

## 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:

<u>Programme number:</u>	<b>2002/000-586.01 to 2002/000-586.06</b>
<u>Title:</u>	<b>2002 Phare National Programme for Romania</b>
<u>Duration:</u>	<b>Until 30 November 2004 for contracting</b>

### ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of 265.500 million Euro, 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 November 2004** 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 30/11/2005 with the exception of the infrastructure investment projects under the programme of Economic and Social Cohesion (2002/000-586.05), for which an additional period of one year until 30/11/2006 is permitted. Thus the disbursement expiry date is set as 30 November 2006 for the following investment projects: *2002/000-586.05.02 sub-component A: Technical and Vocational Education and Training (TVET) and 2002/000-586.05.02 sub-component C: Regional and Local Infrastructure*. 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 *11 December 2002*

for THE RECIPIENT

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

Done at Bucharest  
Date *11 December 2002*

for THE COMMUNITY

*Jonathan Scheele*  
Mr. Jonathan Scheele  
Head of Delegation of the  
European Commission in Romania

Encl.

1. Framework Agreement (Annexes A & B)
2. Special Provisions (Annex C)
3. Visibility/Publicity (Annex D)

## FRAMEWORK AGREEMENT

The Commission of the European Communities, hereinafter referred to as "the COMMISSION", acting for and on behalf of the European Economic Community, hereinafter referred to as "the Community"

of the one part, and

Romania

of the other part,

and together jointly referred to as "the Contracting Parties"

Whereas Romania is eligible to be a recipient under the Community's aid programme PHARE provided for in the European Community Council Regulation n° 3906/89 of 18 December 1989 as amended by Regulation n° 2698/90 of 17 September 1990.

Whereas it is fitting that the technical, legal and administrative framework within which MEASURES financed in Romania under the Community's aid programme shall be executed, should be laid down.

HAVE AGREED AS FOLLOWS:

### ARTICLE 1

In order to promote cooperation between the Contracting Parties with a view to supporting the process of economic and social reform in Romania, the Contracting Parties agree to implement MEASURES in the field of financial, technical, and other forms of cooperation as specified in the said Regulation, which shall be financed and implemented within the technical, legal and administrative framework laid down in this Agreement. The specific details of each MEASURE (or set of MEASURES) shall be set out in a memorandum to be agreed between the Contracting Parties (hereinafter referred to as "the financing memorandum"), a model of which is provided in annex C.

Romania takes all necessary steps in order to ensure the proper execution of all measures.

## ARTICLE 2

Each MEASURE which is financed within the framework of this Agreement shall be implemented in accordance with the General Conditions set out in Annex A hereto, which shall be deemed to be incorporated in each financing memorandum.

The financing memorandum may vary or supplement the General Conditions as may be necessary for the implementation of the MEASURE in question.

## ARTICLE 3

For matters relating to the MEASURES financed within the framework of this Agreement, the COMMISSION shall be represented by its Delegation, once this is established in Bucharest, which shall ensure, on behalf of the COMMISSION, that the MEASURE is executed in accordance with sound financial and technical practices.

## ARTICLE 4

When the Contracting Parties so agree, the COMMISSION may delegate all or part of its responsibility for implementation of a MEASURE to a third party, state or agency.

In that event the terms and conditions of such delegation shall be set forth in an agreement to be concluded between the COMMISSION and the third party, state or agency, subject to the consent of the Government of Romania.

## ARTICLE 5

Any dispute relating to this Agreement which cannot be resolved by consultation shall be settled according to the arbitration procedure referred to in Annex B.

## ARTICLE 6

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

## ARTICLE 7

This Agreement shall enter into force on the day the Contracting Parties inform each other of its approval in accordance with the existing internal legislation or procedure of each of the Parties. The Agreement shall continue to be in force for an indefinite period unless terminated upon written notification by one of the Contracting Parties to the other.

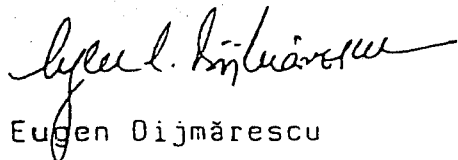
On termination of this Agreement any MEASURE still in the course of execution shall be carried out to its completion in accordance with the terms of the financing memorandum relating thereto, and of the General Conditions set out herein.

#### ARTICLE 8

The provisions of this Agreement shall also apply to technical cooperation and other operations convened between the Contracting Parties which by their nature are not covered by a specific memorandum financed under the PHARE aid programme at the request of the Government of Romania.

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

Done at Bucharest  
this March 12, 1991

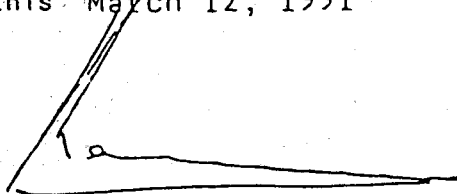


Eugen Dîjmarescu

Minister of State

ROMANIA

Done at Bucharest  
this March 12, 1991



Frans Andriessen

Vice-President of the  
European Commission

THE COMMUNITY

ANNEX A  
GENERAL CONDITIONS RELATING TO FINANCING MEMORANDA

Under these General Conditions the term "THE RECIPIENT" shall be understood as referring to the Government of Romania.

TITLE I - FINANCING OF PROJECTS

ARTICLE 1 - COMMITMENT OF THE COMMUNITY

The commitment of the Community, hereinafter referred to as "the EEC Grant", the amount of which is laid down in the financing memorandum, shall determine the limit within which commitment and execution of payments shall be carried out through duly approved contracts and estimates.

Any expenditure over and above the EEC Grant shall be borne by THE RECIPIENT.

ARTICLE 2 - AVAILABILITY OF THE EEC GRANT

Where the execution of a MEASURE depends on financial commitments from THE RECIPIENT'S own resources or from other sources of funds, the EEC Grant shall become available at such time as the financial commitments of THE RECIPIENT and/or the other sources of funds, as set out in the financing memorandum, themselves become available.

ARTICLE 3 - DISBURSEMENT

Contracts are eligible for disbursements under this financing memorandum only if they are concluded before the expiry date of the Financing Memorandum. Disbursements on such contracts may take place during a maximum period of 12 months after the expiry date of the Financing Memorandum. Any exceptional extension of this period must be approved by the Commission.

Within the limit set on the EEC Grant, requests for funds in the form of a work programme shall be presented to the Commission Delegation by the RECIPIENT in accordance with the schedule set out in the financing memorandum. Documentary evidence relating to payments made in respect of THE MEASURE shall be made available in support of the request for funds, where the Commission so requires.

However, certain contracts covered by THE MEASURE may provide for direct payment by THE COMMISSION to the contractors. Each contract shall lay down the rate and the time of such payments, together with the documentary evidence to be produced.

For the part of the programme implemented by the Recipient, the Implementing Authority shall submit in a Work Programme and not later than 9 months before the expiry date of the Financing Memorandum, for approval by the Commission the contracts that still have to be concluded for the implementation of the programme. The Work Programme should include proposals for the utilisation of the net interests accrued on the accounts opened in the implementation of the programme, under the condition that the whole of the EC grant will be previously committed.

As regards MEASURES executed on the basis of prepared estimates, a first payment instalment which, save where the financing memorandum otherwise provides, shall not exceed 20% of the amount of the estimate approved by THE COMMISSION, may be made in favour of THE

RECIPIENT in order to facilitate the launching of THE MEASURE. Other payment instalments shall be made available, at the request of THE RECIPIENT, subject to the same conditions set out in the paragraph 2 above.

## TITLE II - PROCUREMENT

### ARTICLE 4 - GENERAL

The procedure to be followed for the conclusion of works, supplies, and technical cooperation contracts, shall be laid down in the financing memorandum following the principles set out below.

### ARTICLE 5 - CONDITIONS OF PARTICIPATION

1. Save under the conditions of art.6 THE COMMISSION and THE RECIPIENT take the MEASURES necessary to ensure equality of conditions for participation in such contracts, in particular by publication, in due time of invitations to tender. Such publication is to be made for the Community at least in the Official Journal of the European Communities and for the beneficiary states in the appropriate official journal.
2. General conditions of contracts shall be drawn up in conformity with the models in international use, such as the general regulations and conditions for supply contracts financed from PHARE funds.

### ARTICLE 6 - DEROGATION FROM STANDARD PROCEDURES

Where the urgency of the situation is recognized or where justified on account of the nature, minor importance, or particular characteristics of certain MEASURES, (for example two stage financing operations, multi-phased operations, particular technical specifications, etc.), and related contracts, THE RECIPIENT may, in agreement with THE COMMISSION, exceptionally authorize :

- the placing of contracts after restricted invitations to tender;
- the conclusion of contracts by direct agreement;
- the performance of contracts through public works departments.

Such derogation shall be laid down in the financing memorandum.

### ARTICLE 7 - AWARD OF WORKS AND SUPPLIES CONTRACTS

THE COMMISSION and THE RECIPIENT shall ensure that for every operation, the offer selected is economically the most advantageous, particularly in view of the qualifications and guarantees offered by the tenderers, the cost and quality of the services, the nature and conditions for execution of the works or supplies, their cost of utilization and technical value.

Results of the invitations to tender shall be published in the Official Journal of the European Communities as quickly as possible.

### ARTICLE 8 - TECHNICAL COOPERATION CONTRACTS

1. Technical Cooperation contracts, which may take the form of studies, supervision of works or technical assistance contracts, shall be concluded after direct negotiation with the consultant or when technical, economic or financial reasons so justify, following invitation to tender.
2. Contracts shall be drawn up, negotiated and concluded either by THE RECIPIENT or by THE COMMISSION when the financing memorandum so provides.



Where contracts are to be drawn up, negotiated and concluded by THE RECIPIENT, THE COMMISSION shall put forward a short list of one or more candidates on the basis of criteria guaranteeing their qualifications, experience and independence and taking into account their availability for project in question.

When there is to be a direct negotiation procedure and THE COMMISSION has proposed several candidates, THE RECIPIENT may freely choose the candidate with which it intends to conclude the contract from among those put forward.

When there is recourse to a tendering procedure, the contract shall be awarded to the candidate which has submitted the offer which is acknowledged by THE RECIPIENT and THE COMMISSION to be economically the most advantageous.

### TITLE III - GRANT OF FACILITIES

#### ARTICLE 9 - GENERAL PRIVILEGES

Personnel taking part in Community financed MEASURES and members of their immediate family may be accorded no less favourable benefits, privileges and exemptions than those usually accorded to other expatriates employed in the state of THE RECIPIENT under any other bilateral or multinational agreement or arrangements for economic assistance and technical cooperation programmes.

#### ARTICLE 10 - ESTABLISHMENT, INSTALLATION, ENTRY AND RESIDENCE FACILITIES

In the case of works, supply or service contracts, natural or legal persons eligible to participate in tendering procedures shall be entitled to temporary installation and residence where the importance of the contract so warrants. This right shall be acquired only after the invitation to tender has been issued and shall be enjoyed by the technical staff needed to carry out studies preparatory to the drawing up of tenders; it shall elapse one month after the contractor is designated.

THE RECIPIENT shall permit personnel taking part in works, supplies or services contracts financed by the Community, and members of their immediate family, to enter the state of THE RECIPIENT, to establish themselves in the State, to work there and to leave the said State, as the nature of the contract so justifies.

#### ARTICLE 11 - IMPORT AND RE-EXPORT OF EQUIPMENT

THE RECIPIENT shall grant the permits necessary for the importation of professional equipment required to execute THE MEASURE, subject to existing laws, rules and regulations of THE RECIPIENT.

THE RECIPIENT shall further grant natural and legal persons who have executed works, supplies or services contracts the permits required to re-export the said equipment.

#### ARTICLE 12 - IMPORTS AND EXCHANGE CONTROL

For the execution of MEASURES, THE RECIPIENT undertakes to grant import authorizations and authorizations for the acquisition of the foreign exchange, and to apply national exchange control regulations without discrimination between Member States of the Community, Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and the Former Yugoslav Republic of Macedonia.

THE RECIPIENT shall grant the permits necessary to repatriate funds received in respect of THE MEASURE, in accordance with the foreign exchange control regulations in force in the state of THE RECIPIENT.

#### ARTICLE 13 - TAXATION AND CUSTOMS

1. Taxes, customs and import duties shall not be financed out the EEC Grant.

2. Imports under supply contracts concluded by the authorities of THE RECIPIENT and financed out of the EEC Grant shall be allowed to enter the state of THE RECIPIENT without being subject to customs duties, import duties, taxes or fiscal charges having equivalent effect.

- THE RECIPIENT shall ensure that the imports concerned will be released from the point of entry for delivery to the contractor as required by the provisions of the contract and for immediate use as required

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for the normal implementation of the contract, without regard to any delays or disputes over the settlement of the above-mentioned duties, taxes or charges.

Contracts for supplies or services provided by Romanian or external firms, financed out of the EC Grant shall not be subject in the state of THE RECIPIENT to value added tax, documentary stamp or registration duties or fiscal charges having equivalent effect, whether such charges exist or are to be instituted.

Natural and legal persons, including expatriate staff, from the Member States of the European Community executing technical cooperation contracts financed out of the EEC Grant shall be exempted from business and income tax in the state of THE RECIPIENT.

Personal and household effects imported for personal use by natural persons (and members of their immediate families), other than those recruited locally, engaged in carrying out tasks defined in technical cooperation contracts shall be exempt from customs duties, import duties, taxes and other fiscal charges having equivalent effect, the said personal and household effects being either re-exported or disposed of in the state in accordance with the regulations in force in the state of THE RECIPIENT after termination of the contract.

Natural and legal persons importing professional equipment, as provided for in Article 11, shall, if they request, benefit from the system of temporary admission as defined by the national legislation of THE RECIPIENT in respect of the said equipment.

#### TITLE IV - EXECUTION OF CONTRACTS

##### ARTICLE 14 - ORIGIN OF SUPPLIES

THE RECIPIENT agrees that, save when otherwise authorized by THE COMMISSION, materials and supplies required for execution of contracts must originate in the Community, Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and the Former Yugoslav Republic of Macedonia.

##### ARTICLE 15 - PAYMENT PROCEDURES

For contracts financed out of the EEC Grant, tenders shall be drawn up and payments made, either in European Currency Units (ECU), or in accordance with the foreign exchange laws and regulations of the RECIPIENT in the currency of THE RECIPIENT, or in the currency of the state where the tenderer has its registered place of business, or in the currency of the state where the supplies were produced.

When tenders are drawn up in ECU, payments relating thereto shall be made, as appropriate, in the currency named in the contract, on the basis of the equivalent value of the ECU on the day preceding payment.

THE RECIPIENT and THE COMMISSION shall take all measures necessary to ensure execution of payments within the shortest possible time.

## TITLE V - COLLABORATION BETWEEN THE COMMISSION AND THE RECIPIENT

### ARTICLE 16 - INSPECTION AND AUDIT

1. THE COMMISSION shall have the right to send its own agents or duly authorised representatives to carry out any technical or financial mission or audit that it considers necessary to follow the execution of THE MEASURE. However, THE COMMISSION shall give the authorities of THE RECIPIENT advance notice of such missions.

THE RECIPIENT shall supply all information and documents which shall be requested of it, and take all suitable measures to facilitate the work of persons instructed to carry out audits or inspections.

2. THE RECIPIENT shall :

(a) maintain records and accounts adequate to identify the works, supplies or services financed under the financing memorandum in accordance with sound accounting procedures;

(b) ensure that the aforementioned agents or representatives of THE COMMISSION have the right to inspect all relevant documentation and accounts pertaining to items financed under the financing memorandum, and assist the Court of Auditors of the European Communities to carry out audits relating to the utilization of the EEC Grant.

The Commission may also carry out an ex-post evaluation and a final audit of the programme. The ex-post evaluation will assess the achievement of the objectives/targets of the programmes as well as the impact on the development and restructuring of the sector concerned.

The final audit will review the local financial data of the programme, providing an independent opinion on the reliability and consistency of contracts and disbursements as well as their compliance with the provisions of the Financing Memorandum. The audit will establish the balance of uncommitted and/or undisbursed funds which shall be reimbursed to the Commission.

### ARTICLE 17 - FOLLOW-UP OF MEASURES

In following the execution of THE MEASURE, THE COMMISSION may request any explanation and, where necessary, may agree with THE RECIPIENT on a new orientation for THE MEASURE which is deemed to be better adapted to the objectives in view.

THE RECIPIENT shall make reports to THE COMMISSION following the time-schedule laid down in the financing memorandum, throughout the period of execution of THE MEASURE and after completion thereof.

The Commission will in the light of the reports and where appropriate of the ex-post evaluation, proceed to the official closure of the programme and will inform the recipient country of the date of official closure of the programme.

## TITLE VI - GENERAL AND FINAL PROVISIONS

### ARTICLE 18 - CONSULTATION - DISPUTES

1. Any question relating to execution or interpretation of the financing memorandum or these General Conditions shall be the subject of consultation between THE RECIPIENT and THE COMMISSION, leading, where necessary, to an amendment of the financing memorandum.

2. Where there is a failure to carry out an obligation set out in the financing memorandum and these General Conditions, which has not been the subject of remedial measures taken in due time, THE COMMISSION may suspend the financing of the MEASURE, after consultation with THE RECIPIENT.

THE RECIPIENT may renounce in whole or in part the execution of THE MEASURE. The Contracting parties shall set out the details of the said renunciation in an exchange of letters.

#### ARTICLE 19 - NOTICE - ADDRESSES

Any notice and any agreement between the parties provided for herein must be the subject of a written communication referring explicitly to the number and title of THE MEASURE. Such notices or agreements shall be made by letter sent to the party authorized to receive the same, and sent to the address notified by the said party. In case of urgency, telefax, telegraphic or telex communications shall be permitted and deemed to have been validly served, provided that they are confirmed immediately by letter. The addresses are set out in the financing memorandum.

ANNEX B

ANNEX B - ARBITRATION

Any dispute between the Contracting Parties, arising out of the Framework Agreement or a financing memorandum, which is not settled by applying the procedures laid down in Article 18 of the general conditions relating to financing memorandum, shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided.

The parties to such arbitration shall be THE RECIPIENT on the one side and THE COMMISSION on the other side.

The Arbitral Tribunal shall consist of three arbitrators appointed as follows:

- one arbitrator shall be appointed by THE RECIPIENT
- a second arbitrator shall be appointed by THE COMMISSION
- the third arbitrator (hereinafter sometimes called "THE UMPIRE") shall be appointed by agreement of the parties or, if they shall not agree, by the Secretary-General of the United Nations.

If either side fail to appoint an arbitrator, such arbitrator shall be appointed by THE UMPIRE.

Should any arbitrator appointed in accordance with this provision resign, die or become unable to act, another arbitrator shall be appointed in the same manner as the arbitrator whose place he takes; such successor shall have all the powers and duties of the original arbitrator.

## 1. Objectives and Description

### **SUB-PROGRAMME 1 – 2002/000-586.01 (Total: € 19.00 M)**

#### **POLITICAL CRITERIA**

This sub-programme includes 2 projects:

#### **Project 2002/000-586.01.01 Continued support for “Children First” (€ 13.00 M)**

As a continuation of the activities initiated under Phare 1999 and continued through Phare 2001, Phare 2002 will support the “Children First” programme of the Romanian Government which assists local authorities in their efforts to de-institutionalise children by closing large old-style residential care institutions, while developing a range of diversified child protection services. The Phare 1999 and 2001 projects are providing support which will lead to the closure of around 50 such institutions. About 160 such institutions remain to be closed. The Phare 2002 project is expected to support closure of around a further 30.

Projects prepared by the counties’ Departments for Child Protection and proposed by county councils will be selected for support under Phare 2002 on the basis of criteria derived from the national child protection strategy adopted by the National Authority for Protection of Children’s Rights (NAPCR). Partnerships involving with municipal/commune-level authorities and non-governmental organisations may be supported. The main objective of the grant scheme will be the closure of large “old-style” institutions through development and implementation of modern integrated child protection services, such as family type homes, day care centres, recuperation centres, foster care networks and maternal centres. Priority will be given to projects that will close institutions for children up to the age of three, homes for handicapped children (camin spital) and any other large “old style” institution with more than 100 children.

As with the previous years’ programmes, Phare 2002 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 to the authorities at national level for the assessment of project proposals from local authorities, and to monitor the implementation of the local projects. The Technical Assistance will also provide training aimed at improving the quality of project proposals submitted by local authorities. This assistance will be focused particularly on local authorities which have not benefited from Phare 1999 or Phare 2001 grants where large numbers of children remain in old-style institutions.

A continuation of the public awareness activities launched under Phare 1999 and Phare 2001 will also be financed based on an assessment of the impact of the second campaign. The campaign will aim at prevention of institutionalisation by informing the public about available child protection alternatives.

The continued support for “Children First” under Phare 2002 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 Phare 1999 and 2001 Phare programmes, the grants component of this programme will be implemented on the basis of grant agreements between the CFCU and local authorities.

Given the particular need for continuity in support to the management of the Phare-financed activities in the context of “Children First”, it is proposed that where a clear continuity exists in the services to be provided under Phare 2002, technical assistance contracts may be awarded by direct agreement to the contractors who delivered similar services under the Phare 1999 and Phare 2001 programmes. Any such direct agreement contracts will be subject to agreement between the Romanian authorities and Commission services regarding satisfactory performance by these contractors under the earlier programmes.

**Project 2002/000-586.01.02 :Support to the national strategy to improve Roma conditions (€ 6.00 M)**

The overall objective of the project is to enhance and facilitate active participation of Roma communities in the economic, social, educational, cultural and political life of the Romanian society and improve access to health services. The project will support the development of equitable and sustainable partnerships between Roma communities and public institutions at local and county level in the field of community and economic development and ensure improved access to health services.

Phare support will be in the form of technical assistance at national level, covering all 42 counties, and grants to local authorities. Technical assistance to support local project development will also be provided.

A training programme for five target groups in each of the 42 counties will be provided prior to the investment stage of the project. Main subjects of the training will be: principles of setting up partnerships at local level; processes of participatory project development and methods of needs identification and prioritisation; project preparation in line with the communities' priority needs and the programme guidelines; anti-discrimination legislation, taking account of the requirements of the acquis in this area; human rights; health status of Roma population.



The five target groups will be: 1) staff of Roma NGOs that operate at local level, 2) County-level Roma experts who will train Roma experts posted at local level (Mairie), 3) employees from county Directorates of Public Health, 4) General Practitioners who provide health care services within, or in the neighbourhood of Roma communities (in counties with high density of Roma) and 5) Health mediators working within local administrations on issues related to Roma access to health services.

The health mediator training will be provided by the Department of Public Health. The health mediators will receive a diploma to attest their qualification and the County Directorate of Public Health will employ them.

The grant scheme offered for investment support will finance local projects that are established in partnership between local authorities and representatives of the Roma community. Investment will be considered in the following fields: vocational training; income generating activities; small infrastructure; housing and health care.

The local projects will be in line with the National Strategy for Improving Roma Conditions and national policies on enhancing Roma access to health services.

The Implementing Authority for the project is the National Office for Roma in the Ministry for Public Information. 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 a call for project proposals addressed to local authorities, and competitive selection of the best projects, leading to grant agreements between the CFCU and local authorities. The Implementing Authority will establish a steering committee to be responsible for project selection, whose composition will be agreed with the European Commission. Subject to agreement between the Romanian authorities and the Commission, a direct agreement contract will be accorded to the Resource Centre for Roma Communities to support the management of the grants component of the programme, in continuation of the existing arrangements.

A programme co-ordination committee will be established composed of representatives of the bodies involved in the implementation of the project (Ministry of Public Works, Transport and Housing, Ministry of Public Administration, Ministry of Health and Family, Ministry of Labour and Social Protection, and Ministry of Public Information through its National Office for Roma).

#### **SUB-PROGRAMME 2 – 2002/000-586.02 (Total: € 2.50 M)**

##### **ECONOMIC CRITERIA**

This sub-programme includes one project:

#### **2002/000-586.02.01      **Implementation of CEC Savings Bank Restructuring (€ 2.50 M)****

The Government of Romania has embarked on a process of restructuring the Romanian public savings bank, the CEC, with the objectives of phasing out

the state guarantee on deposits by end 2004 and preparing the bank for ultimate privatisation.

The present project, which supports the overall objective of restructuring the Romanian financial sector and improving the range and quality of financial services available in the market, has the purpose of supporting the implementation of the CEC restructuring plan which was prepared in the context of a previous Phare project (RO9805.02.02). It corresponds to Accession Partnership priorities as regards implementation of structural economic reforms.

The outputs of the Phare 1998 project were a detailed due diligence review of the present legal, operational and organisational aspects of the bank, a valuation of the bank's assets, and the preparation of various restructuring and privatisation scenarios with assessment of their potential impact on the bank value and future. Specific tasks to be undertaken to secure the future sustainability of the bank were identified in areas such as business focus, accounting, risk management, internal audit treasury, internal organisation and human resources, IT, management of fixed assets and legal issues.

Under the current project, technical assistance will be provided to support the preparation of an operational programme for the implementation of the tasks identified under the Phare 1998 project, and clear and measurable indicators of progress for each task. Direct support will be provided for the implementation of the programme.

Support will then be provided for the implementation of these tasks, expected to include elaboration of plans for the introduction of new products and services consistent with the evolution of the financial services sector in Romania, definition of strategies as regards the CEC branch network, rationalisation of head office organisational structure, developing human resource policies, designing and implementing staff training programmes, modernising treasury management, and designing improved IT systems in line with the bank's business strategy.

CEC will act as Implementing Authority for all components. The CFCU is the Implementing Agency, responsible for contracting and financial management.

**SUB-PROGRAMME 3 – 2002/000-586.03 (Total: € 33.55 M)**

**STRENGTHENING ADMINISTRATIVE CAPACITY**

This sub-programme includes five projects:

**2002/000-586.03.01 Strengthening the Romanian administrative capacity to manage, monitor and assess EU financed programmes (€ 10.05 M)**

The overall objective of this project is to support and accelerate Romania's preparations for accession to the European Union, through improved preparation and management of programmes financed by the EU pre-accession financial instruments, and following the priorities 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.

The project also supports the objectives of the Action Plan on capacity for Phare implementation, which was developed by the Government of Romania in line with the conditionalities of the Phare 2001 programme.

Six areas of activity are envisaged:

1. Project preparation facility (PPF)

Along the lines of the assistance already provided under Phare 2000 and 2001 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.

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, on the basis that project development activities proposed should correspond to Accession Partnership priorities and those of Romania's National Programme for Adoption of the Acquis.

2. Facility for twinning light

A "twinning light" facility was established in 2001 under the administration of the National Aid Co-ordinator for short to medium-term twinning assignments. Further funding is provided under Phare 2002 allowing continued activities of the same nature. Activities 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.

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.

For each agreed assignment, Member States will be invited to respond to requests for provision of expertise, on the basis of a detailed 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. The financial and contractual aspects of the twinning light facility will be handled by the CFCU.

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.

### 3. Training for officials in project cycle management

The project responds to the need 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 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 2001, and it will also provide more advanced follow-up training to officials who have already benefited from the first round of training.

Project cycle management training for the specific requirements of ISPA will be provided through technical assistance under the ISPA programme rather than under this project.

### 4. European Institute of Romania

The European Institute of Romania (EIR) was created in 1998 as a public institution under the authority of the Romanian Government and Parliament with the role to provide background analysis and information to the central and local administration in order to strengthen their capacity to develop pre-accession policies and mechanisms.

As indicated in the Phare Financing Memorandum of 1997, EIR would receive both start-up assistance and additional support to finance its operational expenses. In the first three years of its existence, 100% of the costs were to be covered by Phare, followed by 66% of the operational costs for 2003 and 33% for 2004. The current allocation is intended to cover expenses for 2003 and 2004.

In addition to the operational costs Phare financing will be provided for:

- Background studies and research in order to accelerate the integration process and familiarise Romanian institutions with the European Union.
- Design and implementation of a training programme in European Affairs for civil servants of the central public administration, as a follow-up for the Phare 1997 project.

In view of the status of the European Institute of Romania as a non-profit public body, and following the procedure established under previous Phare

support, a bank guarantee is not required in relation to payments from the CFCU to the Institute.

#### 5. College of Europe Scholarships for Civil Servants

In order to improve the effectiveness of the accession process, the aim of the Ministry of European Integration is to strengthen the capacity of human resources in the Romanian administration. The present project will allow a continuation of activities supported under previous Phare programmes, which allowed young Romanian civil servants and young graduates to participate in masters and short-term training programmes within European academic institutions, including the College of Europe. The current project will support 10 candidates to attend master studies at the College of Europe for the academic year 2003-2004 and 15 civil servants to participate in the summer courses organised by the same institution.

#### 6. Management Information System

In order to improve the monitoring of projects funded under EU assistance and other internationally financed programmes, and to provide an accurate and timely flow of information within the Romanian administration a co-ordinated management information system needs to be set up. Such a system will link the Ministry of European Integration as technical co-ordinator with the National Fund in the Ministry of Public Finance, and Implementing Agencies involved in management of EU funds. It will provide information on the technical progress of projects as well as financial and auditing data. The system will be designed to support the introduction of extended decentralisation (EDIS) in the management of Phare and ISPA pre-accession funds, and with a view to compatibility with the requirements for future management and reporting arrangements for structural funds. It will take into account the expected future institutional arrangements for management of structural funds, and will need to be fully compatible with systems used for management of Romanian public budgetary funds.

A feasibility study for establishing the system has been financed from the Phare 2000 Project Preparation Facility.

The MIS project itself is planned in a phased approach, which is expected to be supported from successive Phare programmes during the period 2002 – 2004.

In the first phase to be supported under Phare 2002, a detailed analytical study of the information requirements of potential users within the administration will be carried out. The study aims to identify the functions and assess the size of the system in terms of hardware and software to be acquired, and to prepare technical dossiers required for procurement.

Subsequent phases will focus on procurement, installation and testing of the required hardware, and the design, development and installation of the application software. Administrative staff responsible for operating the system will receive training as well.

The Implementing Authority for the project is the Ministry of European Integration. Close co-ordination will be maintained with the National Fund in the Ministry of Public Finance. The CFCU is the Implementing Agency, responsible for contracting and financial management.

**2002/000-586.03.02      Decentralisation and development of the Romanian local public administration (€ 4.00 M)**

The adoption of the Law on Local Public Finance no.189/1998, subsequently modified through the Emergency Ordinance no.326/2001, has significantly increased the autonomy of the local government administrative bodies in Romania. However, limited public management capacity and skills within local administrations, and lack of knowledge and experience in handling functions which have been decentralised to local level, are barriers to full and effective implementation of reforms in this area.

The present project responds to these problems, and has the objective of supporting the modernisation process whereby the public administration adapts itself to the economic and social realities of the Romanian society, while further preparing the administrative structures for the accession to the European Union. It aims to support the development of policies in the area of the decentralisation of certain functions and responsibilities from the central public administration to the local public authorities. In addition it will support improvements in the capacity of the local public administration to manage local budgetary resources.

The activities will be focused on the judet (county) level administrations. The project corresponds to the Accession Partnership priority of adopting and implementing a comprehensive public administration reform package.

The project will be implemented through a twinning and financial support to a Local Government Development and Modernisation Fund. Technical assistance supporting the management of the Fund will also be provided.

Twinning support in the area of **policy and financial autonomy of local government** will be provided by a Member State administration with competence in the area of local government budget management. The twinning will develop proposals regarding the framework for establishment of the financial resources for local communities from the state budget by balancing fund transfers from the centre to local authorities, and make recommendations for improving the system for collecting local revenues. Support will be provided for designing an integrated electronic system for local tax collection and control. Advice and technical support will be provided in drafting the new Law on Local Finances and Budgets reflecting the above policy proposals. Training will be provided for local public authorities, both on decisional and executive levels, on modern, transparent and participatory methods for preparing local budgets. A framework and methodology will be developed for economic analyses and impact evaluation of local capital and infrastructure investments on economic and social development. Training will be provided for local elected politicians and civil servants on the implications of decentralisation of budgetary responsibilities to local government level. The

twinning should also provide advice on the implementation of the Local Government Development and Modernisation Fund supported under the technical assistance component of the project, particularly as regards development of criteria for selection of projects to be supported by the fund, and the priorities for possible future development of the Fund's activities in a multi-annual framework. The twinning partner will be selected, and the covenant developed by the Ministry of Public Administration in close collaboration with the Ministry of Public Finance.

The project will provide financial support to the Local Government Development and Modernisation Fund as an instrument supporting the priorities for local government development in a multi-annual perspective. Criteria will be developed for selecting small projects to be implemented by local administrations, based on the need for improved budget management systems within local authorities in line with their increasing responsibilities in this area. The criteria, which will be agreed between the Ministry of Public Administration and the European Commission, will take account of experience gained under the Phare 1997 Local Government project. The Local Government Development and Modernisation Fund established with Phare 2002 support will permit the financing of small projects in the area of training, personnel management, specialised consultancy support, development of informatics systems etc. Grant contracts will be concluded between the CFCU and beneficiary local authorities, on the basis of competitive evaluation of proposals submitted by local authorities. Investments under the Fund will be co-financed according to Phare rules. Given satisfactory progress in implementation of the current programme it is envisaged that Phare could re-finance the Fund under future years' programmes

The technical assistance component will support the operational design and management of the Local Government Development and Modernisation Fund. The technical assistance will prepare operational procedures for Fund management and detailed criteria for project selection. It will provide information to local authorities about the Fund, and assist in organising calls for proposals and evaluation of proposals. It will prepare grant agreements to be concluded between the CFCU and local authorities for financing by the Fund. It will also support the establishment of reporting, accounting and monitoring procedures for the Fund.

The Implementing Authority for the project is the Ministry of Public Administration, in close collaboration with the Ministry of Public Finance as regards the twinning component. The Implementing Agency is the CFCU, which is responsible for contracting and financial management of all components of the project.

**2002/000-586.03.03      Further institutional strengthening of the Court of Accounts (€ 2.10 M)**

The project aims to continue and consolidate the development of the Romanian Court of Accounts as an independent, professional and trusted external auditor of the public funds, building on the achievements of the ongoing twinning project under Phare 2000. The present project will give the

Court of Accounts the capacity to meet the extension of its mandate into new areas, and to respond to changes in the way the public administration controls and accounts for budgetary and EU funds expenditure.

These activities correspond the Accession Partnership priority of strengthening the institutional capacities of the Court of Accounts as necessary for the introduction of modern auditing procedures in line with international standards and best practice.

The project will be implemented through a further twinning arrangement, together with specialised short-term technical assistance and procurement of equipment.

Under the twinning, training will be organised for audit and judicial staff of the Court in audit methodologies in accordance with relevant international standards. Particular attention will be given to training related to audit of EU funds, including further development of capacity to audit and certify SAPARD accounts. The training will build competence for audit in relation to certain specialised domains and in detection of illegal activities. Training required for computer assisted audit will be developed. The twinning will further develop the audit quality control systems, and the audit manuals used by the Court, in accordance with international standards, and identify any further modifications required in the legal and regulatory framework, in order to ensure its consistency with the continuing modernisation needs of the Court.

Specific training and certification packages for an internationally recognised certified auditor qualification will be provided under a technical assistance contract.

In addition, the project will fund the procurement of equipment required for setting up territorial training centres for the decentralised staff of the Court of Accounts, and for the management information systems and IT support for the staff of the Court. Software for Court audit and judicial staff will be provided, and an integrated IT system for the financial, accounting and HR activities of the Court will be developed.

The Romanian Court of Accounts is Implementing Authority for the project. The CFCU will act as Implementing Agency responsible for contracting and financial management of all components of the project.

**2002/000-586.03.04                      Support for the Strategic Plan of the Ministry of Public Finance (€ 15.30 M)**

The Ministry of Public Finance has prepared a strategy document for the period 2002 - 2006 defining objectives and priority actions in the areas of budgetary and fiscal policy, co-ordination of fiscal and budgetary policy with social and economic policy, administration of state revenues and public debt, financial control and internal audit, and public accounting. The present project



has the objective of supporting priority actions in areas under this plan during the period 2003/2005.

Four areas of activity are envisaged:

- A. Institution building regarding the elaboration and implementation of budgetary policy and public debt administration;
- B. Institution building regarding the elaboration and implementation of the fiscal policies and revenues administration;
- C. Institution building regarding the elaboration and implementation of the public financial control and internal audit;
- D. Developing and strengthening the support functions (human resources, communication and IT infrastructure) in the Ministry of Public Finance.

Component A: budgetary policy and public debt administration

Under component A, Phare will support two twinning projects, as well as a number of technical assistance activities.

The first twinning, in the field of **public accounting**, will prepare a diagnostic study of existing regulations, and will provide support for reviewing the framework and procedures of the General Chart of Accounts for public institutions. Specific proposals concerning any required modifications in regulations will be prepared. Training will be provided for accountants from public institutions in applying the new accounting regulations, and methodological handbooks will be prepared. An assessment of multi-annual investment needs for IT equipment supporting the implementation of the General Chart of Accounts will be provided.

A second twinning in this area will support the design of a model supporting the computation of Romania's future **contribution to the EU budget**, improve data collection and analysis in this area, and set up the database structure needed for computation of 'own resources'. Training will be provided to Romanian specialists regarding utilisation of the databases.

Technical assistance will be provided to prepare a diagnostic study of the existing regulations in the fields of **Treasury and management of Public Debt**, in order to identify the gaps between the Romanian Treasury system and best practice within the EU and internationally, leading to recommendations on necessary modifications in regulations and procedures. The work will cover a preparatory assessment for the introduction of an electronic payments system at the Treasury level. A pilot project will be undertaken to test the implementation of the new regulations within a sample of spending agencies. Staff training in Treasury and Public Debt management will be undertaken.

Technical assistance support will be provided for a study to be undertaken concerning the needs for developing and improving the capacities of the Ministry of Public Finance in the area of **macro-economic modelling and forecasting**. The activity will relate to development of the national standard macro-economic model and sub-models in various budget categories supporting the formulation of macro-economic policy, and provision of relevant

training on the use of the models. Particular attention will be paid to ensuring co-ordination with economic forecasting activities undertaken by the Ministry of Development and Prognosis.

Technical assistance will also be provided to the **National Fund** for implementation, testing and accreditation of accounting systems to International Accounting Standards, and for continuous professional accounting training of National Fund staff. A diagnostic review and feasibility study of necessary IT systems for the National Fund will be undertaken, leading to design, development, testing and commissioning of an effective systems. The technical assistance will also lead to preparation of a long-term human resources strategy for the National Fund covering the pre- and post-accession management of all EU co-financed programmes.

Technical assistance will be provided to the **Central Finance and Contracts Unit** to prepare accounting and internal procedures manuals, develop IT systems in the context of the Ministry's overall IT strategy, develop a human resource strategy for the CFCU, and provide specialised training. These activities will take account of the specific requirements related to introduction of extended decentralisation (EDIS) for the Phare programme. Preparation of an operational procedures manual for ISPA will be undertaken by technical assistance financed by ISPA; close co-ordination will be maintained between Phare and ISPA support in this area.

#### Component B: fiscal policies and revenues administration

Three twinning arrangements are planned with the aim of strengthening the capacity of the Ministry of Public Finance to elaborate and implement fiscal policies and to administer state revenues. A number of technical assistance contracts are also envisaged.

Firstly, in the area of **budgetary debts management**, a twinning will examine existing legal provisions related to enterprises' and banks' debts to the state budget in the case of insolvency, make proposals for improvements in the legal framework and organisational structures taking account of best practice in the EU and internationally, and formulate procedures to be followed for debt recovery and write-off. Relevant staff training will also be provided.

A second twinning under this component will examine the existing legal provisions, methods and procedures in the area of **fiscal control**. Proposals will be made for improvements in the legal framework, organisation and procedures of fiscal control structures, taking account of best practice in the EU and internationally. The respective roles of the Directorate General for Fiscal Control and Guidance, and of the Financial Guard, will be reviewed. Manuals and procedural guides will be prepared and training programmes will be developed and implemented. An assessment will be undertaken of the needs and priorities for development of IT systems and databases supporting the fiscal control function, technical specifications for the required systems will be prepared, and assistance provided for procurement of equipment and software.

The third twinning will support development of the organisational structures in the area of **revenues administration**. The existing organisation and performance of the tax administration system will be assessed, taking account of best practice in the EU and internationally, with particular reference to the needs and priorities for upgrading of IT and information systems. Recommendations will be prepared for improvements to the organisational structures, particularly as regards unification of the tax, social and health contributions administration, and for putting in place adequate reporting, performance assessment and standardised procedures for all activities within the revenues administration system. Training programmes for personnel will be designed and implemented. The twinning will focus especially on strengthening the Large Taxpayers Office in Bucharest, and on one or two territorial units.

In addition to the above twinning activities, technical assistance under component B will be provided in the areas of **value added tax**, the functioning of the **Financial Guard**, and an information campaign supporting the **taxpayers' assistance units** of the Ministry of Public Finance.

The technical assistance in the area of value added tax will review the existing VAT legislation in order to identify modifications required to ensure full compatibility with the acquis. Special provisions will be elaborated for ensuring compliance of specific categories of enterprises with VAT requirements. A VAT Guide will be prepared and training provided for tax officials. An assessment will be undertaken of the needs and priorities for upgrading IT systems in the field of VAT.

An assessment will be undertaken of the role and organisation of the Financial Guard in combating tax evasion, corruption and organised crime. The legal framework for the Financial Guard activities will be assessed taking account of relevant models within EU member states, giving particular attention to defining clearly the respective competencies of the Financial Guard and other services within the national tax administration. Specific recommendations will be developed for modifications in the legislative framework, the internal organisation of the Financial Guard and the mechanisms for co-ordination with other services within the tax administration. Measures will be designed to ensure uniformity in the handling of cases across the national territory. The requirements for establishing effective internal mechanisms to prevent corruption and ensure accountability will be assessed. A study will be undertaken of information systems required for combating tax evasion, and technical specifications may be prepared for procurement of required equipment/software, taking account of other information systems being developed within the national tax administration. Appropriate training programmes on combating tax evasion will be designed and delivered, with particular attention being given to ensuring co-ordination with other training actions being prepared and implemented in the field of tax administration. Pilot activities to improve the effectiveness of measures to combat tax evasion will be planned and implemented at the level of local units of the Financial Guard. Close co-ordination will be ensured between these activities with the Financial Guard and the twinning on fiscal control referred to above.

Technical assistance will also be provided to design and implement a taxpayers' information campaign aimed at improving revenue collection through fiscal education of the public, and development of the capacity of the Ministry of Public Finance taxpayers assistance units to provide adequate information to the public on the tax system and their fiscal responsibilities.

Component C: public financial control and internal audit

Activities proposed under this component are defined in the context of the "Development Strategy of the Public Internal Financial Control in Romania", adopted by the Government of Romania in October 2001.

Technical assistance will be provided to the Ministry of Public Finance in the area of **public internal financial control and internal audit**. The Phare 2000 twinning project on audit and internal control procedures supports the adaptation of the legal framework, develops an action plan for setting up the required institutional structures, and provides training for financial controllers and auditors. The present project will build upon the results of the twinning by designing an overall human resources strategy for development of capacities in this field in the medium term. The strategy will cover: (i) design of a permanent training system for internal audit through the School of Public Finance with detailed estimates of investment and operational budget requirements, and (ii) design of systems for recruitment and staff development. The technical assistance will also cover preparations of manuals and handbooks on system and performance audit procedures.

Component D: support functions

This component will include twinning and technical assistance for developing and strengthening the support functions (human resources and communications and IT infrastructure) of the Ministry of Public Finance.

Twinning will be provided to support the further development of the **School of Public Finance**. This twinning will conduct a diagnostic study of training needs in support of the MoPF strategy for the period 2002-2006. Operational procedures will be developed to support and co-ordinate training activities in all priority areas, and the development of curricula and training programmes, within the Ministry. The co-ordination should relate in particular to training within all Phare-supported activities, to ensure development of sustainable training capacity. Particular attention will be given to establishing training facilities at local level related to the requirements of decentralised public finance functions. The twinning will also support the extension of the ongoing e-learning pilot project to national level, and prepare for procurement of the required IT equipment.

The twinning will also support the School of Public Finance to organise workshops and training courses for the School of Public Finance staff, develop teaching materials, and put in place a training quality assurance system.

Technical assistance will also be provided in the **Information Technology** field, to design, develop, test and implement IT applications to support the main flows of documents within the Ministry of Public Finance, and prepare detailed recommendations regarding the Security Policy and the Disaster Recovery Policy for the IT system. An identification will be carried out of the procurement needs of hardware and software in line with the above recommendations, and detailed technical specifications will be prepared for the required systems.

Significant investment requirements for IT equipment and software development are anticipated linked to the activities under Phare 2002 in for the following programme sub-components: public accounting system, simulation of the EC budget, Treasury System, Economic Policy, National Fund, CFCU, Fiscal control, Financial Guard, Information Campaign, Revenues Administration, School of Public Finance, and Information Technology. Subject to progress in preparation of technical specifications it is expected that this investment will be financed out of the Phare 2003 programme. However, in order to enable the immediate purchase of limited quantities of IT equipment supporting the objectives of the overall project, a general IT budget is provided to be used as a priority for the National Fund and the CFCU, and in support of the other project components as required. The allocation of the IT equipment budget will be agreed with the Commission prior to the launching of any procurement.

Technical assistance under this project will support, as needed, preparatory studies and development of technical specifications and tender documents related to investment needs and equipment procurement in some or all of the following areas: simulation the Romanian contribution to the EU budget, treasury and management of public debt, macro economic policy, management of EU funds, fiscal control, financial guard, public information, revenues administration, School of Public Finance, and Ministry of Public Finance IT systems.

**2002/000-586.03.05      Strengthening and extension of the SAPARD programme implementation system (€ 2.10 M)**

The Romanian authorities have developed a phased approach to the accreditation of the programme implementation system for the management of EU SAPARD funds. Initial accreditation of the system during 2002 is partial, relating to three of the SAPARD programme measures, and based on a manual financial management and payments system. The objective of the present support is to allow further progress in setting up the implementation systems during the period 2003-4, permitting accreditation in relation to further measures, and the accreditation for all measures of a fully electronic financial management and payments system.

The project corresponds to the Accession Partnership priority of increasing efforts to ensure the correct use, control, monitoring and evaluation of EC pre-accession funds in the context of the *acquis communautaire* on financial control. The activities correspond to the Institution Building priority of the Phare programme, and are not eligible for financing out of SAPARD funds.

Taking account of all inputs to date for the establishment of IT systems for management of SAPARD, the current project will lead to establishment of a computerised central database, supporting planning and implementation of all SAPARD projects, and of a general digital registry of all the activities performed by the Agency and its technical delegated bodies for the implementation of the programme. A software system will be developed with the capacity to support the operational activities related to all the measures of the SAPARD programme in Romania, including the administration and control of payments. A network, including hardware and software infrastructure will be put in place, with the full capacity to support the operational activities related to the administration of the programme, and with links to the IT infrastructure of the other involved institutions and delegated bodies.

Technical assistance will be provided particularly as regards development of procedures manuals for additional SAPARD programme measures for which accreditation was not achieved in 2002. Technical assistance will also be provided for the internal control and payment structures of the SAPARD Agency in order to improve the capacity of these services to carry out their specific tasks. Personnel training will be provided to the Agency and delegated bodies to support the correct operation of the financial management systems. Technical assistance will also support reinforcement of the capacity of competent public bodies to provide specific information and advisory support on the SAPARD Programme in order to support applicants to prepare projects for SAPARD financing.

The Implementing Authority for the project is the SAPARD Agency. The beneficiaries of the assistance are the Agency itself, together with other ministries having specific areas of responsibility for SAPARD implementation, (the Ministries of Agriculture Food and Fisheries, and of Public Works, Transport and Housing). The Implementing Agency is the CFCU, which is responsible for contracting and financial management of all components of the project.

#### **SUB-PROGRAMME 4 – 2002/000-586.04 (Total: € 83.737 M)**

##### **MEETING THE OBLIGATIONS OF THE ACQUIS**

This sub-programme includes 18 projects in seven areas of the acquis communautaire:

##### **INTERNAL MARKET**

##### **2002/000-586.04.01 Strengthening insurance supervision (€ 2.00 M)**

The objective of the project is to strengthen insurance supervision in accordance with the provisions of EU directives and with the best international insurance practices in order to ensure a real protection for policyholders and potential policyholders, and to develop a sound and competitive insurance market.

The project corresponds to the Accession Partnership priority to reinforce the supervision of financial services. It will be implemented through a twinning, with support also provided for procurement of equipment for the regulatory authority.

The project will build on the results of a previous Phare project in the area, which supported the setting-up of the Insurance Supervisory Council (ISC), provided training and equipment, and supported the preparation of the required norms for application of the Law on Insurance.

The twinning will assist the Insurance Supervisory Council to draw up a strategy document identifying the measures required to ensure the effective performance of the insurance supervision function in line with international best practice. The concordance of the existing legislative framework with the *acquis* will be examined, and the requirements of the ISC for effective implementation of the legislative framework, in terms of its internal organisation and staffing, will be defined. A programme of staff training will be developed to create the capacity to meet these requirements, and training materials will be prepared. The information systems required to ensure effective insurance supervision will be assessed, and assistance provided for procurement of necessary equipment.

The project will support procurement of limited IT equipment on the basis of the assessment carried out by the twinning partner. Documentation resources supporting the ISC activities will also be provided.

The Implementing Authority for the project is Insurance Supervisory Commission. The CFCU is the Implementing Agency, responsible for contracting and financial management of the project.

#### **COMPETITION**

##### **2002/000-586.04.02 Further support for implementation of the *acquis* on competition policy and state aids. (€ 2.00 M)**

The project aims to provide further support to the alignment of Romanian legislation with the *acquis communautaire* in the field of competition and state aids, and to develop the competition authorities' capacity to fully implement this *acquis*.

The project will be implemented through twinning covering both the Competition Council and Competition Office which will review the remaining aspects of the legislative framework for competition and state aids policy, and propose any further amendments which may be needed, taking account of latest developments in EU legislation. Support will be provided in particular for regulations on the multi-sectoral framework for regional state aids in other sectors than steel, automobiles and synthetic fibres. An assessment will be undertaken on the introduction of the Regulatory Impact Analysis system, by which draft legislation would be submitted to a preventive analysis in order to assess its consequences on competition. Analysis of EU procedures as regards investigating and sanctioning industrial cartels will be undertaken with a view to aligning of Romanian legislation on this issue. Assistance will also be provided for drafting procedural rules for enforcement of the Law against unfair competition.

The twinning will also cover training activities for personnel in the national institutions and county-level inspectorates dealing with competition and state aid issues and involved in the decision making process, in accordance with the new transposed secondary legislation and taking into account the relationship between legislation on competition in other sectors such as: taxation, energy, industrial policy, regional policy and agriculture. Study visits or internships will be supported to EU Member States' competition authorities or institutions involved in the legal or practical aspects of competition policy.

The twinning will also provide support to the Competition Council and Competition Office by medium-term experts for the examination of cases relating to particular industrial sectors and specific companies. The support will ensure correct inventorying, monitoring and reporting of state aids in line with the principles of EU policy, and will extend to advising on the investigation of illegal state aids and definition of the necessary remedial measures. Proposals will be made regarding necessary measures to deal with existing state aids which may be incompatible with Romanian legislation and the principles of EU policy.

The twinning will promote improved awareness of competition policy issues on the part of key actors including the judiciary, market operators, and public authorities, especially public administrations granting state aids, through conferences, seminars and workshops.

The Competition Council and the Competition Office are the joint Implementing Authority for the project. The CFCU is the Implementing Agency, responsible for contracting and financial management of the project.

## **CUSTOMS UNION**

### **2002/000-586.04.03 Connection to EU customs systems (€ 4.55 M)**

Phare support has the objective of further strengthening the administrative, operational and technical capacity of the Romanian General Customs Administration (RGCA) to achieve full compatibility and inter-operability of the Romanian Customs systems with the EU systems, enabling the exchange of computerised data between the Romanian Integrated Customs Information System (ICIS) and the European Commission and the EU Member States' systems.

The project provides for continuity of support in the context of the Commission's Pre-accession strategy for the Customs and Tax Administrations in Central and Eastern European countries. and the Romanian Customs Development Strategy for the period 2000-2005.

The 2001 Phare National Programme (RO 010703) is supporting the first phase of inter-operability of the Romanian Customs systems with the EU New Common Transit System (NCTS), as well as the implementation of the Romanian Integrated Tariff (TARIR), fully compatible with the Community Integrated Tariff (TARIC).



Phare 2002 will support five areas of activity:

1. Connection of RGCA systems with the CCN/CSI system.

The Common Communication Network and Common System Interface (CCN/CSI) is an informatic gateway developed by the Commission services to standardise the access to EU customs applications. This project will support procurement of the necessary technical infrastructure (equipment, software) for the connection of the RGCA with the CCN/CSI system, and provide technical assistance for the physical installation of the gateway and necessary operational support. Only one supplier, already contracted to the Commission services, meets the requirements for supply of this system. Consequently this component will be implemented by this contractor, in the standard conditions established by the Commission.

This component will be correlated with the requirements and provisions stipulated in the Phare networking programme adopted by the Commission in November 2001, which includes activities on CCN/CSI.

2. Completion of the preparation for adhesion to the Common Transit Convention and implementation of NCTS

This component provides continued support to Romania's efforts to ensure that its National Transit Application is fully NCTS-compatible at latest one year prior to accession. The Phare 2001 activity in this area is supporting development of the legal and organisational framework for NCTS, system design and piloting, and creation of interfaces with other customs systems.

The Phare 2002 project will assist RGCA to complete the functional implementation of the National Transit Application through:

- a. The development of new functionalities: guarantee management, risk analysis for the national level, statistics, enquiry, and interfaces with external domains.
- b. The full integration into the Integrated Customs Information System (ICIS), in line with the "Strategy for Customs IT Development and interoperability with the EU systems" guidelines.

3. Completion of the implementation of the Romanian Integrated Customs Tariff (TARIR), fully compatible with the European Community Integrated Tariff (TARIC)

Implementation of TARIR, in accordance with the Romanian customs IT strategy, is being accomplished in three phases. The first two phases cover the design of the system and preparation of methodologies and procedures for the maintenance of the TARIR, as well as the automated tools to assist this process.

Under Phare 2002 a third phase of the activities will assist RGCA to finalise the implementation of a fully TARIC-compatible system in Romania, assuring its integration into ICIS and the operational customs environment, through:

- structural adaptation of the ICIS at the national level for the use of the TARIR and also the compatibility of ICIS with the Commission system;
- integration of TARIR management system within the ICIS;
- full implementation of TARIR in the customs operational environment, both functionally and technically.

#### 4. Preparation of RGCA systems for the connection with the Commission databases

This component will assist RGCA to develop and implement an Integrated Tariff Management System (ITMS), which will ensure the consistent inter-operability of the ICIS components with the EU systems, in accordance with the Commission inter-operability strategy.

#### 5. Strengthening inter-operability with EU systems

Twinning support from a member state administration will be provided to assist in defining and implementing a programme to develop the inter-operability of Romanian customs systems with EU systems.

The Romanian Customs Administration is the Implementing Authority for the project. The CFCU is the Implementing Agency, responsible for contracting and financial management of the project.

#### **2002/000.586.04.04 Strengthening market surveillance and consumer protection – support to the National Authority for Consumers Protection (€ 2.00 M)**

The project will provide support to the Romanian authorities in establishing an effective and transparent system for managing the implementation of European Union technical regulations for market surveillance. It will develop the capacity of the National Authority for Consumers Protection (ANPC) as competent enforcement authority in the field, and strengthen its co-operation with civil society, promoting information and counselling activity in the consumer protection field. Phare support is based on the Accession Partnership priorities, which stress the need to develop capacity to implement the legislative framework which is being put in place. Staff training, the development of relevant databases and the modernisation of laboratories are needed to support implementation of the legislative framework, and the level of public information and consultation should be increased.

Phare will support improvements to the market surveillance mechanisms through further development of existing information systems at central and local level. A national training plan and a programme of training, and training of trainers will be developed. These activities will focus on improving skills of ANPC staff in the enforcement of the legislation in consumer protection field, including EU principles of food safety. Short study visits for ANPC officials will be organised in Member State market surveillance agencies. The assistance

will also contribute to the creation of mechanisms to ensure public information and counselling on consumer protection issues.

The project will support procurement equipment for county-level laboratories for analyses related to identification of products presenting risks for the life and health of consumers in line with the requirements for implementation of the relevant *acquis* and Romania's commitments in negotiations. Software and equipment for central and local level ANPC databases and equipment related to the information activities will also be provided.

The National Authority for Consumers Protection is the Implementing Authority for the project. The CFCU is the Implementing Agency, responsible for contracting and financial management of the project.

## **EMPLOYMENT**

### **2002/000-586.04.05      Support for implementation of social and employment acquis (€ 7.20 M)**

The overall objective of the project is to support the Romanian Government to improve the working environment by focusing on three specific issues: (a) equal opportunities, (b) the insurance system for work accidents and occupational diseases, and (c) social security of migrant workers.

The project aims at creating a mechanism to promote gender equality at national level co-ordinated by the National Agency for Equal Opportunities for Women and Men; setting up and implementation of an insurance system for work accidents and occupational diseases; and establishing a functional social security system for migrant workers with an Information and Documentation Centre for migrant workers. Phare support will be in the form of two twinning projects, technical assistance and investment.

(a) **Equal opportunity:** Member States expertise will be provided for setting up a National Agency for Equal Opportunities for Women and Men and training for civil servants from central and territorial level, jurists and magistrates, employers and employees on the practical implementation of gender equality *acquis*. A practical guide will be elaborated and public campaigns will be launched. Investment in IT and office equipment for the National Agency and its local units will be supported as well.

(b) **Insurance system for work accidents:** Setting up and implementation of the insurance system for work accidents and occupational diseases will be supported through a technical assistance contract and investment. The insurance system for work accidents and occupational diseases is a component of the reform of social insurance. The system aims at protecting employees as well as encouraging employers to improve working conditions and to reduce the number of works accidents. The employers contributions to the insurance system will be linked to the efforts made for reducing the level of risk in the enterprise.

The main tasks of the TA will be the following

- Improvement and development of the legislative framework and delivery of training courses in order to build a solid and efficient system for accident prevention, and insurance services.
- Identification and implementation of economic incentives for reducing the level of risk in enterprises (indicators for evaluating the employers' contributions, establishment of risk categories for enterprises etc.)
- Staff training on health and safety management, risk assessment and auditing, prevention methods.

IT investment is necessary for improving the databases concerning work accidents, occupational diseases, costs and benefits as well as data bases for keeping records for employers and employees.

**(c) Social security system for migrant workers:** Twinning support will be provided for establishing a social security system for migrant workers with an Information and Documentation Centre for migrant workers. The main activities of the twinning will be: an impact study to assess the liabilities resulting from the application of the EC regulation on co-ordination of social security; comparative studies and proposals for the adaptation of the institutions and structures existing in Romania in the field of co-ordination of social security systems; training; seminars and assistance in setting up the Information and Documentation Centre.

Training of trainers and a training package for the staff (the Ministry of Labour and Social Solidarity, Ministry of Health and Family, Ministry of Education and Research, National Agency for Employment, National House for Pension and other Social Insurance Rights, National House for Health Insurance and their territorial entities) on the implementation of the EU acquis will also be provided. Seminars for raising awareness of the staff in the institutions concerned on the challenges brought by the free movement of workers and the co-ordination of the social security schemes will be organised.

As regards the Information and Documentation Centre for Migrant Workers, it should provide information to Romanian and foreign workers, institutions and employers about the general framework in which they carry out their activities, their social security rights and obligations, administrative procedures etc. The Member States' experts are expected to assist on: mapping and building up of the database; creating and maintaining a web site; collection of data concerning the information and documentation necessary for the application of the European regulations in the field of movement of workers and co-ordination of social security systems; and public awareness.

Investment in IT and office equipment for the institutions involved will be provided.

The Implementing Authority for the project is the Ministry of Labour and Social Solidarity. The CFCU is the Implementing Agency responsible under the Phare Decentralised Implementation System. For the twinning on equal opportunities, the Directorate for Equal Opportunities for Women and Men in Ministry of Labour and Social Solidarity will be the main counterpart. For the

twinning on social security for migrant workers the Directorate for International Relations in the Ministry of Labour and Social Solidarity will be the main counterpart.

## **AGRICULTURE**

**2002/000-586.04.06**

### **Surveillance, prevention, diagnosis and control of animal diseases, and alignment with the acquis in the field of animal nutrition. (€ 7.00 M)**

The overall objective of this project is to align Romanian administrative procedures and technical capabilities for surveillance, prevention, diagnosis and control of animal diseases, and structures for the border veterinary control, with those of the European Union. The project will also develop resources at the Ministry of Agriculture, Food and Fisheries in areas related to adoption and implementation of the European Union acquis on animal nutrition.

The project comprises the following four components:

#### **A. TSE control**

This component supports the protection of public and animal health by developing the administrative and technical capabilities for monitoring and preventing Transmissible Spongiform Encephalitis (TSE). Phare will co-finance the acquisition of diagnosis kits in order to carry out fast tests related to TSE. The said kits must be approved by the Community reference laboratory and by the Commission taking into account European Commission indications as regard their costs and procurement arrangements. In relation to the test kits to be procured under this project, and in accordance with regulation 3906/89 (OJ L375 of 23/12/1989) and the relevant Commission decisions, the Commission services, may, on a case by case basis and upon justified request by the national authorities, authorize exceptions to the rules of origin and nationality. Laboratory equipment required for fast tests for TSE surveillance and diagnosis will also be financed. Training on TSE surveillance and diagnosis using fast tests will be provided for Romanian specialists within Community reference laboratories. Technical support will be provided for the elaboration of the project to set up the second grade of bio-security for the TSE laboratory within the Institute for Diagnosis and Animal Health.

Phare support for the procurement of TSE test kits is provided on the basis that laboratories' operating costs, including replenishment of supplies of test kits, are adequately covered from national budget resources.

#### **B. Veterinary diagnostic tests and standards**

The project will support the introduction of molecular biology techniques in accordance with the EU Manual for Standard Tests into current veterinary diagnostic procedures used at the Institute for Diagnosis and Animal Health (National Reference Laboratory) and in eight county-level diagnostic laboratories. Phare will support procurement of the necessary laboratory equipment, and provide training for laboratory staff in modern laboratory techniques and methods. This training will be provided as far as possible within comparable national veterinary laboratories in EU Member States.

An animal diseases monitoring programme will be set up in accordance with the relevant acquis.

**C. Border veterinary inspection**

The project will support training for workers in the state veterinary laboratory and at border inspection posts, regarding analytical techniques to be applied for imported live animals and animal products from third countries.

**D. Animal nutrition**

Twinning support will be provided to assist the animal breeding sector to adopt and implement the community acquis in the field of animal nutrition, through elaboration and implementation of sector policies in compliance with the EU requirements.

The twinning will advise the national authorities on establishing a legal framework compliant with EC legislation defining the conditions for the preparation, marketing and use of animal feedingstuffs. An inventory and assessment of feedingstuffs production capacity will be drawn up. Plans and a timetable for implementing the modified legal framework will be elaborated. Training and information will be provided to ensure that the feedingstuffs production sector is informed about the implications of adopting the relevant EC legislation and sector policies, particularly as regards the organisation of the official inspection in the animal nutrition sector.

Support will be provided to enable the Romanian authorities to take part in the regional and international co-operation on improvement of animal health, safety and welfare.

The Implementing Authority is the National Sanitary Veterinary Agency within the Ministry of Agriculture, Food and Fisheries. The Implementing Agency responsible for contracting and financial management is the CFCU.

**2002/000-586.04.07 Disposal of pesticides (€ 3.75 M)**

The project has the objective of reducing risks of environmental pollution related to management of agricultural pesticide stocks through re-packaging, collection and elimination of pesticides on the Romanian territory in line with the requirements of EC agricultural and environmental policies. The project will deal in particular with pesticide stocks and packaging at a large number of sites, which have accumulated since 1985 as a result of regulations forbidding the use of organic-chlorate insecticides and reducing the prescribed application doses of other pesticides. It will also assist the competent authorities to prevent such accumulation of toxic products in future by reinforcement of the national legal framework, harmonised with the EU legislative provisions in the field, and drawing up national programmes related to the sound management of pesticides.

This objective supports the Accession Partnership 2001 priority of integrating environmental protection requirements into the definition and implementation of all other sectoral policies with a view to promoting sustainable development.

The project includes two components: (1) disposal of pesticides and (2) supervision and technical assistance.

The first component covers repackaging, clean-up of storage sites, transport in Romania, temporary storage in Romania, trans-frontier shipment, and disposal of pesticide wastes. Handling of the pesticides wastes shall be performed under strict personal protection conditions. All containers used for repackaging will be UN certified and comply with the applicable EC standards. The original packaging material will also be repackaged for shipment with the pesticides wastes. The trans-frontier shipment of the waste will be performed in compliance with the relevant UN, Basel Convention and EU legislation, in particular Directive 94/774/EU and Regulation 259/93.

The second component provides independent supervision to make sure that all the applicable legislation in the field of environment, transport of hazardous substances and health is applied in relation to activities under the first component of the project. It will also provide policy advice on pesticide management to the Ministry of Agriculture, review all of the relevant Romanian legislation (including from sectors other than agriculture), audit the Romanian institutions and other agents involved, and propose a concrete action plan or corrective measures, so that Romania is not confronted with a similar problem in future.

The Implementing Authority for the project is the Ministry of Agriculture (Directorate for Plant Protection and Phytosanitary Quarantine), which will co-operate closely with the Ministry of Waters and Environmental Protection (Directorate for Residues and Injurious Chemical Substances).

## ENERGY

### **2002/000-586.04.08 Assistance to the energy sector (€ 7.25 M)**

The project has the objective of sustaining progress towards harmonisation with the energy sector acquis, including improving energy efficiency and the effectiveness of energy markets, and development of trans-European energy networks.

In the area of promotion of energy efficiency, compliance with the relevant acquis will be supported through institution building for the purpose of strengthening local energy efficiency agencies. Training will be provided for these agencies and the regional branches of the national energy efficiency agency ARCE in (a) energy auditing and energy efficiency technologies; (b) information dissemination and awareness raising; and (c) development of energy efficiency projects. In addition, limited support will be given for the procurement of necessary equipment for the local energy efficiency agencies. Additional support to the promotion of energy efficiency will be provided through equipping a hot water boiler testing laboratory at the Romanian National Authority for Control and Approval of Boilers (ISCIR) to provide test facilities complying with the requirements of the energy efficiency acquis. In addition, technical assistance will be provided to ISCIR in the development of their inspection and market surveillance functions for households boilers.

In the area of further development and consolidation of the electricity market, the project will provide investment in hardware and software, and related technical assistance and training, based on requirements identified in the

context of ongoing Phare assistance, in order to consolidate the electricity commercial market operator. Phare support will cover procurement of IT and communication system hardware and software for the introduction of a financial power exchange, together with a simulation system of the financial power market for training purposes. Investment is also required for the acquisition of a medium and long term electricity demand forecasting module. Related training and technical assistance will also be supported.

Development of trans-European energy networks will be facilitated through preparatory studies for a project to construct an oil transit pipeline from Constanta (Romania) to Omisalj (Croatia). The studies financed out of the Phare national programme for Romania will be co-ordinated with parallel studies being undertaken by the Federal Republic of Yugoslavia and Croatia.

The Ministry of Industry and Resources is the Implementing Authority for all components of this project and will be provided limited technical assistance supporting their implementation. The CFCU is Implementing Agency, responsible for contracting and financial management.

#### **TRANSPORT**

**2002/000-586.04.09**

**Assistance to implement financial and safety aspects of EU legislation and policy in the field of inland waterway and road transport (€ 6.70 M)**

The project has the objective of strengthening the Ministry of Public Works, Transport and Housing (MPWTH) and the bodies in charge of road and inland waterway safety so that they are able to meet the relevant requirements of the *acquis*, and of harmonising Romania's fiscal policies in the transport sector with EU policies.

Restructuring of the inland waterway transport fleet will be encouraged. The necessary tools will be developed for the application of a transparent fiscal system for both inland waterways and road transport. The capacity to enforce traffic safety legislation will be enhanced by providing appropriate equipment for roadside technical inspections and weights, alcohol and speed measuring equipment.

The project corresponds to Accession Partnership priorities relating to reinforced administrative capacity in road transport and continuing legal alignment, in particular phasing out discriminatory practices in road transport taxation/charging, and to restructuring and modernisation of the Romanian Danube fleet to increase its competitiveness and to prepare it to comply with the EC technical requirements.

The project is divided into the following six components:

##### **1. Twinning on inland waterway safety**

A Pre-Accession Adviser will assist the Ministry of Public Works, Housing and Transport, and the relevant bodies involved in inland waterway safety, mainly the Romanian Naval Authority (RNA) to review legislation, elaborate new legislation needed to continue the harmonisation with the *acquis*, and



strengthen the administrative capacity of the bodies responsible for the inland waterway safety. The twinning will produce a definition of the responsibilities of the RNA along the lines of similar authorities from the Member States and in accordance with the relevant EC legislation. The responsibilities of the ports and inland waterway administrations to ensure proper safety conditions for inland waterway traffic in line with the principles of EC legislation will also be defined. The respective roles of the General Directorate of Maritime Transport, Danube and Inland Waterways, RNA and the ports administrations will be clearly defined. Training structures for personnel working on internal navigable lines will be organised. Recommendations will be prepared for modifications required to the legal framework for alignment with EC legislation in the area of formal qualifications and licences for inland waterways navigation.

## 2. Development of inland waterway fleet

The project will produce a policy study on measures needed for the revival of the Romanian inland waterways transport fleet taking into account the current situation and capacity of the fleet, and the prospects for its future development, in view of the evolution of the overall demand for goods transport and the role of other transport modes. The needs as regards management structures for the sector will be assessed. The differences between European and Romanian technical norms for shipbuilding and operation of inland navigation vessels will be evaluated. The study will identify investment needs and possible financing mechanisms for the revival of the fleet. Recommendations will be prepared for the implementation in Romanian law of the technical rules for river ships within the European Union (EC Directive 82/714) . Consultations on the policy study will be undertaken with relevant partners including representatives of operators in the sector and EU institutions.

## 3. Financial assessment and fiscal policy in the inland navigation transport sector

Closely co-ordinated with the sector development study to be undertaken under Component 2 of the project, a policy study will be undertaken regarding the fiscal regime in the inland waterway transport sector, with a view to developing proposals to ensure an appropriate correlation between taxation and infrastructure costs. The costs to be incurred by the sector in upgrading to meet EC technical requirements will be taken into account. Consultations on the policy study will take place with relevant partners including representatives of operators in the sector and EU institutions.

## 4. Taxation and fiscal policy in the road transport sector

A financial and fiscal policy study will be prepared for the road transport sector, analysing the current situation and proposing arrangements for a correct fiscal regime in the sector ensuring a correlation between taxation and infrastructure costs. Consultations on the policy study will take place with relevant partners including representatives of operators in the sector and EU institutions.

## 5. Road traffic safety equipment

The project will support investment in portable weighing systems for control of compliance with maximum limits of weights and dimensions of freight vehicles using the road network, in accordance with the requirements of Recommendation 76 of the International Organisation of Legal Metrology.

The equipment is to be provided to all Sections for National Roads and Regional Directorates for Road and Bridges under the National Administration of Roads. After warranty period, the National Administration of Roads will bear the maintenance costs. Romanian co-financing for this investment, which will correspond to at least 25% of the total project costs, will be ensured through the purchase with national public funds of vehicles required for transportation of the portable weighing systems.

Equipment for the Romanian Automotive Register for mobile laboratories will be financed. The laboratories will undertake roadside technical inspections in line with relevant EC Directives, covering vehicle emissions, braking systems and lights. Support under the current programme will complete investments initiated with national budget funds and financing under the Phare 2000 programme.

Equipment will also be purchased for the Romanian Traffic Police for speed and alcohol measurement (video traffic surveillance equipment and radars; ethylo test equipment). The endowment will permit control and testing throughout the national territory.

## 6. Assistance for implementation

Limited technical assistance will be provided in order to assist the Ministry of Public Works, Transport and Housing in the elaboration of the Terms of Reference and the tender documentation of Components 2,3 and 4.

The Ministry of Public Works, Transport and Housing will act as Implementing Authority for all components. The CFCU is the Implementing Agency, responsible for contracting and financial management.

### **2002/000-586.04.10      Management and professional training for the road, inland waterway and air sectors (€ 1.20 M)**

The project supports Romania's capacity to comply with the *acquis* in the field of transport, through improving training of managers in the transport sector (road, inland waterway and air transport) focused on the implications of compliance with the *acquis*.

The project will be implemented through one or a number of technical assistance contracts providing services to specialised training institutions accredited by the Ministry of Public Works, Housing and Transport. Three specialised institutions offering professional and management training relating to road carriers activity will benefit from the Phare assistance. In the area of air transport, the beneficiaries will be the Romanian Civil Aeronautic Authority (RCAA) and the Romanian Aviation Academy (RAA). For the inland waterway

sector, Phare support will be provided to the Inland Waterways Training Centre in Galati.

For the road sector, Phare support will lead to preparation of improved business plans for each of the concerned institutions, enhancing their capacity to generate revenue to sustain their activities on the basis of services provided to the sector. Training programmes within these centres will be developed with a view to ensuring international recognition of professional qualifications. Relevant training materials will be developed, and training of trainers will be provided. Areas covered by training will include the management of transport enterprises, respect for EC legislation and international agreements relating to transport of dangerous goods by road, professional training for drivers involved in transport of dangerous goods, and professional training and improvement programmes for instructors and teachers of road legislation.

For the air transport sector, the technical assistance will focus on enabling the RAA to acquire the status of recognised Flight Training Organisation, in accordance with the Joint Aviation Regulations in force in Europe, and to become a regional training centre in civil aviation. Supporting this effort, Phare support will lead to the development of an improved business plan for the RAA, and implementation of the relevant standards. Training will be provided for its trainers in relevant modern pedagogic techniques. Training will also be provided for RCAA inspectors related to airport certification, based in particular on European Union experience in the field of airport safety.

For the inland waterway sector, the Phare technical assistance will undertake a review of the business plan of the Galati Training Centre, undertake training of trainers and prepare training materials to improve the quality of professional training at the centre. The support will focus on training related to relevant EC transport legislation and policies, in particular as regards safety in inland waterways transport.

The Ministry of Public Works, Transport and Housing will act as Implementing Authority for the project. The CFCU is the Implementing Agency, responsible for contracting and financial management.

## **HEALTH**

### **2002/000-586.04.11 Information management, Control and Prevention of HIV/AIDS and non-communicable Diseases (€ 5.82 M)**

The project supports health sector reform in the priority public health fields identified in the National HIV/AIDS Strategy and the National Program for Prevention and Control of Non-communicable Diseases.

The project is in line with the Accession Partnership priorities relating to (a) transposition and implementation of legislation on public health and development of a national system for surveillance and control of communicable diseases and a health monitoring information system, and (b) strengthening the capacity to manage health sector reform in a

comprehensive manner by improving strategic planning for human and financial resources to make efficient use of public funds while ensuring equal access to health care.

It has two components:

1. Upgrading the HIV/AIDS Regional Centre Network for surveillance, preventive and curative health care in line with the European Community HIV/AIDS Action Programme.
2. Establishing a well-functioning monitoring information system for non-communicable diseases including cancer in order to support the public health policy making.

The first component, to be implemented by the National AIDS Commission, will provide technical assistance to analyse and improve the legal framework for the national HIV/AIDS strategy in line with EC legislation in the field. It will also support upgrading of the national HIV/AIDS surveillance and data analysis system in line with the requirements of the national strategy, in the context of the Romanian System for Epidemiological Surveillance and Control of the Communicable Diseases. The project will assist in the establishment of the required HIV/AIDS surveillance infrastructure in a number of pilot regions selected according to criteria based on known HIV prevalence. Training programmes for health workers will be developed in line with the requirements of the national HIV/AIDS strategy. Equipment will be provided for the laboratories of the HIV/AIDS Regional Centres in accordance with the needs identified in the IB component.

The second component of the project, to be implemented by the Directorate of Public Health of the Ministry of Health and Family, provides support for development of the national monitoring information system for non-communicable diseases including cancer. The activities under this component include assessment of the current monitoring and evaluation system for non-communicable diseases, of the national cancer prevention programme, and design and implementation of a new system on the basis of a revision of the legislative framework in the light of EU guidelines concerning health monitoring and evaluation and cancer screening. Institution building and training activities will be supported for upgrading the monitoring and evaluation of non-communicable diseases and for cancer screening and prevention, including design and implementation of a training plan for workers in County Public Health Directorates, Institutes of Public Health and the National Centre for Health Statistics. Planning will be undertaken for a national IT network for monitoring non-communicable diseases and cancer, and the system will be implemented in a number of pilot counties. Equipment for early detection of cancer will be provided for 42 counties.

The Ministry of Health and Family is Implementing Authority, responsible for technical implementation of the project. The CFCU is Implementing Agency, responsible for contracting and financial management.

## Environment

### **2002/000-586.04.12 Assistance in the transposition and implementation of the Environmental Acquis in the field of chemicals, industrial pollution control and risk management, air and water (€ 5,10 M)**

Further Phare assistance is provided to the Ministry of Waters and Environmental Protection for adoption and implementation of the environmental acquis through provision of twinning in two areas, as well as investment and technical assistance activities. This project will be guided by the implementation plans agreed during the accession negotiation process, when they are available.

The project has four components:

1. Twinning supporting completion of the legislative framework in the field of chemicals and strengthening of the capacity for its enforcement. This component will assist in drafting legislation on the evaluation and control of risk. Proposals will be developed for capacity building relating to implementation of the legal framework. Procedures regulating import and export of certain dangerous substances and procedures for risk assessment of existing chemicals will be developed. Lists and plans will be drawn up regarding the substances that must be restricted or forbidden for marketing and use. A system will be elaborated for information exchange between the public authorities and institutions involved in the management of dangerous substances. Financial assessments will be undertaken concerning restrictions on the marketing and use of certain dangerous chemicals. Training programmes will be organised for persons involved in management of chemicals at central and local level.

2. Twinning supporting preparation for implementation of EC Directives related to Volatile Organic Compounds (VOC), Large Combustion Plants (LCP) and control of major accident hazards involving dangerous substances (SEVESO II).

This component represents a continuation of sub-project 4 of the Phare 2001 project entitled "Assistance for the implementation of IPPC Directive". The new proposed twinning has the objective of supporting Romania in the implementation of the relevant Directives. Support may also be provided to deal with any outstanding issues on legislative transposition in this area. The project will support the establishment of the management structure, the reporting systems, the integrated authorisation system, the integrated control mechanism and an emissions reduction plan in line with the requirements of these directives. Inventories will be established of industrial installations falling within the scope of the Directives, together with a register of transferred and emitted pollutants. In six selected pilot areas plans will be drawn up for dealing with industrial pollution emergencies.

Training will be provided for personnel involved in the implementation of the directives.

3. Investment support for improvement of the National Air Quality Monitoring Network.

The project will support acquisition of the necessary equipment for the Environmental Protection Inspectorates (EPIs) in three selected agglomerations, and for the National Reference Laboratory for the National Network for Air Quality Monitoring in order to obtain the accreditation in accordance with the ISO 17025/ 2000 provisions. The equipment for EPIs will allow them to monitor certain types of pollutants (SO<sub>2</sub>, NO<sub>2</sub>, NO<sub>x</sub>, particulate matter, lead, CO, benzene and ozone in ambient air), as the EU legislation requires.

The equipment for the National Reference Laboratory will make it possible to assure the quality of the analyses, tests and measures carried out by the EPIs and support the auditing of air quality monitoring activities.

4. Establishment of an information system and databases for water management according to the requirements of the Water Framework Directive.

This component will support the establishment of the management structures, information systems and databases required for implementation of the Water Framework Directive and other relevant EC Directives. It is based on the conclusions of a Phare 1998 twinning project which identified the lack of an organisational structure to co-ordinate information on water resources at national, international, local or basin levels.

The planned activities will lead to an assessment of the existing situation, and the preparation of an Action Plan for developing a reporting and national information system for recording and mapping water resources, to be used by the national water management authorities at different levels, and to provide public information on water resources. Particular attention will be given to the sustainable financing of the information system. A technical unit for implementation of the Action Plan will be set up under the Minister of Waters and Environmental Protection. A pilot application will be developed at local level (sub-basin level) supporting the national information system, including procurement of equipment and software.

The Ministry of Waters and Environmental Protection is Implementing Authority, responsible for technical implementation of the project. The CFCU is Implementing Agency, responsible for contracting and financial management.

**2002/000-586.04.13      Strengthening the Ministry of Health and Family to harmonise and implement legislation in the field of water (€ 5.00 M)**

The objective of the project is to protect public health through effective transposition and implementation in Romania of EC Directives on the quality of water for human consumption and bathing water, and through support to preparations to implement the planned Water Framework Directive. Priority within the project is given to the area of water for human consumption.

The project responds to pressing health problems resulting from the contamination of drinking water supplies. It is in line with Accession

Partnership priorities on transposing and enforcing horizontal environmental legislation, in particular water quality legislation, and strengthening local Environmental Protection and Public Health authorities with regard to their responsibilities in this area. The competent national authority for the implementation and enforcement of the above directives is the Ministry of Health and Family (MoHF), which is responsible for setting water quality standards, monitoring drinking water and bathing water quality, surveillance of water related diseases and enforcing the regulations on water and sanitation.

Phare support to the MoHF in these areas will enable the water laboratory at the Department of Environmental Medicine of the Institute of Public Health in Bucharest to play the role of National Reference Laboratory for drinking and bathing water, supported at local level by 3-5 field laboratories belonging to the Directorates of Public Health. The Phare project will provide appropriate equipment and institution building support in order for these laboratories to fulfil all their tasks. The project is to be implemented through a technical assistance services contract covering training and institution building activities, and a supplies procurement contract.

The technical assistance contract will support the strengthening of laboratory operation and organisation, through introduction of a quality control system, the updating of analytical techniques, and design of a Laboratory Information Management System. An assessment will be undertaken of the possibilities for ensuring the financial sustainability of the laboratories. The technical assistance will also support the establishment of a monitoring system for both drinking and bathing water, on the basis of appropriate sampling procedures, and will develop procedures for reporting on water quality to technical audiences and the public. Improved procedures for quality assurance for water treatment will be developed, and a remediation action plan will be prepared to deal with cases of non-compliance with standards. Requirements for modification in the legal and regulatory framework will be identified. The organisational structure and manpower requirements of the laboratories will be reviewed. Training of laboratory personnel on implementation of the water quality directives will be undertaken.

Procurement of laboratory equipment and IT systems and equipment will be supported meeting a part of the requirements of the national reference laboratory and the selected field laboratories for the qualitative and quantitative analysis of chemical substances and the identification and measurement of micro-organisms present in water intended for human consumption and bathing water. The co-financing requirement for the Phare investment will be met through national budget financing of a separate contract for laboratory equipment supply, for at least 25 % of the overall project value, also contributing to meeting the overall requirements of the laboratories. Procurement will be on the basis of priorities and technical specifications elaborated through the Phare Project Preparation Facility.

The Ministry of Health and Family will act as Implementing Authority for all components. Close co-operation on implementation will be maintained with

the Ministry of Waters and Environment. The CFCU is the Implementing Agency, responsible for contracting and financial management.

**Justice and Home Affairs**

**2002/000-586.04.14 Further strengthening of border control and improved management of migration (€ 14.50 M)**

The project has the objective of further enhancing Romania's capability to provide adequate control of the future EU Eastern border, in accordance with the standards, procedures, equipment and best practice for border management and control, within European Union Member States. It will improve management of migration through assisting in Romania's alignment with the EC acquis regarding Dublin Convention cases and unaccompanied minors as vulnerable persons, according to the EC standards and practices in the field. Support will be provided to Romania's alignment with Schengen regulations and practices, including the preparation for future connection to the Schengen Information System. Romania's visa processing system will be further enhanced.

The activities correspond to a number of Accession Partnership priorities: implementation of the Law on the Romanian State Frontiers, countering illegal migration and trafficking in human beings, especially women and children, developing and presenting a Schengen Action Plan, elaborating and starting implementation of an integrated strategy for the fight against corruption and organised crime, developing and implementing a national drugs strategy and continuing the progressive alignment of visa legislation and practice.

The project includes four distinct components:

**(1) Enhanced Capability of The Romanian Border Police (RBP)**

The project will provide RBP with a range of different types of equipment for control, detection and identification of drugs at border crossing points, mainly on the borders with Moldova, Ukraine and Yugoslavia. The mobility of the Border Police on the borders with Ukraine and Moldova, including the Danube delta and the Prut River, as well as on the Black Sea and the border with Yugoslavia, will be improved through provision of vehicles, motor-cycles and boats. Provision of this equipment takes account of previous Phare support for procurement of equipment under the 1999 and 2000 programmes, and of the needs for replacement of old equipment. Phare support is provided on the basis that the Romanian national budget will provide adequate resources for running costs (including fuel and maintenance).

Twinning support under this component will be provided to the Romanian Border Police to upgrade the capability to fight against trans-border traffic in drugs and human beings. The twinning will result in the development of an adequate framework for national and international co-operation and information exchange between RBP and relevant national and international agencies in the field, preparation of internal regulations to facilitate the fight against trafficking in drugs and human beings, drafted in accordance with EC legislation and policies, and will provide training for RBP officers in accordance with best practice in EC member states.



In addition, a needs assessment related to management training will be carried out.

(2) Further development of the legislative and institutional framework in the field of asylum and refugees.

This component of the project will be implemented through a twinning which will support the introduction of the Eurodac system in order to improve the procedures for refugee status determination in line with the Dublin Convention requirements and relevant EC legislation, as well as the Geneva Convention on Refugees and the New York Protocol. It will assist the National Refugee Office to develop its capacity to handle unaccompanied minors. The twinning will review current Romanian legislation in these areas and propose necessary new legislation or legislative amendments. It will also support the establishment of a Department for Dublin Convention implementation within the National Refugee Office, through an assessment of the legal and institutional requirements and provision of training. The twinning will similarly support the establishment of a department dealing with unaccompanied minors within the National Refugee Office, with particular attention to ensuring the co-operation framework between the newly established department and relevant national and international bodies.

(3) Preparations for alignment with Schengen regulations and practices

Twinning will be provided to assist in implementation of Romania's Schengen Action Plan. The Pre-Accession Adviser will undertake an assessment of existing legislation in the area, and of the concept developed for Romania's integration within the Schengen Information System (SIS). Recommendations will be prepared for any modifications which may be needed in the concept to ensure it matches EU requirements and best practices in the Member States. The twinning project will focus in particular on making operational the system of sharing information among the departments in different law enforcement agencies, and on connecting Romania to other international systems. In addition it should result in preparing the creation of Romania's interface with SIS II. The twinning will support the elaboration of the necessary legal harmonisation programme, together with an estimated budget for its implementation. Recommendations will be prepared for harmonising relevant national databases with SIS requirements. A staff training programme will be designed and implemented based on the human resource requirements of implementation of the Schengen acquis. Support will also be provided for conclusion of co-operation protocols/ agreements with the relevant authorities within Schengen States.

(4) Further enhancement of Romania's visa processing system

This component provides further support for implementation of the on-line visa-application processing system, building on initial support provided under Phare 2000. The system is designed to ensure a better capacity to combat illegal migration.

Procurement of equipment through Phare financing will permit the integration of the Aliens and Migration Issues Directorate of the Ministry of Interior, and its territorial units, into the on-line national visa system developed within the National Visa Centre of the Ministry of Foreign Affairs. The project will also

support further development of the IT infrastructure of the Ministry of Foreign Affairs through procurement of hardware (dedicated workstations, modems, printers and scanners) in consulates and embassies not currently linked to the system where such connection is a priority.

The Ministry of Interior will act as Implementing Authority for all components, in co-operation with the Ministry of Foreign Affairs for the visa processing system component. The CFCU is the Implementing Agency, responsible for contracting and financial management.

**2002/000-586.04.15      Modernisation and reform of law enforcement agencies and strengthening of anti-corruption structures (€ 4.317 M)**

This project supports the comprehensive reform and modernisation programme initiated by the Ministry of Interior on the basis of the strategy developed and approved in 1999, covering the Ministry and all subordinated institutions, in particular the police and gendarmerie. Particular emphasis is given to development of training structures required for reform and modernisation, the development of effective anti-corruption structures, and to the creation of mechanisms favouring co-operation with civil society.

The activities correspond to the following Accession Partnership Priorities: intensifying the fight against corruption; ensuring improved co-ordination between the bodies involved in anti-corruption activities and strengthening their implementation capacities; continuing police reform.

The project is to be implemented through four twinings with appropriate member state institutions, together with limited procurement of equipment supporting the activities developed through twinning. The content of each twinning is described below:

**1. Development of the Ministry of Interior training institutions**

A twinning with a competent member state body will undertake an overall assessment of training and human resources management policies for the National Police in the light of new legislation (the Police Officers Act) and the requirements of the future reformed and modernised police service. The budgetary implications of the necessary changes in training and human resources policy will be evaluated. The twinning will assist in particular in assessing needs for change in current system for recruitment and initial training of police, making proposals for changes in the light of the new legislation, and taking account of best practice in EU member states. Training will be provided for evaluators involved in recruitment procedures. Support will be provided to improve the design of training programmes for recruits, and to train trainers for this purpose.

Similarly, assessments will be undertaken of the systems for in-service training for the police, and senior management training for the police and the

Ministry of Interior, taking account of best practice in EU member states. Proposals for changes in the systems will be developed, training curricula will be developed in line with these proposals, and training of trainers will be provided.

Limited procurement of IT and other items of training equipment and forensic laboratory equipment will be supported for the institutions concerned with the implementation of training programmes in the context of police reform and modernisation.

## 2. Follow-up to the demilitarisation and decentralisation of police functions

Twinning under the second component of the project will contribute to development of a modern demilitarised and decentralised policing system, drawing on experience in EU member states. The twinning will support the drafting of secondary legislation required in the context of the Police Officers Law and the demilitarisation/decentralisation programme, building upon the experts' reports produced in the framework of the 1998 twinning Police Programme. Secondary legislation on procedures for dealing with complaints against policemen will also be drafted. A strategy for implementation of the Police Officers Law will be developed, focusing on the organisational and budgetary aspects of implementing the Law. Proposals for improved mechanisms for co-operation with civil society will be developed, and training programmes to familiarise officers with the principles of community policing will be developed and implemented.

## 3. Modernisation of the Romanian Gendarmerie structures and practices

Twinning will be provided by an appropriate member state body to conduct a general review of the organisational structure and development plans of the Romanian Gendarmerie, and make recommendations for improvement, taking account of experience and best practice in EU member states. An assessment will be carried out of the legal framework for the Gendarmerie, and recommendations will be made for amendments to primary and secondary legislation. Particular attention will be given to provisions relating to human rights issues. The recommendations on the organisation and the legislation will include clear delineation of competencies in relation to the National Police. A review will be undertaken of the Gendarmerie's participation in international co-operation instruments, and proposals developed for more effective participation. An assessment will be carried out of the current organisation of training within the Gendarmerie, and recommendations for improvement and increased cost-effectiveness in the training systems will be developed. A training scheme, curricula and a career development scheme will be developed in line with the objectives and organisational requirements of the Gendarmerie, and training programmes focused on field action procedures relating to maintaining public order, and other relevant topics, will be provided.

Also in support of improved training capacity in the Gendarmerie, this component will provide IT equipment and teaching materials for the setting up

of an Information - Documentation Centre to be located within the Gendarmerie Application School.

#### 4. Further development of Ministry of Interior anti-corruption mechanisms

Twinning by an appropriate Member State institution will be provided to revise and update the deontological code for the Ministry of Interior staff in line with EU standards and best practice, the legal provisions on public servants and in the light of the demilitarisation process. Secondary legislation on anti-corruption issues (norms, methods, investigation and documentation procedures etc.), will also be prepared taking into account the results of the 1999 anti-corruption twinning, and training provided in procedures related to the investigation and control of corruption. An assessment will be undertaken of the current anti-corruption structures in the Ministry of Interior and proposals will be made for their optimisation. The recommendations on reform of structures made in the 1998 policing twinning and the 1999 anti-corruption twinning will then be taken into account. Programmes for co-operation with civil society in preventing and combating corruption among the Ministry of Interior personnel, and those of sub-ordinated bodies will be developed in line with relevant experience in the EU. The twinning will also develop recommendations for any investment which may be needed to strengthen the capacities of the anti-corruption structures.

The Ministry of Interior will act as Implementing Authority for all components. The CFCU is the Implementing Agency, responsible for contracting and financial management.

#### **2002/000-586.04.16 Assistance in strengthening the independence and functioning of the Romanian Judiciary system (€ 1.80 M)**

The project will support the improvement of the operation of the Romanian judicial system in line with Accession Partnership priorities relating to the independence of the judiciary, and recruitment, training and career development in the judicial system.

Phare support will lead to strengthening the capacity of the Superior Council of Magistrates (SCM) in its role of ensuring the independence of the judges and courts and guaranteeing their autonomy within an appropriate institutional framework. It will assist in the development of a national strategy for in-service training of magistrates and provide continued support for training capacity in the National Institute of Magistrates (NIM), as well as providing further support for development of training systems for court auxiliary staff. It will strengthen conflict analysis and resolution capacities by introducing alternatives means to the judiciary in solving civil and commercial cases.

The project will be implemented through two twinings and a twinning light covering the following three areas of activity:

1. Institutional capacity and functioning of the Superior Council of Magistrates (SCM).

An assessment will be undertaken of Ministry of Justice proposals on amendment of the Judicial Organisational Law and any other relevant legislation as regards the competencies of the SCM in the appointment and promotion of magistrates and the evaluation of their professional activity, in disciplinary procedures, and in procedures for the allocation of the budget for the judiciary. The twinning will develop proposals for amendment to the Law, clearly defining the respective responsibilities of the SCM and the Ministry of Justice, in order to guarantee adequate protection for judicial independence in line with best practice internationally and in the EU. An action plan for improving the organisational structure and functioning of the SCM will be drawn up, together with necessary secondary legislation in this area. Administrative and budgetary aspects ensuring the permanence of the SCM as an autonomous institution will be developed. Systems for monitoring the enforcement of the Deontological Code of Magistrates will be developed. The functions of the SCM in relation to the activities of the National Institute of Magistrates, particularly as regards the organisation of examinations, should be clearly defined.

2. Further support for development of the National Institute for Magistrates and the Training Centre for Clerks.

A national strategy for in-service training for magistrates will be drawn up, taking account of the recommendations for such strategy prepared under the Phare 1999 horizontal programme "Building Capacity for Training of Judges in EC Law". In line with this strategy, the design of the in-service training curricula of the NIM will be reviewed and improved, and further training materials will be developed. Further training of NIM trainers will be undertaken, together with further training of sitting magistrates in specialised EC law and national law areas related to EC law. Particular attention will be given to the development of judicial co-operation in criminal matters.

A national strategy will also be developed for in-service training of courts auxiliary staff through the Training Centre for Clerks (TCC), together with recommendations for improving the organisation and functioning of TCC. Further training of trainers will be undertaken to build the capacity of TCC, and in-service training will be provided in areas such as: civil/criminal procedure, drafting of procedural documents, computer literacy, deontology and ethics, judicial independence and judicial responsibility, the administration of justice, organisation of courts and evaluation of the quality of justice.

3. Creating and strengthening conflict analysis and resolution capacities by introducing alternatives means to the judiciary for dealing with civil and commercial cases.

The project will assess the existing legislation on conflict resolution and prepare a detailed study on mediation and arbitration in civil, family and commercial disputes, based on comparison between practices in different Member States. A programme will be devised to test the introduction of appropriate conflict resolution mechanisms, draft legislation will be developed, and activities will be organised for increasing the awareness of the advantages of alternative means for conflict resolution.

The Ministry of Justice is implementing authority, responsible for technical execution of the project. The CFCU is the Implementing Agency, responsible for contracting and financial management of the project.

**2002/000-586.04.17 Support for the improvement and the enforcement of legislation and judicial decisions on bankruptcy (€ 1.55M)**

The objective of the project is to improve financial discipline in the Romanian economy by developing the bankruptcy legislation and procedures for its application.

The project corresponds to the Accession Partnership priority relating to the implementation of new bankruptcy proceedings.

The project will be implemented through technical assistance. Taking as a starting point the results of an IBRD study, this project will review the Romanian legal and institutional framework on bankruptcy with reference to EU standards and best practice, and propose legislative and procedural modifications aimed at increased efficiency, consistency and uniformity in the handling of cases. A manual of best practice, standardised forms and a software application to be used by the courts and practitioners involved in insolvency proceedings will be developed. The software application will be fully consistent with the information systems currently being developed for Romanian courts.

A training network of judges, liquidators, economists, financial experts, and accountants involved in bankruptcy procedures will be set up, and relevant training programmes will be designed and implemented. Training for clerks working in the commercial sections of the courts on the procedural aspects of bankruptcy cases will also be provided. The project will be closely co-ordinated with ongoing and planned Phare programmes concerned with reinforcing the training capacities of the National Institute of Magistrates and the Training Centre for Clerks.

A working group will be set up comprising Romanian specialists from the Ministry of Justice, Romanian Bankruptcy Institute, National Union of Practitioners in Reorganisation and Liquidation, and the National Institute for Magistrates. The EU technical assistance experts under this project will collect and analyse the relevant data, draft the manual and prepare training programmes in close collaboration with this working group.

The Ministry of Justice is implementing authority, responsible for technical execution of the project. The CFCU is the Implementing Agency, responsible for contracting and financial management of the project.

**2002/000-04.18 Integrated programme to strengthen the capacity of Romanian institutions involved in the fight against money laundering, the combat against the financing of terrorism and related organised crime. (€ 2.00 M)**

The overall objective is to strengthen the capacity of the anti-money laundering institutional system in line with the EU second Money Laundering

Directive and the special recommendations against the financing of terrorism of the Financial Action Task Force set up by OECD members. It will lead to improved capacity and efficiency of all institutions co-operating in the identification, investigation, prosecution and trial of money laundering activities; and it will support the creation of interconnecting specialised databases in all the institutions involved in the fight against money laundering.

The project represents a continuation of the activities initiated under the Phare 1999 twinning project, with a particular focus on preventing the financing of terrorist activities, and corresponds to the Accession Partnership priority of completing alignment of Romanian legislation with the second directive against money laundering. It will be implemented through a twinning with a competent Member State institution, technical assistance and an equipment supply contract.

The main beneficiary of the project is the National Office for Prevention and Control of Money Laundering (NOPCML) which will also be the Implementing Authority of the project. Other institutions benefiting from this project are the Ministry of Justice, the Public Ministry, The Ministry of Interior, and the Ministry of Finance (Financial Guard, and Fiscal Control Directorate), as well as the Romanian General Customs Administration. An inter-ministerial task force will be created, comprising representatives of all the project beneficiaries, which will work closely with the twinning team.

The twinning component will result in identification of the specific measures required in Romania in line with the amendments to the EC Directive on Money Laundering, and other recent EU policy decisions on preventing the financing of terrorist activities. The Romanian institutional and organisational system will be reviewed, and, where needed, recommendations will be prepared for modifications. Necessary legislative amendments in this context will be proposed. Required secondary legislation and internal procedures, including standardised procedures of investigation, will be drafted. The twinning will also support the design and implementation by the NOPCML of specialised information systems for financial investigations. Inter-institutional co-operation between all competent authorities in the field of preventing and combating money laundering will be developed, through measures including the interconnection of the databases of the institutions involved, and development of an overall Action Plan correlating the activities of the different institutions. Efforts to improve reporting by entities concerned, especially the non-banking sector, will be pursued. Advice will be provided to NOPCML on strengthening its participation in international co-operation in the field. Recommendations will be prepared on a programme of investment supporting the activities of the institutions involved in the fight against money laundering. The twinning will also advise NOPCML on the design and implementation of specialised training programmes to be delivered under the technical assistance component of the project.

The training component of the project may be delivered through a technical assistance contract or included within the scope of the above twinning. Specialised training will be provided for staff of NOPCML and other relevant

institutions taking account of recent international developments in the field of money laundering. Areas to be covered in the training include modern investigation techniques, and inter-disciplinary training for selected staff from the above institutions. Feasibility studies relating to investment requirements for information and communications systems could also be carried out through technical assistance.

Phare assistance under this project is provided on the condition that progress is maintained with regard to commitments given in the accession negotiations on money laundering, the fight against terrorism and related organised crime and drugs crime.

Procurement of informatics and communications equipment to support the immediate requirements of NOPCML will be financed.

The CFCU is the Implementing Agency, responsible for contracting and financial management of the project.

#### **SUB-PROGRAMME 5 – 2002/000-586.05 (Total: € 106.564 M)**

##### **ECONOMIC AND SOCIAL COHESION**

The 2002 economic and social cohesion programme represents a continuation of Phare 2001 and follows the same approach with some adaptation and simplification. The principles upon which this approach were developed are the following:

1. Institution building support is provided alongside investment support in view of preparing the Romanian authorities to adopt an inter-ministerial vision of Economic and Social Cohesion programmes. Institution building is extended to the bodies responsible for programming and programme management at national and regional level. It includes also policy support at national level for the further development of sectoral policies in areas falling within the framework of regional development programmes. Therefore, technical assistance and twinning support is provided to national and regional authorities to develop the institutional and policy framework required for implementation of Phare investments in a manner consistent with requirements for future management of structural funds. In 2002 Institution building support will be provided to the Ministry of Development and Prognosis, Ministry of Labour and Social Solidarity, Ministry of Public Administration and Ministry of Education and Research.

2. Investment support is defined by a limited number of measures selected within the National Development Plan, with particular efforts being devoted to adopting a multi-annual perspective. The focus on the eleven zones facing particular socio-economic difficulties linked to industrial restructuring is maintained. These zones represent about 25 % of the national population. Two relevant measures, namely rehabilitation of the Technical and Vocational Education training (TVET) system, and human resource development to improve labour-force skills and facilitate access to employment for job seekers, will be supported with a concentration on the eleven zones. The third component of the programme, regional infrastructure, is not concentrated in



the industrial restructuring zones, as its purpose is to continue development of capacities at regional and local level to identify, prioritise, develop and implement infrastructure projects corresponding to regional development priorities. A sub-component of the regional infrastructure component seeks to develop co-ordination between the regional and local level for improved development of municipal services.

3. Implementation arrangements: The Ministry of Development and Prognosis, as Implementing Agency and paying agency, is responsible for the overall management of the Economic and Social component of Phare and chairs a national steering committees where all the relevant line-Ministries and the Delegation of the Commission are represented to ensure coherence and exchange of information about the implementation of the programme. In most cases, the Regional Development Agencies are Implementing Authorities.

**2002/000-586.05.01      Institution building for Economic and Social Cohesion (€ 20,00 M)**

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. It also aims at supporting Romanian authorities efforts in building up the institutional and administrative structure necessary to effectively manage EU Structural Funds after accession and therefore to make significant progress in the negotiations on Chapter 21 of the *acquis communautaire*.

Phare 2002 will support strengthening of the institutional capacity of central ministries (Ministry of Development and Prognosis, Ministry of Labour and Social Solidarity, Ministry of Education and Research, Ministry of Public Administration) 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 2002-2006

The project is divided into four sub-components:

***Sub-component A (4,4 million Euro) - Institution building to support Regional Development Policy Implementation***

This involves two types of activities: technical assistance related to the management of Phare Economic and Social Programmes (A1, A4) and twinning (A2 and A3) for preparing EU Structural Funds management. In the implementation phase duplication will be carefully avoided with ISPA similar projects, especially with regards to training measures, creation of management information system and preparation for EDIS.

1. **Technical assistance** for improving Phare programming in the perspective of Extended Decentralised Implementation System (EDIS) (A1), including:
  - Assistance to MDP to strengthen its role and professionalism in the overall co-ordination of policy formulation and implementation for Economic and Social Cohesion at the national level. This includes the development of

fully operational capacities for decentralised implementation in line with the requirements for (EDIS).

- Assistance to MDP and Regional Development Agencies (RDAs) for improving the National Development Plan and regional development plans (ex-ante appraisal, partnership consultation, identification of quantitative indicators, management information systems etc.)
- Assistance to MDP and RDAs for improving Phare programming (research into key regional and sectoral issues, design of multi-annual programming, preparation of mature and valid projects and effective implementation arrangements )
- Preparation and design of national and regional implementation structures and systems in line with the requirements of EDIS
- Assistance to MDP and RDAs to develop and deliver appropriate training modules to the actors involved in managing regional projects

The Regional and national Pre-accession advisers already in place under Phare 2000 support will be closely involved in the design, the preparation and the implementation of this technical assistance.

**2. Twinning for the MDP** to build up administrative capacity and institutional arrangements in the perspective of managing EU Structural Funds after accession (A2).

This twinning is a continuation of the on-going twinning in MDP (RO ) and will be focus on institutional preparation for Structural Funds management, including improvement of the national development plan. Therefore strong co-operation with the Ministry of Labour and Social Solidarity will be necessary in order to avoid duplication and to ensure consistency between the activities which will be undertaken in the framework of the two twinings. (see A3 twinning for Ministry of Labour and Social Solidarity).

The main objective of this twinning is to support MDP in building up a transparent and efficient inter-institutional partnership, to develop, in close co-operation with the Ministry of Public Finance, a multi-annual national budgetary perspective; to define and prepare the legal instruments required for implementing Structural Funds , including mechanisms and procedures to check consistency with EU policies (competition, environment, equal opportunities, public procurement ), to define and establish the institutional arrangements required by Structural Funds regulations and to deliver professional training to MDP staff and partner institutions.

**3. Twinning for Ministry of Labour and Social Solidarity (A3)**

The main objective of this twinning is to strengthen the capacity of the Ministry of Labour and Social Solidarity and the National Agency for Employment to analyse and assess labour market trends; to define and establish the appropriate institutional and administrative arrangements for managing the European Social Fund, including the necessary partnership with social partners; to deliver appropriate training at national and local levels for enhancing the capacity to assessing labour market needs, and to define and manage ESF-type programmes and projects; to develop procedures, guidelines and practical manuals for programming, managing and evaluating ESF -type programmes and projects.

#### **4. Technical assistance to local Project Implementation Units managing regional infrastructure projects (A4)**

The local beneficiaries of the regional infrastructure projects, financed under Phare Economic and Social Cohesion programme (Investment) are responsible, in collaboration with the MDP and the RDAs, for monitoring the implementation of the projects through project implementation units (PIUs) and local steering committees. Technical assistance will be provided to these PIUs as well as to the local members of the local steering committees, who may lack all the necessary skills and experience for carrying out these tasks properly.

On the basis of assessment of the PIUs and local steering committees' efficiency the technical assistance will formulate recommendations and will support the local authorities in improving the existing structures. Transfer of knowledge will be organised between regions.

#### ***Sub-component B ( 4.35 million Euro) Institution building support for the reform of initial and continuing vocational training.***

This sub-component comprises two type of projects: one (B1) is the continuation of the Phare 2001 technical assistance provided to the Ministry of Education and Research for implementing the TVET reform, and the other (B2) is a twinning for the Ministry of Labour and Social Solidarity

##### **1. Technical and Vocational Education Training (B1)**

The activities have been defined in a multi-annual perspective, in relation with the investment programme and adapted to the revised planning perspective, which now will cover at least three years of Phare programming (2001-2003). In 2002, the technical assistance will achieve the following main tasks:

- Introduction of a national System of Accreditation and of the School Partnership Action Plan
- Strategic review of the outcomes of Phare 2001 programme achievements
- Development and adoption of the revised Regional Education Action Plans
- Development of the local school based component of the curriculum
- Development of training modules and materials (teaching methodologies, learning material for students with special needs, life-long training etc)
- Development of school participation in local networks and school networking and development

##### **2. Continuing Vocational Training (B2)**

The proposed twinning aimed at assisting the Ministry of Labour and Social Solidarity in developing a national continuing vocational training policy. This requires, among others, a sound partnership system ensuring an efficient involvement of the social partners, a clarification of the role of the different bodies involved in continuing vocational training, design of methodologies for a permanent assessment of labour market needs, definition and implementation of training programmes.

***Sub-component C (1.25 million Euro) Institution building to support the Small and Medium Towns Infrastructure Development Programme (SAMTID)***

Preparation and implementation of the SAMTID programme, the first phase of which will receive investment support under the Phare 2002 Economic and Social Cohesion programme, will require sustained technical assistance support; (see below under RO-02xx.02 for a full description of the project). The Phare 2001 project preparation facility is being used to develop the overall institutional and operational framework for the programme, to support the selection of projects for implementation in the pilot phase, and to review and develop technical documentation required for tendering and contracting the selected projects.

Technical assistance under Phare 2002 will be provided for **management support** to the project steering committee and project co-ordination and management units, as well as support to further development of the overall policy, institutional and regulatory framework within which SAMTID is implemented.

Phare 2002 will also support the implementation of a “**Financial and Operational Performance Improvement Programme**” (FOPIP) directed as a first priority at the four or five associations of towns selected for the pilot phase of SAMTID investment support. The SAMTID concept, drawing on experience with previous municipal infrastructure investment programmes in Romania (in particular MUDP II), attaches particular importance to the development of the financial and operational management capacities needed for cost-effective provision of urban water services. These issues are of particular importance for SAMTID, given the programme's objective of creating efficient, financially viable and autonomous integrated regional service providers in the context of a process of consolidation in the sector. FOPIP will provide technical assistance to improve the capacity of the selected associations of towns to monitor the performance of their service operators, emphasising efficiency, cost-control and loss reduction, thereby enhancing the capacity of the associations of towns to plan investment programmes and assume and service debts. Appropriate training on management and operational issues will also be provided to service operators themselves.

FOPIP will make full use of existing training capacity in Romania, will promote the use of modern participatory approaches to training, and contribute to ensuring the sustainability of national training structures with capacity to meet the needs of the municipal services sector.

Associations of towns benefiting from SAMTID investments assume an obligation to undertake to closely monitor and seek to improve the performance of their service operators, in line with the objectives of FOPIP. It is therefore considered appropriate that, in line with approach developed under the project “Strengthening Capacity in Environmental Project Development” currently being implemented by the Ministry of Environment, an element of self-financing should be introduced into training and human

resource development for the towns and operating companies. FOPIP will therefore require a partial contribution towards training costs on the part of the beneficiaries.

***Sub-component D (Euro 10 million) Economic and Social Cohesion Project Preparation Facility***

The development of an approach to management of Phare Economic and Social Cohesion closer to the Structural Fund model requires the multi-annual aspects of programme development to be given greater substance. Therefore, programmes must be adequately prepared in a manner which respects Structural Funds principles, in particular:

- definition of quantifiable objectives;
- measures based on a pipeline of clearly identified and technically mature projects;
- simple, clear, efficient and transparent implementation arrangements

As a matter of principle therefore, from 2003, Phare investment resources under Economic and Social Cohesion will be provided for measures for which adequate preparatory work has been undertaken using the Project Preparation Facility.

The Project Preparation Facility will support activities as follows:

- 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 2003-2006 programming exercises;
- 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 with the view to financing by Phare, national and regional budgets and other external sources of investments .
- SAMTID: identification, feasibility studies and preparation of future investment projects.

The regional and national pre-accession advisers already in place under the Phare 2000 Economic and Social Cohesion will be closely involved in the design, the preparation and the implementation of this sub-component.

## **2002/000-586.05.02 Investments in Economic and Social Cohesion (€ 86,564 M)**

The 2002 economic and social cohesion programme represents a continuation of Phare 2001 with some adaptation and simplification. The recommendations of the Evaluation report on the Phare 1998 project "Regional policy and cohesion" which was commissioned by DG Enlargement and discussed in a workshop between the Commission services, the Romanian authorities and the Regional development agencies, as regards the institutional framework for implementation of economic and social cohesion programmes, have been taken into account in designing the Phare 2002 programme. The main recommendations of this report are the following:

- To Improve the training function within the Ministry of Development and Prognosis (MDP)
- To ensure financial sustainability of the Regional Development Agencies (RDAs) and training of their staff, as Implementing authorities
- To improve information exchange between the RDAs and MDP
- To increase partnership within the Regional Development Boards, to clarify and strengthen their role in the project selection process. This will contribute to tackle the issue of politicisation of the project selection process
- To improve the selection criteria for projects and the quality of selected projects
- To involve the financing institutions in the implementation of the projects.
- To reduce possible conflicts of interest
- To improve internal procedures

In continuation with Phare 2001, measures in identified priority sectors - which have been limited to three -, in line with the provision of the National Development Plan will be implemented in close correlation with the institution building support provided for designing national economic and social cohesion policies.

In the eleven target areas identified in 2001, which represent around 25% of the Romanian population, two types of measures will be implemented.

- Technical and Vocational Education and Training (TVET). The project is the continuation of the Phare 2001 TVET sub component and it is based on the achievement of this first phase (sub-component A).
- Human resources development. Based on lessons drawn from Phare 2000 (Economic and Social Cohesion component ) this projects aims at developing labour force skills and facilitating access to employment for job seekers in the target areas (sub-component B)

In continuation with Phare 2001, the eight Romanian planning regions have been invited to propose and to prepare, with the support of technical assistance, regional and local infrastructure projects responding to the priorities identified in their regional development plans and included in the National Development Plan (sub-component C). This sub-component has been reformulated and split into two elements. Emphasis is given to business related infrastructures (C1) and a new concept will be tested aiming at

supporting the local authorities in rehabilitating/modernising water and waste water infrastructures as well as improving the quality of services and the management of these infrastructures (C2- SAMTID).

Support for ensuring a good implementation of these measures will be provided through technical assistance for awareness campaign, preparation and supervision of projects, training to beneficiaries (sub component D).

***Sub-component A (Euro 18 million) Technical and Vocational Education and Training (TVET)***

The specific objectives of this sub-component are

- To strengthen and consolidate the achievement of the reform launched with the support of Phare 1994 and to support the modernisation of the present TVET system;
- To contribute in reviewing responsibilities, governance and accountability mechanisms in the provision of initial TVET
- To contribute to promoting opportunities for young people to obtain a professional qualification in line with European standards
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Phare supported TVET reform covers a long-term perspective, integrated in the NDP and the Phare total expected contribution was estimated as 48.4 million Euro. It was initially planned to cover two consecutive Phare programmes (2001 and 2002) but the initial investment plan, has been modified and will cover three consecutive years (2001-2003). This decision will allow an efficient use of funds, better absorption and enough time for implementing the results of Phare 2001 (preparing the TVET system for further investment by upgrading infrastructure).

In 2002, Phare support will be dedicated to the following activities:

- Schools rehabilitation (works contract). The selected schools - which benefit from Phare 2001 for basic rehabilitation - and eleven resources centres, will benefit in 2002 from assistance for upgrading the vocational workshops, so that the equipment to be procured can be properly installed in the existing space. In case the available space is not sufficient, the assistance will also cover the extension of the workshop capacity so as to accommodate the procured equipment. Technical specification for the rehabilitation of workshops will be prepared by short-term technical assistance financed by Phare 2001.
- Delivery of didactic and modern technology equipment and didactic software for basic training (first two study years) for the selected schools and resource centres.

The TVET schools as main beneficiaries, together with social partners at local, county and regional levels will be responsible for the operational activities. Around 100 schools and 11 resources centres, located in the target areas will be supported. 11 additional resources centres, located outside the target areas but assisting the schools from the target areas in implementing the TVET reform, will also benefit from Phare grants.

The investment contracts are based on previous selection of schools units in each of the target areas. The European Training Foundation will assist the Ministry of Education in management of the TVET programme, and participate in the programme steering committee. All the institutions involved in the Phare 2001 programme will continue to be involved in the same way.

***Sub-component B (Euro 12 million) Human resource development***

The specific objectives of this project are the following:

- To develop labour force skills to become more adaptable to structural changes according to identified labour market skill shortages, with special focus on business management abilities and entrepreneurship development
- To facilitate access to employment for job seekers by enhancement of active employment measures and to develop new skills according to the evolving needs of the labour market, promoting equal opportunities for vulnerable persons (long term unemployed, unemployed aged over 45, young persons leaving institutions, single mothers, etc.)

Two types of projects will be supported.

*Qualification and re-qualification of the work force.* Eligible actions should focus on the following themes:

- improving the quality of continuing vocational training packages in line with identified labour market needs;
- training of SMEs staff to maximise the use of new production technologies, develop new products and increase capacity to use information and communication technologies;
- training in management skills including environmental, innovation, quality control and human resources management;
- training for entrepreneurs to support business development, with particular attention to the promotion of women;
- enhancing human resources development in the context of industrial restructuring: good practice in SMEs will be encouraged and supported in areas such as workforce development strategies, training plans, development of life-long learning culture, good practice networks.

*Active employment measures:* Eligible actions should focus on the following themes:

- training programmes for unemployed persons, which address skill shortage opportunities
- training needs analysis, identification of current/future skills needs to be used as tools by the local employment offices
- specific training programmes and placement schemes for vulnerable persons (long term unemployed, single women, women returning to the labour market, young people, unemployed aged over 45...)
- vocational guidance and training in business-related services for identified potential entrepreneurs



- advice and guidance for business start -ups
- range of support measures for unemployed persons, including professional counselling, job search, job clubs, individual training/development action planning, work placements, pre-vocational training, mentor support and mediation services)

In order to ensure coherence between enterprises needs and training, projects should be based on labour market studies or clear evidence of the needs for the proposed training programmes.

Potential applicants could be private or public institutions, as individuals or in association, vocational training agencies, education and training providers, chambers of commerce, trade unions, local public administrations, universities, employers' organisations, research bodies, employment brokers. Open calls for proposal will be organised at regional level by the Regional Development Agencies. The Ministry of Labour and Social Solidarity and the National Agency for Employment will be closely involved in designing the selection criteria in order to ensure coherence and complementarity with other similar programmes.

The role of the existing regional consortia will be extended from TVET to Human Resources Development. The regional consortia will identify the regional human resource priorities and nominate members in the regional selection committees. Independent experts will be voting members of these regional selection committees. The regional selection committees will assess, among others, the relevance of the applications against the local needs, the capacity of the applicants to deliver the programmes (staff qualification, training facilities, financial viability), the capacity of ensuring a minimum rate of job placement for the unemployed and job seekers.

***Sub component C (Euro 50.864 million) regional and local infrastructure***

***C1. (Euro 35.864 million) Regional infrastructure (business related infrastructure)***

This measure is the continuation of the "pipeline " mechanism initiated in 2000 and 2001. The identification, appraisal, selection and implementation of the projects follow the same rules and priorities decided in 2000 and 2001. A long list of eligible projects is annexed to the project fiche. The preparation of the projects will benefit from technical assistance financed by Phare 2001 (Project preparation facility).

Most of the projects are at an early stage of preparation and half of them are "industrial parks" or "business centres". Therefore, the technical assistance will have to ensure coherence and shared professionalism in the setting up of such complex projects. Among others, the following tasks should be achieved by the technical assistance: assessment/completion of feasibility studies, assessment of the complementarity and viability of projects from a regional point of view, identification of private partnership and private co-financing, clear definition of the conditions in which the management and the promotion of these infrastructure is organised, environmental aspects. Overlap with measures

eligible under ISPA and SAPARD will be avoided. Priority will be given to the projects located in the 11 target areas.

The technical assistance will assess all the projects listed, prepare/complete the feasibility studies and establish a list of eligible and valid projects ranked by priority, including a reserve list. The eligible and valid projects, which could not be financed under Phare 2002 (reserve list) will be proposed first for Phare 2003. Cost benefit analysis and all technical design including environmental impact assessment will be prepared for the eligible projects. The final list will be established by Regional Development Boards, approved by the National Development Board and endorsed by the EC Delegation.

The criteria for final choice will be maturity and readiness of the projects. To ensure transparency in the process, any change in the list prepared by the technical assistance will have to be fully justified.

*C2 (Euro 15 million) Investment support for small and medium towns infrastructure development programme (SAMTID)*

Out of Romania's 263 urban localities, about 230 small and medium sized towns have in recent years been unable to attract adequate financing for investments to remedy the very poor condition of their water and wastewater systems. The Ministry of Public Administration is developing the SAMTID Programme for these towns for the purpose of rehabilitation, modernisation and up-grading of local water and wastewater infrastructure in order to comply with environment standards, and to assure continuous water supply, encouraging them to seek ways to build on the positive experience that larger operators in Romania have already gained.

SAMTID is intended as a multi-annual framework for co-ordination of funding from various sources, including local public and state budget resources, international financial institutions (IFIs), and EU pre-accession funding. It has the following overall objectives:

- to commercialise the water and wastewater services provision of small and medium towns on a voluntary basis, through consolidation of water service providers and the creation of efficient and financially viable and autonomous integrated regional service providers;
- to improve the performance of the operators and raise the water and wastewater service standards through capital investment for rehabilitation and modernisation and assistance programs, while promoting the application of cost recovery principles.

The present fragmented structures for provision of municipal services are not favourable to effective management of investment resources and service provision. SAMTID will aim to motivate groups of towns to begin to work together, taking account of experience in EU Member States and elsewhere as regards consolidation in the water sector, to benefit from economies of scale and to ensure the most rational use of water resources.

Phare investment support under the current programme is for a pilot phase to be implemented during 2003/2004, preparing for later expansion of the scale

of activities. Investment contracts under the pilot phase will meet the normal Phare requirement for public budgetary co-financing. The Government of Romania intends in addition to seek co-financing from international financial institutions for the pilot phase. Investment contracts supported by Phare will form part of coherent overall investment programmes developed by groupings of municipalities. It is a principle of the SAMTID approach that during the pilot phase, for each participating grouping of municipalities, the Phare and Romanian public financing will be matched by an approximately equal volume of loan funding from one of the IFIs. Selection procedures for the investment projects to benefit from Phare support will be subject to control by the European Commission, particularly as regards the need to avoid overlapping with the scope of ISPA and ensure effective co-ordination with ISPA project selection procedures.

Any possible overlap of SAMTID investments with ISPA will be avoided as (a) SAMTID concentrates on urban areas which fall below the size limits for ISPA, (b) individual projects will be of a lesser value than the minimum size for ISPA, and (c) SAMTID projects will be identified in the context of integrated regional development strategies, which are eligible for Phare support, rather than national environmental investment priorities which form the basis of ISPA support.

It is intended that under the pilot phase four or five groupings of municipalities, each to benefit from both Phare and IFI financing, will be selected from different areas of the country. Individual towns eligible for SAPARD or ISPA support for water supply/wastewater investment shall not benefit from Phare financing. However, this should not preclude other EC instruments being used by the same promoter for other schemes within its overall investment programme.

Contracting of Phare investment support will depend on the successful completion of preparatory activities designed to ensure the robustness of the SAMTID model. Technical assistance provided out of the Phare project preparation facility for Economic and Social Cohesion will permit the Romanian authorities to examine a range of approaches to the following issues: (a) the appropriate pattern of consolidation (associations based on shared water resources, common receiving water, same river basin, same county), (b) the legal aspects of voluntary association between municipalities, in particular as regards the capacity of associations to contract with an operating company and to assume debt, (c) the formation of consolidated operating companies, and (d) the form of operating contract between the municipal associations and the operating companies. Close consultation will be maintained with the IFIs on these issues to ensure that a sound and sustainable framework is defined permitting loan financing to the target towns.

The technical assistance will develop a full description of the selection procedure for the pilot phase, on the basis of a “call for proposals” procedure directed to eligible municipalities, and will support the organisation of the call for proposals and evaluation of proposals. Proposals will be submitted by groups of municipalities, with one identified municipality acting as “lead”. The normal procedures for calls for proposals for Phare grants will be modified by the introduction of a pre-screening process carried out by regional development agencies (RDAs) and the regional offices of the national regulator.

After pre-screening phase, the technical assistance will support the pre-selected groups of towns to prepare their detailed proposals, including a detailed feasibility study of investments in infrastructure, a financial analysis showing the viability of the investment, the capacity for loan service for the IFI financed elements, and a complete cost-benefit analysis. The proposals will provide details of the contractual relationship between the municipalities and operating companies, taking account of any relevant guidelines on best practice in this area drawn up by the National Regulatory Authority for Communal Services which has been set up by the Ministry of Public Administration.

The identification, selection and technical preparation of investment projects will not be limited to those to be financed under Phare 2002. Investments expected to be financed by IFI loans in the selected groupings of towns will also be prepared. To the extent possible, the technical assistance may also prepare for future SAMTID investments.

A project selection committee established by the SAMTID Steering Committee will make the final selection of projects to be included under the pilot phase.

The Ministry of Public Administration (MoPA) is the co-ordinating body for the entire SAMTID Programme and acts as Implementing Authority for the Phare-financed technical assistance components. MoPA will establish and chair a Steering Committee composed of representatives of the Ministry of Development and Prognosis, Ministry of Finance, Ministry of Public Works, the Ministry of Water and Environment Protection, Ministry for European Integration, Regional Development Agencies, and the EC Delegation to provide overall direction and policy.

The Ministry of Public Finance will advise the SAMTID Steering Committee on the requirements as regards the institutional and financial architecture of the programme, drawing on previous relevant experience in Romania, to assure the parallel co-financing by Phare and IFIs of contracts within the selected overall investment programmes proposed by groupings of municipalities.

Parallel co-financing of investment within the overall SAMTID framework will allow procurement, contracting and financial management arrangements for specific investment contracts to correspond to the specific requirements of each source of financing.

The Ministry of Development and Prognosis is the **Implementing Agency** for the Phare financed investment components. Following the structures established for the implementation of regional development programmes in Romania, the Regional Development Agencies of Romania's eight macro-regions will take part in the identification of needs as regards the establishment of associations of towns for the purpose of provision of municipal services, and in the pre-screening of project proposals.

Final beneficiaries of the investment projects will be the local authorities as owners of assets.

***Sub-component D (Euro 5,7 million) Awareness campaign, selection, monitoring and evaluation***

Lessons drawn from implementation of previous Phare Economic and Social Cohesion programmes, confirmed by the evaluation report on Phare 1998 project ("Regional policy and cohesion") make clear the need to ensure sustainable support to the Regional Development Agencies, to put in place more effective promotion and information campaigns, to improve the design of selection and eligibility criteria and closely to monitor project implementation, including financial control and site supervision and inspection for the infrastructure projects.

In order to achieve these tasks, the following measures will be implemented

- An awareness campaign, support for preparation of applications, appraisal and selection of projects. (D1) 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. A help desk will be established in each RDA and external assistance will support RDAs relevant staff in providing information and advice to potential applicants. At the end of the programme publicity will be organised to make available information about the results of the programme and the implemented projects to the public in the regions.

As regards appraisal and selection of projects, external independent experts will assist and train RDAs staff. The independent experts will be in charge of appraising the applications, participating in the selection procedure as voting members of the Regional selection Committees and assessing the whole selection process.

- Technical assistance to support implementation of the investment projects (D2). In order to support the Regional Development Agencies in performing their tasks as Implementing Authorities, a service contract will be concluded between MDP and each RDA. This contract will describe the specific tasks and responsibilities of the RDAs and identify the corresponding means (financial, staffing, equipment). Agreed indicators of achievement will be set up as well as precise reporting obligations

As a derogation from the general arrangement for co-financing, these contracts will be fully financed by Romanian public budgetary funds. Contracting of Phare investment support under economic and social

cohesion will be conditioned upon signature of these contracts and their notification to the European Commission.

On this basis of these contracts, the MDP will provide funds to RDAs to the total value indicated in the project fiche as co-financing for component D2. The activities financed under the service contracts are (a) preparation of regional strategies, plans and projects (b) ex-ante evaluation of the projects including site visits and reporting to MDP, (c) monitoring and control including assessment of the impact and site visit (d) on-going evaluation of projects.

The MDP will have the task of (a) defining the framework in which the regional strategies and the regional plans should be prepared, in coherence with the national development plan, (b) preparing and defining templates and guides for ex-ante evaluation, monitoring and ex post evaluation of the projects as well as (c) ensuring transparency, clarity and shared understanding of the eligibility and selection criteria.

- Infrastructure projects site supervision (D3)  
(D31) The Romanian authorities responsible for the implementation of the regional 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.  
(D32) SAMTID: Support under this component will cover assistance to Regional Development Agencies and project beneficiaries at local level for site supervision, as well as monitoring and evaluation of SAMTID programme activities.

#### ***Institutional Framework.***

The responsibilities of various Romanian institutions under the programme are summarised in a table annexed.

As regards the Investment part of the programme the different responsibilities and tasks are defined as follow:

(1) The main tasks of the **Implementing Agency** will include:

- The overall responsibility for the technical and financial implementation of the programme, ensuring that the objectives are met and that the selection procedures are efficient, clear and transparent.
- The overall responsibility for monitoring and evaluation of the programme and sub-components
- Co-ordinating and chairing the **National steering Committee (see 4)** and reporting to National Board for Regional Development and EC Delegation on the stage of implementation of the programme.
- Elaborating the selection and implementation procedures in accordance with the guidelines set up by the European Union
- Contracting the grants with the selected applicants, together with the relevant RDA, acting as paying agency and ensuring the link with National Fund, RDAs and with the contractors/grant beneficiaries

- Providing the Implementing Authorities with all appropriate support to ensure that they achieve their task properly, (templates and guides for ex-ante evaluation, monitoring and ex post evaluation, common understanding of selection criteria and eligibility criteria etc).

**(2) Project selection and project approval:**

a) As regards sub-component A (TVET) and B (HR), the project selection mechanism will involve Regional Consortia chaired by RDAs and bringing together county committees for social partnership development, county school inspectorates and other relevant bodies. They will act as consultative structure.

The main tasks of the Regional Consortia will be to identify HRD priorities, to identify the specialised didactic equipment to enable relevant training for regional development and to appoint representatives as members of the Regional selection committees for TVET and HRD.

Regional selection committees will be set up at regional level in order to assess grant applications and project proposals. Regional selection committees will comprise members of the RDAs, representatives appointed by the Regional Consortia and independent experts agreed by the Delegation of the European Commission as voting members. The decentralised services of the relevant ministries where they exist could attend the meetings as observers. Any other relevant stakeholders that will be identified at the regional level may be invited if necessary. 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 and representatives of the Delegation of the European may attend as observers.

b) As concerns the Regional infrastructures (sub-component C1), the technical assistance will assess the projects proposed by the Regional development Agencies and annexed to the project fiche, and will establish the list of the more mature and valid projects. The final list of the selected regional infrastructure projects, endorsed by the Regional Development Boards, will be approved by the National Board for regional development and endorsed by the Delegation of the European Commission. The municipal service projects identified by the technical assistance under SAMTID (sub-component C2) will be endorsed by the Regional Development Boards and submitted to the SAMTID National Steering Committee for final approval.

c) The Regional Development Boards will have the following responsibilities and tasks

- Approve the specific objectives and priorities in the target areas
- Approve the HRD projects, the TVET schools and resources centres selected at regional level as well as the infrastructure projects to be financed under the Economic and Social Cohesion programme.

The Regional Development Boards may invite to their meetings the relevant partners, including representative of the Regional Consortia, the decentralised

services of the line-ministries and other relevant bodies in order to ensure a broader partnership and commitment at regional level. In order to strengthen the role of the Regional Development Boards, Regional Steering Committees will be established under their responsibility. These Steering Committees will be responsible for ensuring that the different sub-components are implemented in the region in a consistent way, in line with the priorities of the regional development plans. In these committees the regional partnership will be represented by the Regional Development Agencies, representatives of the decentralised services of the ministries, representatives of the local authorities, social partners and other relevant bodies identified at regional level.

**(3) The Regional Development Agencies will act as Implementing Authorities, with the three following exceptions:**

- The National Authority for Roads is Implementing Authority for the National Roads financed under the Regional Infrastructures sub-component (C1)
- The Ministry of Education and Research is Implementing Authority for the equipment supply service contract of the TVET component and
- The Ministry of Public Administration is action as Implementing Authority for the municipal water infrastructures (C2 SAMTID)

.The main tasks of the Regional development Agencies will include:

- Overall responsibility for monitoring and implementation of the projects
- Preparation of grant contracts and their conclusion with the selected applicants
- Monitoring and evaluating the implementation of the projects and ensuring links with the MDP
- Report to Regional Development Boards and to Ministry of Development and Prognosis

**(4). The National Steering Committee** is chaired by the Ministry of Development and Prognosis and composed of the Ministry of Public Finance, Ministry of European Integration, all the Ministries or Agencies involved in the implementation of the three sub-components and the Delegation of the European Commission.

It will ensure that the actions implemented under the three sub- components of the programme are in line with the National Development Plan and other relevant strategies. The National Steering Committee will play an active 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. A functioning internal regulation will be prepared to formalise its working rules and procedures.

The table on the following pages summarises the institutional responsibilities for implementation of the 2002 Economic and Social Cohesion programme for Romania.



**Annex C – Special Provisions**

Programme Component	Implementing Agency , contracting authority and paying agency (1)	Authority approving the selected projects (Project selection mechanism) (2)	Implementing Authority (3)	Line Ministries technically Competent (4)
<b>Economic and social cohesion programmes (Investment)</b>	Ministry for Development and Prognosis			Phare ESC Steering committee (Ministry of Public Finance, Ministry of Education and Research,, Ministry of Labour and social solidarity, National Agency for Employment, Ministry of Public works, transports and dwellings, National administration of roads, Ministry of water and environmental protection, Ministry of Public administration, National centre for vocational and technical education, Ministry of European integration, other relevant administration, EC delegation and other relevant bodies identified at national level for each measure)
Modernisation of vocational schools (A)		Regional development board (Regional consortia chaired by RDAs will identify needs, assess the application and nominate members in the regional selection committee)	MDP(work) of Ministry of Education and research (supply)	Ministry of Education and Research
Human resources (B)		Regional development board (Regional consortia chaired by RDAs will identify needs, assess the applications and nominate members in the regional selection committee)	RDAs	Ministry of labour and social solidarity and National agency for employment
Regional infrastructures (C1)		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)	RDA National authority for Roads for national roads	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)
SAMTID (C2)		SAMTID Steering Committee	Ministry of Public Administration	Ministry of Public administration, Ministry of Public Finance, Ministry of Public Works, Ministry of Waters and Environment Protection,
Technical assistance (D)			Ministry of development and Prognosis and RDAs	
<b>Institution Building</b>			Concerned Ministries and Regional Development Agencies	
Technical assistance	Ministry of Development and Prognosis		Concerned Ministries (beneficiaries)	
Twinning	Ministry of Public Finance			

**SUB-PROGRAMME 6 – 2002/000-586.06 (Total: € 20.149 M)**  
**COMMUNITY PROGRAMMES**

**2002/000-586.06.01 Participation in Community Programmes**  
**(€ 17.149 M)**

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 2002 national programme for Romania to cover a part of the financial contribution to be paid by Romania to participate in these programmes and agencies in the following calendar year (2003).

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.

**2002/000-586.06.02                      End-user support for participants of the Socrates II Community Programme (Erasmus and Comenius) mobility schemes (€ 3.00 M)**

The scheme financed under this project will facilitate access of Romanian university students and pre-university teachers to educational and training resources in Europe by ensuring additional funding for all Romanian students and teachers participating in the mobility schemes of the Socrates II ( ERASMUS and COMENIUS 2.2 Actions) Community Programme. Phare 2002 represents a continuation of the mechanism and activities established in Phare 2001 for higher education students, together with an extension of the support scheme to benefit pre-university teachers, in order to increase possibilities to attend European teacher training courses.

The Phare End-User Support project will support :

- a) higher education students' mobility in the Socrates programme, focusing on supporting the mobility for Erasmus Action 2;
- b) pre-university teachers' mobility under Comenius Action 2.2., for in-service teacher training courses

Given the increasing level of demand to participate in Socrates II, the project will ensure equal access to studies abroad to all participants, irrespective of their financial background.

The scheme will be managed by the Romanian National Agency for Socrates (NAS), which acts as the Implementing Agency on the basis of a Financing

Agreement which will be signed with the National Fund in the Ministry of Public Finance. This agreement sets the conditions for the transfer to the National Socrates Agency of the totality of the funds, the criteria for provision of end-user support, priorities, level of financing, and establishes procedures for decision making and reporting.

The NAS is responsible for publishing details of the project and checking the transparency of the information at the university level. The scheme will be implemented according to the rules established by the NAS, and approved by the EC Delegation.

As regards ERASMUS, the NAS will sign grant agreements with universities participating in the scheme. The grants for the final beneficiaries will be allocated on the basis of an individual contract between the university and each student. For COMENIUS, grants to teachers will be provided on the basis of grant agreements directly between NAS and the beneficiaries.

## 2. Budget

SUB-PROGRAMME	Investment (indicative) in M €	Institution Building (indicative) in M €	PHARE TOTAL IN M €	Co-financing (National Public budget) * in M €
<b>2002/000-586.01 Political Criteria</b> Continued support for "Children First", Support to the national Strategy to improve Roma conditions	14,80	4,20	19,00	4,90
<b>2002/000-586.02 Economic Criteria</b> Implementation of CEC Savings Bank restructuring		2,5	2,5	
<b>2002/000-586.03 Strengthening administrative capacity</b> Strengthening the administrative capacity to manage EU financed programmes, Decentralisation and development of the Romanian local public administration, Further institutional strengthening of the Court of Accounts, Support for the Strategic Plan of the Ministry of Public Finance, Strengthening and extension of the SAPARD programme implementing system.	4,925	28,625	33,55	1,712
<b>2002/000-586.04 Meeting the obligations of the acquis</b> Strengthening insurance supervision, Further support for implementation of the acquis on competition and state aids, Connection to the DG TAXUD systems, Market surveillance and consumer protection, Implementation of Social and Employment Acquis priorities, Surveillance and diagnosis of animal diseases and animal nutrition, Disposal of pesticides, Assistance to the Energy sector, Financial and safety aspects of EU legislation on waterway and road transportation, Professional training for road, inland waterways and air sectors, Information management, control and prevention of HIV/AIDS, and non-communicable diseases, Transposition of environmental acquis (chemicals, industrial pollution and risk management, air and water), IB for Min. of Health to adopt the acquis in the field of water, Further strengthening of border control and improved management of migrations, Modernisation and reform of law enforcement agencies and strengthening of anti-corruption structures, Assistance in strengthening the independence and functioning of the judiciary system, Improvement and enforcement of decisions and legislation on Bankruptcy, Capacity strengthening of Money Laundering office	41,147	42,590	83,737	17,173
<b>2002/000-586.05 Economic and Social Cohesion</b> Institution Building for Economic and Social Cohesion, Investments in Economic and Social Cohesion	86,564	20,00	106,564	28,855
<b>2002/000-586.06 Community Programmes</b> Participation in Community Programmes and agencies, End-user support		20,149	20,149	17,783
<b>TOTAL</b>	<b>147,436</b>	<b>118,064</b>	<b>265,500</b>	<b>70,423</b>

**\* All national public budget co-financing of investment (e.g. financial schemes, purchase of equipment and works contracts) is provided on the basis of joint co-financing of contracts by Phare and national public budget funds under Phare rules and procedures, unless other specific arrangements shall be provided in the Financing Memorandum in relation to specific projects.**

**Technical assistance for project design and supervision may be financed by Phare exclusively.**

### **3. Implementation Arrangements**

#### **a.) Financial and Project Management by the Candidate Country**

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) procedures<sup>1</sup>.

The National Aid Co-ordinator (NAC) will have overall responsibility for programming, monitoring and implementation of Phare programmes. The National Authorising Officer (NAO) and the Project Authorising Officers (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the *DIS Manual* and other instructions of the Commission, and that all contracts are being prepared in accordance with the *Practical Guide for PHARE, ISPA and SAPARD*.<sup>2</sup>

The NAC and the NAO 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 NAO, will supervise the financial management of the Programme, and will be responsible for reporting to the European Commission. The NAO 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 reporting and project information system is functioning. This includes the responsibility of reporting all suspected and actual cases of fraud and irregularity. The NAO shall have the full overall accountability for the PHARE funds of a programme until the closure of the programme.

#### **b.) Project size**

All projects will be greater than 2 M€, except the following:

2002/000-586.04.10 Professional training for road, inland waterways and air sectors (€ 1.2 M): strengthening training institutions concerned with application of transport acquis. Project is useful in terms of institutional capacity impact, but does not require a larger financial allocation.

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<sup>1</sup> taking into consideration the rules set down in the annex of Council Regulation 1266/1999

<sup>2</sup> The Practical Guide has replaced section F ("Procurement") of the DIS Manual

2002/000-586.04.16 Assistance in strengthening the independence and functioning of the judiciary system(€1.80 M): twinning

2002/000-586.04.17 Improvement and enforcement of decisions and legislation on Bankruptcy (€ 1.55 M): twinning.

**c.) Contracting and disbursement deadline**

All contracts must be concluded by 30 November 2004. All disbursements must be made by 30 November 2005, with the exception of infrastructure investment projects under the programme of Economic and Social Cohesion, for which an additional period of one year is permitted. The disbursement expiry date for the following investment projects is thus set as 30 November 2006:

*2002/000-586.05.02. sub-component A: Technical and Vocational Education and Training (TVET)*

*2002/000-586.05.02. sub-component C: Regional and Local Infrastructure*

**d.) Recovery of Funds**

Any proven irregularity or fraud discovered at any time during the implementation of the programme will lead to the recovery of funds by the Commission.

If the implementation of a measure appears not to justify either a part or the whole of the assistance allocated, the Commission is to conduct an appropriate examination of the case, in particular requesting the beneficiary country to submit its comments within a specified period of time and to correct any irregularity.

Following the examination referred to in the previous paragraph, the Commission may reduce, suspend or cancel assistance in respect of the measures concerned if the examination reveals irregularity, an improper combination of funds or a failure to comply with one of the conditions in the financing memorandum and in particular any significant change affecting the nature or conditions of implementation of the measure for which the Commission's approval has not been sought. Any reduction or cancellation of the assistance is to give rise to recovery of the sums paid.

Where the Commission considers that an irregularity has not been corrected or that all or part of an operation does not justify either all or part of the assistance granted to it, the Commission is to conduct a suitable examination of the case and request the beneficiary country to submit its comments within a specified period. After the examination, if the beneficiary country has undertaken no corrective measures, the Commission may:

- (a) reduce or cancel any advance;
- (b) cancel all or part of the assistance granted to the measure.

The Commission is to determine the size of a correction taking into account the nature of the irregularity and the extent of any failures in the management and control systems.

Any funds not used by the expiry date of the programme will be recovered by the Commission. A final written declaration with supporting documentation shall be issued by the NAO just after the end of the disbursement period of the Financing Memorandum showing the total amount contracted and disbursed. A final bank reconciliation showing the existing balances in the NF/IA/CFCU shall also be enclosed.

Notwithstanding the recovery of unused and ineligible funds after expiry of the Financing Memorandum, a complementary recovery order may be issued after the final audit of the reliability and consistency of contracts and disbursements as well as their compliance with the provisions of the Financing Memorandum has been carried out, taking into account the independent opinion of the final audit.

The National Authorising Officer will ensure the reimbursement of any unused funds or any sum wrongly paid within sixty calendar days of the date of notification. If the NAO does not repay the amount due to the Community, the beneficiary country shall refund this amount to the Commission. Interest on account of late payments shall be charged on sums not repaid by applying the rules specified in the Financial Regulation governing the Community Budget.

#### **e.) Financial Flows**

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 onto a separate bank account, denominated in Euro, which will be opened and managed by the NF in a Bank agreed in advance with the Commission.

##### **a) Transfer of Funds to the National Fund**

A payment of up to 20% of the funds to be managed locally\* 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.

Two replenishments will be made of up to 30 % of the funds to be managed locally\* and the final payment of up to 20% or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 5% of the budget\* has been disbursed by the IAs and the CFCU. The second replenishment may be requested when 35% of the total budget\* in force has been disbursed. The final third replenishment will be paid when 70% of the total budget\* in force is disbursed. Exceptionally the NAO may request an advance

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\* excluding the amount foreseen for the Community programmes

payment of more than the percentages mentioned above in accordance with the procedures laid down in the aforesaid Memorandum of Understanding. Save for express prior authorisation from the Commission HQs, no replenishment may be made if the trigger points mentioned above have not been respected.

b.) Transfer of Funds to the Implementing Agencies

The National Fund will transfer funds to IAs, including the Central Financing and Contracting Unit (CFCU), in accordance with Financing Agreements (FAs) signed between the NFs and the IAs/CFCU where applicable. Bank accounts for sub-programmes shall be opened in the name of the relevant Implementing Agency/CFCU in charge of the financial administration of the sub-programme in line with Art. 13 of the MoU on the establishment of the National Fund.

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.

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.

c.) Transfer of Funds to the National Fund for Participation in 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. 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 when the Association Council Decision or Memorandum of Understanding establishing the terms and conditions for participation in that programme is in force.



If there is a delay in the entry into force of some of the Memoranda of Understanding, 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.

d.) Interest

In principle, all bank accounts<sup>3</sup> 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.

**f.) Implementing Agencies will be responsible for sub-programmes as follows:**

The Implementing Agency for the entire programme, with the exception of Sub-programme 5 2002/000-586.05 "Economic and Social Cohesion" and Sub-programme 6 2002/000-586.06 "Participation in Community programmes and agencies and end-user support" will be the CFCU in the Ministry of Public Finance.

The Implementing Agency for Economic and Social Cohesion will be the Ministry of Development and Prognosis. However, within the Institution Building component of Sub-programme 5 "2002/000-586.05.01 Institution Building for Economic and Social Cohesion", twinning covenants will be dealt with by the CFCU, rather than the Ministry of Development and Prognosis, on account of the CFCU's experience of the specific aspects of twinning procedures. Under sub-programme 6, for the project 2002/000-586.06.01 "Participation in Community programmes and agencies the Phare funds will be handled by the National Fund itself. For the 2002/000-586.06.02 "End-user support" the Romanian National Agency for Socrates will act as an Implementing Agency.

**g.) Environmental Impact Assessment and Nature Conservation**

The procedures for environmental impact assessment as set down in the EIA-directive<sup>4</sup> are fully applicable for all investment projects under PHARE. If the EIA-directive has not yet been fully transposed, the procedures should be similar to the ones established in the above-mentioned directive. If a project would fall within the scope of annex I or annex II of the EIA Directive, the carrying out of the EIA-procedure must be documented<sup>5</sup>.

If a project is likely to affect sites of nature conservation importance, an appropriate assessment according to Art. 6 of the Habitats-Directive<sup>6</sup> must be documented<sup>7</sup>.

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<sup>3</sup> in particular, but not exclusively, accounts run by the NF, the CFCU and IAs

<sup>4</sup> DIR 85/337/EEC; OJ L 175/40; 5.7.1985; as amended by DIR 97/11/EEC; OJ L 73/5; 14.3.1997

<sup>5</sup> in **Annex EIA** to the corresponding investment project fiche

<sup>6</sup> DIR 92/43/EEC; OJ 206/7; 22.7.1992

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.

## **h.) Special rules for certain components for the programme**

### Twinning

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.

### Grant Schemes

For grant schemes whose procedures and formats are not covered by the current DIS rules, the precise implementation arrangements will be specified in the relevant project fiches in line with the following principles:

- the procedures and formats to be used in the implementation of the schemes and award of the grants will follow the provisions of the Practical Guide. In particular, due care will be given to the selection process of the beneficiary projects, which has to be done at technical level through selection committees composed of experts appointed by the authorities which are co-financing the schemes as well as by the relevant administrations and interest groups involved in the schemes.
- The competent PAO for the programme under which the grant scheme is financed has to retain his/her contractual and financial responsibility for the implementation of the schemes. In particular, the PAO has to formally approve the call for proposals, application forms, evaluation criteria, as well as the selection process and results. The PAO has also to sign the grant contracts with the beneficiaries and to ensure adequate monitoring and financial control under his/her authority and responsibility. With this reservation, the management of the schemes can be decentralised from the PAO to the appropriate bodies at sectoral or regional level.
- The ex ante approval of the Commission, through the Delegation in Bucharest, will be required for the call for proposals, application forms, evaluation criteria, the selection procedures (including the composition of the committees) and results (list of projects to be funded). The grant contracts signed by the PAO will be subject to the ex-ante control of the EC Delegation.

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<sup>7</sup> in **Annex Nature Conservation** to the corresponding investment project fiche

The implementation of the selected projects through the provision of works, supplies and services sub-contracted by the final beneficiaries of the individual grants shall be subject to the procurement regulations in the Practical Guide. The decentralised system established for CBC small projects is to be applied to all such contracts below 300 000 EUR (or any increased threshold to be fixed by EC Headquarters for small project funds under CBC programmes). Tenders and contracts above this threshold will be presented to the EC Delegation for ex ante approval. The financial commitments in Phare terms will be effected at the date of signature of the grant contracts by the competent PAO. Project implementation and all Phare disbursements are to be done before the expiry date of the present Financing Memorandum.

The Small Projects Facility will not include physical investments other than small infrastructure not generating substantial net revenue.

For the CBC Small Project Facility, up to 7% of the PHARE contribution may be used for expenditure relating to the preparation, selection, appraisal and monitoring of the assistance.

#### **4. Monitoring and Assessment**

Project implementation of this programme will be monitored through the Joint Monitoring Committee (JMC). It includes the NAO, the NAC and the Commission services. 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. Furthermore the JMC will review the progress of all pre-accession EU-funded assistance programmes once a year (PHARE, ISPA and SAPARD). For the PHARE programme, the JMC will be assisted by Sectoral Monitoring Sub-Committees (SMSC) which will include the NAC, the PAO of each Implementing Agency (and of the CFCU where applicable) and the Commission Services. The SMSC will review in detail the progress of each programme, including its components and contracts, assembled by the JMC into suitable monitoring sectors. Each sector will be supervised by one SMSC on the basis of regular monitoring reports produced by the Implementing Agency, and interim evaluations undertaken by independent evaluators. The SMSC will put forward recommendations on aspects of management and design, ensuring these are effected. The SMSC will report to the JMC, to which it will submit overall detailed opinions on all Phare financed programmes in its sector.

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

#### **5.) Audit and Anti-Fraud Measures** **a.) By the Candidate Countries**

Each year an audit plan and a summary of the findings of the audits carried out shall be sent to the Commission. Audit reports shall be at the disposal of the Commission.

Appropriate financial control shall be carried out by the competent national financial control authority with respect to the implementation of the programme.

Beneficiary countries shall ensure investigation and satisfactory treatment of suspected and actual cases of fraud and irregularity following national or Community controls.

Irregularity shall mean any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

Fraud shall mean any intentional act or omission relating to:

- (i) the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities,
- (ii) non-disclosure of information in violation of a specific obligation, with the same effect,
- (iii) the misapplication of such funds for purposes other than those for which they are originally granted .

The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/94<sup>15</sup>.

In particular, all suspected and actual cases of fraud and irregularity as well as all measures related thereto taken by the national authority must be reported to the Commission services without delay. Should there be no suspected or actual cases of fraud and irregularity to report, the beneficiary country shall inform the Commission of this fact at the end of each quarter.

#### **b.) By the Commission**

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 audits by the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the 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 may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96<sup>14</sup>.

The accounts and operations of the National Fund, and, where applicable, the CFCU and all relevant Implementing Agencies may be checked at the

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<sup>15</sup> OJ L 178; 12.7.94; p. 43-46

<sup>14</sup> OJ L 292; 15.11.1996; p. 2-5

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.

## **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 set down in Annex "Visibility/Publicity".

## **7. Special conditions**

The Phare 2001 National Programme for Romania contained a special condition which required the preparation of a governmental action plan 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 a condition for implementation of Phare 2002, the Government of Romania will by 31 March 2003 present the Commission with a detailed report on progress in implementing the above action plan, describing for each implementing agency and implementing authority the specific measures which have been carried out in line with the provisions of the action plan. Together with this report the Government will also present an update of the plan, taking account of the experience gained in implementing the plan over the previous 12 months, together with any further institutional strengthening measures needed to ensure adequate capacity for the implementation of the Phare 2002 programme.

Contracting of Phare investment support under Economic and social cohesion is conditioned upon the signature of the service contracts between MDP and RDAs, (as described under 2002/000-586.05.02 above) and their notification to the European Commission.

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 ONINFORMATION 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:

- Regulation (EEC) 1159/2000 Official Journal of the European Communities No L130/30, 31 May 2000;
- Commission Decision of 31 May 1994; Official Journal of the European Communities No L 152/39, 18 June 1994.

Specific provisions concerning ISPA are included in:

- Commission Decision of 22<sup>nd</sup> June 2001, Official journal of the European Communities No L.182/58

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.