recorded in technical documents. These factors constrain investment/rehabilitation procedures, particularly for the EUSF, where the status before the damage must be documented.

Two further problems were identified during the interview research.

- *Inconsistent interpretation of the regulations.* At local level, interviewees noted that costs accepted by the Court of Accounts have not been accepted by the EUSF audit. All the interviewees mentioned that clarification of the interpretation of eligibility by the Audit Authority is necessary. They also advocated simplification of procedures to reduce the risks of rejection of eligible costs and the volume of paperwork, potentially considering other simplified reimbursement methods than reimbursement based on actual costs.

- *Data requirements.* The IA Ministry of Internal Affairs noted that information is usually collected in a different format than the one required in EUSF implementation; the data are stored on paper and there is no electronic system for collecting and storing such information; in some cases, the scanned versions of the documents were illegible.

Drawing together the documentary and interview research, the assessment of the implementation phase (Table 8) indicates a high level of difficulty throughout the government system from the CMA through the IAs to the local level.

Table 8: Assessment of the implementation phase

Extent of problems in the implementation phase	Minimal	Limited	Moderate	Significant	Excessive
CMA				X	
IA				X	
MAI beneficiaries				X	
Commune Vaideeni					X
Gorj County Council			X		

Note: Assessment based on nine interview respondents.

4.5 Closure

The closure of the operations started on 23 February 2017 at the end of the implementation period. With a time period of six months available in order to perform the audit of the EUSF intervention and prepare the Implementation Report, the report was due on 23 August 2017.

According to the correspondence between the CMA and the ESUF unit, as well as the Implementation Report,[31] the audit mission extended over a long period, the audit report being received by the CMA only one day before the deadline of the Implementation Report. Therefore, the CMA asked for the closure period to be extended by six months.

During the extension period, the institutions involved in the implementation identified potential new eligible expenses that should have been included. The process required new discussions with the IAs and beneficiaries in order to clarify the eligibility of the operations and costs and identify new potentially eligible projects in order to avoid a loss by the Romanian state of certain amounts granted from the EUSF. However, despite the efforts to increase the eligible expenditures, EUR 1.254 million out of the available EUR 4.297 million were not utilised and had to be returned to the Commission.

During the interviews, the CMA and IAs provided several examples of difficulties in reaching an agreement with the auditors in specific aspects of interpretation of the eligibility of costs and operations. As reported, significant efforts were made to provide additional documentation and justification, but the audit team maintained their interpretation of the eligibility criteria of the expenditure (perceived by interviewees as 'relatively restrictive'), particularly the interpretation of the provisions related to 'restoring infrastructure in working order', as stated in Article 3 of the EUSF Regulation.[32]

According to CMA and IA interviewees, the closure process involved a high level of bureaucracy and complexity of information related to the justification of eligibility in relation to the audit mission. While the constant support provided by the Commission during the process was appreciated, the closure administration was considered to have involved 'excessive' problems (Table 9).

Table 9: Assessment of closure procedures

Extent of problems in the closure phase	Minimal	Moderate	Excessive
Bureaucracy involved			X
Complexity of information demanded			X
Time constraints			X

Note: Assessment based on four interview respondents.

4.6 Publicity and visibility

EUSF has limited visibility at all institutional levels and to the general public, as reported by citizens and by local and central public authorities. The publicity and visibility measures taken complied with the minimum requirements regarding the provision of signage (boards) for each infrastructure item rehabilitated with EUSF support, but no other publicity measures were undertaken by the entities involved.

Interviewees claimed that the EUSF was mentioned in the local and central media, usually at the time of the events, while activation of the EUSF was mentioned by authorities and politicians. However, an interview with the director of a local newspaper,[33] in which the theme of '2014 summer floods' was covered extensively, confirmed that, after the announcement by the public authorities that the EUSF support had been requested, no

[31] *Op. cit.* footnote 17.

[32] Government of Romania, EUSF Implementation Report, The EUSF grant: floods between 28 July and mid-August 2014 in the South West Oltenia Development Region.

[33] Ziarul de Valcea, available at http://ziaruldevalcea.ro

other information was published on the investments or emergency costs supported by the Fund.

Further insights are available from the Media Survey conducted for this evaluation.[34] This showed considerable appreciation for the EU support in the form of the EUSF funding. Media comment indicated a sense of frustration with the national government's actions, despite its access to EU funding to deal with the damaging effect of the flooding (e.g. the neutral article of *Gândul.info* which criticizes the Romanian government); or by implying an overall sense of gratitude for the EU's support in addressing the effects of the flooding, through the EUSF mechanism. None of the relevant articles analysed how the EUSF funding was used in the aftermath of the flooding and following the positive vote in the European Parliament.

At local level, the fund was mainly known by the staff involved in the preparation of the projects. It appeared to be viewed as an internal 'technical mechanism' for compensating the authorities for costs already incurred.

The focus group discussion confirmed that the EUSF support was not acknowledged at all – or it was confused with ESIF which has a high level of positive awareness in both rural and urban areas. EU signage where investments have been funded is regarded as generic "EU money/ funds/support".

Citizens and officials considered that the perception of the European solidarity principle was stronger at the time of the event, even if there was only an intention (at that time) of accessing the fund. Two years after the event, when the money has been paid and the emergency is over, the visibility of the EUSF intervention is much diminished.

The difficulties faced by the beneficiaries in accessing the funds (in one commune, only 1 percent of the total recovery investments of the local council were accepted for EUSF funding) led to disappointment among officials. Therefore, the beneficiaries did not initiate additional publicity and visibility measures beyond the minimum requirements. It was noted that the websites of the institutions involved in administering the EUSF support could have been used to publicise the EUSF to a greater extent.

5. FACTORS INFLUENCING THE IMPLEMENTATION OF EUSF SUPPORT

The analysis of the implementation process, presented in the previous section, allowed the identification of a number of factors with positive or negative influence on the process and on the achievements. According to the research methodology, the factors were grouped in six broad categories: governance, institutional factors, economic resources, accountability, public procurement, and local administrative capacity.[35]

An overview of the influence of the various factors is provided in Table 10 based on responses by interviewees at different levels. This shows that the economic resources factor was regarded as the most influential, followed by governance, accountability and

[34] Further details are provided in the Media Survey published as a separate report.

[35] To overcome possible misinterpretations, the respondents were provided with a common perspective on the understanding of potential factors, as described in the EPRC Methodology Report that allowed the authors to assess each factor according to the evaluation approach adopted.

institutional factors. Other factors were less influential, although public procurement and constraints on local administrative capacity were cited as having some influence.

Table 10: Assessment of factors influencing EUSF implementation

Factor	No influence	Slight influence	Moderate influence	Highly influential	Most influence
Governance				X	
Institutional factors				X	
Economic resources					X
Accountability				X	
Public procurement requirements		X			
Local administrative capacity		X			

Note: Assessment based on 12 interview respondents.

- *Governance.* The desk research highlighted a number of governance-related aspects influencing the implementation process, which were discussed during the interviews to deepen understanding of specific issues in different areas of EUSF implementation. Governance factors were seen as particularly influential at central level, among the CMA and IAs, reflecting their wider perspective on the implementation process. Exploring the influence of governance factors in more detail, the setting-up and operationalisation of the implementation structures had a direct influence on the calendar of implementation. The lack of institutional stability, in some cases due to election cycles, had a negative influence, generating delays in implementation as explained above. The research highlighted the importance of the stability of institutions and staff for effective implementation of EUSF support. In the Implementation Report and interviews, the previous experience with EUSF was mentioned as a strength by the EUSF CMA, IA MDRAP and MAI. These institutions proved to have a better understanding of the overall process and the ability to identify problems and solutions. At the same time, lack of experience was reported as a constraint for setting up the operational structures and procedures in the case of the two IAs (Ministry of Health and MECRMA). It is also notable, as mentioned above, that two experienced IAs did not succeed in identifying and submitting eligible projects for funding.

  Governance also appears to have had a strong influence on the policy and institutional frameworks for managing the prevention and risk management of natural disasters policies. During the evaluation process, the questions posed by the Commission to the Romanian authorities[36] revealed concerns about the effective use of risk management maps, prevention interventions, and potential impact of deforestation, and complementarities with other sources of funding. The beneficiaries interviewed expressed their concerns regarding the effectiveness of domestic disaster prevention and risk management. Local authorities affected by the floods considered that prevention interventions had been delayed or the identified solutions were not appropriate and durable. In their view, the repeated

[36] European Commission, EUSF Application Assessment Form, Romania, Summer Flooding of 2014. (CCI2014RO16SPO002)

effects of disaster events indicated long-term shortcomings in the effectiveness of prevention policies.

- *Institutional factors*. Interviewees at all levels noted the positive influence of communication and inter-institutional cooperation for the implementation of EUSF in response to the 2014 summer floods. Examples were provided of the support from CMAs and IAs to the beneficiaries to solve eligibility problems and to provide advice on understanding the requirements. The CMA also noted the good communication with the EC as a positive factor. Nevertheless, the Implementation Report highlighted the inconsistent interpretation of the regulations across institutions (the Audit Authority vs. the IAs and CMA) as an institutional factor with a negative impact, suggesting that there are possible deficiencies in the way that communication and inter-institutional cooperation are used. According to the CMA, it has sought to diminish these differences with the Audit Authority in interpreting the EUSF regulations by undergoing, for each implemented application, a system audit (apart from the operational audit) referring mainly to the CMA and IA procedures. In addition, the CMA requested and received a visit from the Commission audit services and DG REGIO in 2011 to clarify the different aspects regarding the interpretation of EUSF rules between the implementing bodies and the audit authorities.

- *Economic resources.* There was a broad consensus in the interview research that the economic resources had a very strong influence on EUSF implementation. While the availability of the EU funding was regarded positively, the system of providing access to the funding was seen as difficult, specifically because of the need for the Romanian authorities to make domestic funds available to implement the operations, receiving the EUSF funding only after the validation of costs. Interviewees noted that the investments needed after the disaster required large financial resources from the public budget, well in excess of the investment budgets of local councils. Additional sources were not always easily accessible. One interviewee said that 'EUSF is for those who have money', referring to the reimbursement system. Local beneficiaries noted that the allocation and transfer of funds immediately after the disaster took time, and that a speedier advance payment from the EUSF could have accelerated recovery interventions. In the case of institutions with a good financial capacity to support investments, such as CNAIR (responsible for national roads) or county councils, the economic resources were not perceived as being essential, but important to be covered by EUSF support in order to allow further investments. In the case of emergency operations, implemented by IA MAI and their beneficiaries, the importance of the economic resources was also assessed from an operational perspective. Interviewees indicated economic resource constraints in terms of the availability of office equipment, printers, scanners and computers – many of which are regarded as outdated. The human resources needed for EUSF-related tasks were also cited as creating an additional load, requiring additional working hours.

- *Public procurement.* Public procurement processes were criticised in interviews with local beneficiaries as a factor with a strong potential negative influence. While central bodies (CMA, IAs) appeared to have the necessary competences to manage public procurement, the beneficiaries at local level experienced significant constraints in proving compliance to the Audit Authority. As described above, the

problem was caused by the acceptance of simplified procurement procedures in the case of emergency situations.

Beyond the specific EUSF eligibility issues related to public procurement, beneficiaries indicated public procurement as a general factor delaying the implementation of investments, including those with potential eligibility for EUSF. Projects cannot be submitted for EUSF funding until they are finalised.

- *Administrative capacity.* While central and county-level administrative resources seem generally to have been adequate (notwithstanding the extra workload noted above), the capacity of beneficiaries was widely considered in the interview research to be a highly influential factor in determining the effectiveness of implementation. In particular, local authorities in small communes lacked documentation regarding the ownership of land, technical documentation for old infrastructure, public procurement capacity, and the ability to manage investment processes.

- *Accountability.* Accountability was perceived as having a high influence on EUSF: in some cases, the lack of accountability (also associated with the changes in the governmental structure) generated delays in the process, such as delays in setting up the implementation system, as noted by (among others) the CMA. The accountability of beneficiaries was also said to be an influential factor, deciding between 'having' and 'not having' an EUSF project, as stated by one interviewee from an IA: 'as finalising the EUSF projects requires full responsibility for achieving the recovery objectives, setting tasks and liabilities in order to ensure compliance with the legislation, particularly with EUSF rules, assuming responsibility in front of the citizens for resolving their problems generated by the event, and making the best use of all the opportunities (including EUSF), the (lack of) accountability could make a significant difference'.

- *Transparency* was mentioned in some cases as an important positive aspect in the allocation of the funds; however, its impact on EUSF is limited, as the effective spending depends mostly on the capacity of the beneficiaries to identify and document eligible operations and costs.

6 ADMINISTRATIVE BURDEN AND COST

The administrative burden associated with EUSF implementation was perceived by most respondents as 'significant'. According to the CMA and IAs, efforts were made to keep the procedures as simple as possible and the administrative burden as low as possible; as noted by a CMA representative, 'only one additional document is required for the EUSF applications compared to the State budget funding, and this refers to the description of the intervention'.

However, many interviewees had a different opinion. In practice, the administrative burden was said to be higher than expected due to implementation difficulties including:

- the large volume of paperwork for low-value expenditure;

- the large volume of work to complete the applications and supporting documents correctly (as claimed by local beneficiaries);

- the volume of work required of IAs to collect applications, guide beneficiaries, understand the requirements, and reach a common understanding with the beneficiaries, CMA and the audit authorities;

- the extensive work involved in the selection of projects: for instance, the MDRAP had to evaluate 80 applications of which only seven were awarded funding (although for other IAs (e.g. Ministry of Transport, which had only one beneficiary) this was not an issue;
- the poor return ('low efficiency') of project applications at local level – in one case (commune Vaideeni), only about 1 percent of the amount requested for funding was reimbursed; and
- the large volume of work associated with providing additional explanations, clarifications to the audit authorities, mainly to reach an agreement on the eligibility of costs,[37] as reported by most of the IAs.

The communication and cooperation of the EU institutions involved in implementation was generally seen as a smooth process without any significant additional administrative burden. Interviewees mentioned that the relationship with the European Commission, managed via the CMA, was perceived as 'very supportive'. The relationships between the EUSF CMA, IAs and various beneficiaries were assessed by all the actors interviewed, as 'good and collaborative'.

The obligation of information provision for the institutions involved in EUSF implementation was considered to be similar to the operations funded through the State budget. The IA interviews indicated some additional internal reporting requirements, specifically in the case of IAs working with cross-departmental teams.

Overall, the interviews with public authorities and main stakeholders highlighted a significant administrative burden implied by accessing EUSF by IAs and beneficiaries (see Table 11).

Table 11: Assessment of administrative burden

Administrative burden	Minimal	Limited	Moderate	Significant	Excessive
General Secretariat of the Government/Directorate for Coordination of Policies and Priorities		X			
Ministry of Regional Development and Public Administration				X	
Ministry of Transport		X			
Ministry of Internal Affairs				X	
IGSU General Inspectorate for Emergency Situations				X	
IGAV The General Aviation Inspectorate				X	
ANRSPS National Administration of State Reserves and Special Issues			X		

[37] Also reported in the Implementation Report submitted by the EUSF CMA to the EC.

The Romanian Genda rmerie				X	
County Council Gorj				X	
Commune Vaideeni Valcea County					X

Note: Assessment based on ten interview respondents.

The institutional framework – as set up through GD 1021/2015 – is relatively simple with a limited number of staff: 16 positions in the CMA and seven posts in each IA. However, the extensive volume of work generated by implementation places a strain on human resources. According to the interviewees at the level of beneficiaries and IAs, tasks are integrated into the current job responsibilities of the staff assigned to work in the EUSF implementation teams. The staff members perceive this as work overload, as human resources are not increased to deal with the EUSF.

The interviews indicated moderate administrative costs generated by the EUSF in most of the cases, limited costs at the CMA level and significant-to-excessive costs in some cases of beneficiaries at local level. The excessive costs are related – according to the beneficiaries interviewed – to the paperwork for reporting and justification of eligibility, including demonstrating previous infrastructure status.

Table 12: Assessment of administrative costs

Administrative costs	Minimal	Limited	Moderate	Significant	Excessive
General Secretariat of the Government /Directorate for Coordination of Policies and Priorities	X				
Ministry of Regional Development and Public Administration			X		
Ministry of Transport		X			
Ministry of Internal Affairs				X	
IGSU General Inspectorate for Emergency Situations,				X	
IGAV The General Aviation Inspectorate			X		
ANRSPS National Administration of State Reserves and Special Issues			X		
The Romanian Gendarmerie			X		
County Council Gorj,				X	
Commune Vaideeni Valcea County				X	

7 RELEVANCE OF EUSF SUPPORT

EUSF was considered by interviewees to be overall of 'moderate relevance' in responding to the flood disaster. The total damage evaluated by the Romanian authorities was EUR 171.911 million, the EUSF-approved contribution was EUR 4.297 million,[38] and EUR 3.05 million was judged to be eligible expenditure.[39] Thus, while in absolute terms the EUSF support was substantial, relative to the magnitude of the event the EUSF only covered a small share of the damage estimated at regional level.

Even so, the financial contribution from the EUSF was highly appreciated by the local communities, where the need for investments in local infrastructure is high and investments funds are usually insufficient. The 'spirit of European solidarity' appeared to be recognised and valued, according to the interviews in the local communities.

It was evident that many types of identified damage caused by the flooding were not subject to EUSF support. For instance, the interviews and the focus group discussions revealed that damage to private houses are seen as an essential need; however, they are not covered by the EUSF. At the same time, there were difficulties in accepting the eligibility of specific operations and costs, as explained above, hence the implementation mechanism reduced the perceived relevance of the Fund. As highlighted in the interviews, the costs of temporary housing were not reimbursed due to the difficulty or impossibility for local authorities to provide the required supporting documents.

In addition to the difficulties in accessing EUSF support, the beneficiaries indicated other constraints faced in the implementation of public investments in general, the main problem being generated by the public procurement procedures. As a consequence, four years after the event, parts of the damaged infrastructure have still not been returned to their previous condition, as reported during the focus group. This indicates how the relevance of EUSF is dependent on the effectiveness of domestic support for local communities from national and local public authorities.

The interpretation of 'restoring the working order of infrastructure' restricted eligibility for a number of investments, in the context of returning infrastructure to its state prior to the flooding instead of using a new interpretation that is more constructive; this was an issue actively debated in the focus group discussion and the interviews. As one IA suggested, the interpretation should not use the physical and technical state of infrastructure as criteria (which clearly change over time), but use functionality indicators, such as capacity.

The local authorities had to deal with cash-flow difficulties, and the interviews noted the potential benefits of advance payments as a means of increasing the relevance of the EUSF intervention. However, as the implementation rules are based on reimbursement for finalised projects exclusively, the payment consisted of one single reimbursement of the validated costs, excluding the possibility of any advance payments.

IAs made efforts to improve the absorption and use of the EUSF funding, calling for applications or working with the beneficiaries to complete the supporting documents in

[38] Commission Implementing Decision C(2015) 5656/2015 awarding a financial contribution from the European Union Solidarity Fund to finance emergency and recovery operations following the disaster caused by flooding in Romania.

[39] *Op. cit*. footnote 17.

order to ensure eligibility. Nevertheless, a significant proportion of the funding could not be used.

8 ASSESSMENT OF ACHIEVEMENTS

8.1 Operational achievements

The initial allocation of funding favoured infrastructure restoration, in accordance with the eligible costs identified in the application. Thus, 62 percent of the grant was initially allocated to infrastructure restoration, 27 percent to preventative infrastructure, while only 8 percent went to cleaning operations and three percent to temporary accommodation. This allocation was amended during the implementation phase, based on the eligible projects that were submitted, selected and approved. Thus, the preventative infrastructure costs accepted represented 32 percent of the total eligible costs.

The extent of operational achievements was limited by the inability to spend the total allocation, with only 71 percent of the allocation being validated after the audit missions. As such, there was an overall 'failure' to achieve as much operationally from the EUSF as would have been possible.

With respect to operational achievements in the different areas of damage response, this is conditioned partly by the areas of involvement of different institutions consulted for the research. Overall, the restoration of infrastructure to working order was considered to be the operational achievement of most significance. This applied, particularly to local authorities, although it varies according to the type of infrastructure: high with respect to bridge reconstruction and reconnection of other important communication links, but lower for less visible or immediate work such as reinforcing river banks.

In the other three areas of intervention – securing preventative infrastructure and cultural heritage, temporary accommodation and clean-up – the operational achievements were considered to be of lesser significance, in the latter two cases because the impact of the flooding was less costly.

Some indication of EUSF achievements and benefits in the affected area are provided in the Implementation Report. EUSF supported emergency operations as well as infrastructure recovery, providing concrete benefits to the population in the affected area. Thus, immediately after the event EUSF funding was used to pay for the distribution of primary need products: 6,697.2 kg of canned food, 10,944 water bottles, 7,160 basic household items, sheets, blankets, mattresses, pillow covers, and 98,188 kg of diesel oil.

The infrastructure recovery works funded from EUSF contributed to bringing to the normal life of thousands of people from the affected area, such as in the example provided in Box 1 below.

Box 1: Example of infrastructure recovery works funded by EUSF: Albeni Bridge (Gorj county)

Gorj County. Albeni – a commune at 37 km from Targu Jiu, the capital city of the county, has 2,870 inhabitants (NIS Romania, at 1 January 2018). The commune is situated on the River Gilort, while access to the commune capital village Albeni is via a bridge over the Gilort River, on county road DJ 675.

The bridge was completely destroyed by the summer floods 2014 and could not be used anymore, blocking access in Albeni village and other upstream villages. The bridge was reconstructed by County Council Gorj with the costs covered by the EUSF.

Table 13: Assessment of operational achievements

Activity	Not significant	Limited significance	Moderate significance	High significance	Most significance
Restoration of infrastructure to working order				X	
Temporary accommodation & rescue for population	X				
Securing of preventative infrastructure & cult. heritage		X			
Immediate clean-up of disaster areas		X			

Note: Assessment based on ten interview respondents.

8.2 Added Value

The added value of the EUSF support was regarded as primarily being economic, although there were also important aspects of political, operational and learning added value; the added value for policy was perceived as being limited (see Table 14).

Table 14: Assessment of added value

Added value	Not significant	Limited significance	Moderate significance	High significance	Most significance
Economic				X	
Political		X			
Policy			X		
Operational			X		
Learning			X		

Note: Assessment based on ten interview respondents.

Economic added value. In terms of added value, the economic perspective was the most appreciated, as the EUSF was considered most useful mainly for covering the limited financial resources in the case of small communities. Overall, the effective contribution of the EUSF of EUR 3.05 million can be considered relatively small, representing only 1.78 percent of the total estimated damage, EUR 171.911 million. However, the economic added value was perceived as having 'high significance' by the institutions interviewed, given that, as a financial contribution, the EUSF award increased the investment budgets of various beneficiaries.

The perception was more positive among small communities with small budgets and large infrastructure needs. Indeed, some local interviewees deemed the funding to be essential for supporting (even with small amounts in some cases) local budgets, allowing for further investments. One interviewee mentioned that, despite their complaints about projects being rejected as ineligible, local communities were still keen to receive support from the EU.

Political added value. In the political sphere, the added value of the EUSF was judged as limited, especially in a context of several government changes that prevented the establishment of a stable environment required for EUSF to generate political added value. However, the local communities effectively perceived the spirit of European solidarity when receiving the requested financial support, and the local public authorities made a (limited) contribution to increasing the population's awareness of EU solidarity.

Policy, operational and learning added value. The overall experience in responding to the disaster led to improvements at policy and operational levels, generating a continuous learning process. The research found limited evidence that EUSF specifically led to these improvements. However, operationalisation of EUSF implementation required good cooperation between several actors at different territorial levels leading to a positive experience and lessons learned.

9 SYNERGIES AND COMPLEMENTARITY WITH ESIF

Complementarity of EUSF with ESIF is built around TO5 (Promoting climate change adaptation, risk prevention and management). The Partnership Agreement and the OPs do not mention any specific complementarity with EUSF, although the PA, the Large Infrastructure OP (LIOP) and the National Rural Development Programme refer to coherence of TO5-related interventions with national policies regarding climate change adaptation, risk prevention and management, arguably creating a framework for complementarities with EUSF.

Specifically, the LIOP is directly funding interventions to support the ”reduction of effects and damages caused by natural disasters” and an ”increase of the preparation level for efficient and rapid reaction to disasters”. LIOP is also funding 15 technical assistance projects supporting implementation of TO5 interventions, being at the reporting date in the contracting phase or in early phases of implementation.

10 LESSONS LEARNED

The overall assessment of the experience of the EUSF intervention was broadly considered to be positive by the interviewees consulted for the research at different levels (see Table 15). A common conclusion across the interviews at all levels was the benefit of learning from the experience of implementing EUSF. In terms of lessons learned, the EUSF challenged all entities in the implementation system to ensure more rigour in investment processes, preparation of application dossiers, and *at higher level* on how to adjust the implementation mechanism in order to increase effectiveness and efficiency. Specifically, the lessons are as follows.

First, important lessons were learned relating to increasing the absorption of EUSF. As already mentioned, only 71 percent of the approved support was actually reimbursable from the EUSF because of ineligibility of certain costs. The interviews revealed that ‘the national authorities have imposed additional barriers, especially in the case of financial control’. Therefore, the conclusion of all the stakeholders was that a national effort is required to find solutions to eliminate the barriers and facilitate a smooth and efficient EUSF implementation.

Table 15: Overall assessment of administrative lessons learned

Activity	Very negative	Negative	Neutral	Positive	Very positive
Application process				X	
Information on how to apply			X		
Support by the Commission				X	
Extent of administrative demand			X		
Reporting requirements			X		
Overall experience of dealing with EUSF				X	

Note: Assessment based on ten interview respondents.

Specifically, following the example of the Commission guidance for elaborating the Implementation Report (perceived as ‘helpful’), the CMA representative highlighted the scope for further potential benefits from similar guidance on financial control, so as to improve clarification and understanding of the interpretation of some concepts.

Second, in several interviews at both central and regional levels, respondents were concerned with the thresholds for activation of the Fund. There was a perception (which could be expressed as a ‘fear’) that, according to the current regulations, accessing EUSF

is more difficult than before. The respondents considered that the regional threshold is not appropriate in many cases, as the floods partially cover areas from two regions and might not meet the threshold for either region.

In order to address this problem, several public authorities expressed an interest in knowing how other Member States manage EUSF funding, whether they have similar problems and what models could be adopted in Romania from their practices. Some IAs, including the MAI and GSG emphasised that previous experience in working with EUSF was a valuable lesson and that it helped the staff in better implementing the current mechanism. However, it was recognised that more knowledge is needed, mostly for understanding how to improve harmonisation of the national bureaucracy with international requirements, as reported by the IAs.

Third, a number of lessons related to managing the EUSF were specific to (and mentioned by) local authorities. They involve the need for simplification and clarity of procedures for effective EUSF interventions in future, specifically:

- a better understanding of the EUSF regulations and requirements of the Romanian authorities;
- increased rigour in managing the documentation for investments;
- conducting preparatory activities for covering the gaps regarding public patrimony documentation; and
- improving the capacity to prepare investments documentation, and public procurement process management, specifically in emergency situations.

Fourth, an important lesson relates to the pro-active attitude and huge solidarity shown by citizens in the context of the natural disaster. Citizens from the affected areas expected a quicker reaction from the Romanian government and other institutions/donors, including EUSF. The discussions in the focus group revealed an impressive willingness to cooperate, a capacity to mobilise volunteers from inside the commune and outside, and a strong capacity to mobilise and attract resources, including some provided on a voluntary basis. The citizens were able to formulate clearly what they need to improve their ability to help themselves: for instance, equipment for the volunteers and investments for prevention were mentioned.

Fifth, a key finding is that, among citizens, there is a very positive attitude regarding support from the EU. However, they do not necessarily differentiate between different sources of EU funding, such as between EUSF and ESIF, as noted above. Also, despite seeing the results of EU-funded projects in the community, the focus group still conveyed a perception that it is 'difficult' to get access to EU funding.

Finally, according to the interviewees and supported by information in the Implementation Report, the interactions with the Commission were positive. Less positive opinions were expressed by all stakeholders in relation to the implementation experience. The lack of satisfaction was generated mainly by the excessive work to identify and justify the eligibility of operations and costs, as well as the inconsistent and particular interpretation of the regulations in the process of audit.

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12 ANNEX: METHODOLOGY OF THE CASE STUDY RESEARCH

Methodology

Based on the methodology developed by EPRC for the ex-post evaluation of EUSF, this case study relies on a mix of methods: (i) literature review (for the introduction and context) and desk analysis of EU regulations and official documentation produced for the purpose of mobilising the EUSF support as well as of institutional websites; (ii) interviews with relevant stakeholders at national, county and commune levels; and (iii) interviews with a panel of citizens.

Desk research was performed in parallel with preparing and conducting the interviews.

Interview templates were drafted in Romanian, following EPRC guidance on the Task 3 Case Studies provided for national experts.

Invitations to participate in the research, including a presentation letter by the European Commission, were sent by email to a list of public authorities and other stakeholders whose addresses and telephone numbers were detected through web research and through personal contacts. Emails were followed by phone recalls for planning the date of the interviews.

The interviews were undertaken between 9 and 18 July 2018. They were conducted face-to-face in most cases, in order to obtain the best perspective on the issue. Only in a few cases were they carried out by phone.

In order to obtain the best understanding, the bottom-up approach was adopted, implying that data collection was first performed at local and regional levels, and the interviews with central authorities including EUSF CMA were conducted at the next stage.

The table below shows the names of interviewees, their position and the type of organisation they represented (including the focus group with citizens).

Organisations interviewed

	Name/Organisation	Type of organisation
1		EUSF CMA
2		EUSF IA
3		EUSF IA
4		EUSF IA
5		Beneficiary
6		Beneficiary
7		Beneficiary
8		Beneficiary
9		Beneficiary
10		Stakeholder
11		Stakeholder
12		Beneficiary

13		Stakeholders – citizens, businesses, NGOs
14		Stakeholder media representative from the affected area
15		Stakeholder – entity with possible complementarities and synergies with EUSF
16		Stakeholder – entity with possible complementarities and synergies with EUSF
17		Stakeholder – entity with possible complementarities and synergies with EUSF

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