

**PROJECT FICHE FOR PHARE 2006  
for**

**Support to EU funds management**

**PHARE 2006/018-147.05.01**

## INDEX OF CONTENTS

1.	Basic Information .....	3
1.1	CRIS Number: .....	3
1.2	Title .....	3
1.3	Sector.....	3
1.4	Location.....	3
1.5	Duration:.....	3
2.	Objectives .....	3
2.1	Overall Objective .....	3
2.2	Project purpose .....	3
2.3	Accession Partnership (AP) and NPAA priority .....	3
2.4	Coherence with National Development Plan .....	3
2.5	Cross Border Impact.....	4
3.	Description .....	4
3.1	Background and justification.....	4
3.2	Sectoral rationale .....	5
3.3	Results .....	5
3.4	Activities (including Means) .....	5
3.5	Linked Activities: .....	6
3.6	Lessons learned: .....	6
4.	Institutional Framework .....	6
5.	Detailed Budget .....	7
6.	Implementation Arrangements .....	8
6.1	Implementing Agency .....	8
6.2	Twinning .....	8
6.3	Non-standard aspects.....	8
6.4	Contracts.....	8
7.	Implementation Schedule .....	9
7.1	Start of tendering/call for proposals .....	9
7.2	Start of project activity .....	9
7.3	Project completion.....	9
8.	Equal Opportunity .....	9
9.	Environment .....	9
10.	Rates of return .....	9
11.	Investment criteria .....	9
11.1	Catalytic effect .....	9
11.2	Co-financing .....	9
11.3	Additionality.....	10
11.4	Project readiness and size.....	10
11.5	Sustainability .....	10
11.6	Compliance with state aids provisions .....	10
12.	Conditionality and sequencing .....	10
	ANNEXES TO PROJECT FICHE.....	10
	Annex 1 - Logframe .....	11
	Annex 2 - Detailed implementation chart .....	13
	Annex 3 – Cumulative contracting and disbursement schedule.....	14
	Annex 4 - Reference list of feasibility/pre-feasibility studies .....	15
	Annex 5 - Reference list of relevant laws and regulations .....	15
	Annex 6 - Reference list of relevant strategic plans and studies.....	15

## **1. Basic Information**

### **1.1 CRIS Number:**

PHARE 2006/018-147.05.01

### **1.2 Title:**

Support to EU funds management

### **1.3 Sector:**

Public Administration

### **1.4 Location:**

Bucharest, Romania

### **1.5 Duration:**

28 months

## **2. Objectives**

### **2.1 Overall Objective**

The overall objective is to strengthen Romania's administrative capacity to effectively implement the European acquis, in order to support Romania's preparation for accession to the European Union and its obligations in the early years of membership.

### **2.2 Project purpose**

The facility will further strengthen the capacity and capabilities of the government institutions in their support of the accession process and to manage EU funds.

*Note: The facility permit funding urgent actions (special actions), which may be identified in the course of Romania's accession to the EU after signature of the FM and early membership, preparing procurement of projects identified in the 2005 and 2006 FA, and executing actions in connection to capacity building and preparation for accession and early membership.*

### **2.3 Accession Partnership (AP) and NPAA priority**

Programme assistance defined in the current project fiche is directly linked to the priority areas for Romania's preparations to EU membership, as underlined in the Priority Action Plan for EU accession (December 2003 – December 2004), chapter 9 - "Strengthening the administrative capacity for managing the pre-accession funds and preparation for structural and cohesion funds". The Roadmaps for Bulgaria and Romania also mentions that Romania should significantly improve its capacity to manage and use the EU funds.

### **2.4 Coherence with National Development Plan**

N/A.

## **2.5 Cross Border Impact**

N/A

### **3. Description**

#### **3.1 Background and justification**

The Regular Report produced by the Commission in 2005 notices that, in a number of important sectors, the overall capacity of the public administration to implement and enforce the newly adopted legislation should be enhanced. Romania has started to address this issue through the comprehensive reform of its public administration. But these concerns extend beyond the adoption of the “Acquis” and also apply to the management of EU funds, where Romania’s efforts should now be focused in order to make the structures at central, regional and local level fully functional and to enable Romania to reap the full benefits from the future instruments.

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

The facility builds upon the previous Phare 2003, 2004 and 2005 projects and is conceived now beyond the Institution Building (IB) instrument of the past years to cover specific urgent and unforeseen needs identified in the course of the accession process and of the management of EU funds. This Facility is to address specific, well-defined self-contained subjects of limited scope.

The facility will also cover the tasks of the previous Project Preparation Facility component, including short term technical assistance for identification, preparation and implementation of projects and hand-on assistance in carrying out various analyses and monitoring activities.

The facility will also provide assistance to institutions in order to further accelerate the adoption of the aquis. In addition, the facility may also cover needs identified during the accession period such as expertise of economic, social, legal and institutional nature. Assistance under the facility can also be used to strengthen and/or develop the operational capacity of organisations in view of their future role in the implementation of the aquis and it provides a reserve for plugging any remaining gaps identified at short notice just before and after accession.

This facility may assist the institutions involved in managing EU funds (such as NAC, NIC, National Fund, Payment Authorities/Agencies, Implementing Authorities, institutions in the coordination/subordination off the Implementing Authorities which have delegated tasks) via technical assistance contracts supporting the programming, financing, implementation, monitoring and evaluation of their projects/programmes.

By the nature of this instrument, it is not possible to define the sectors to be covered beforehand; however, it is likely that a focus will be on those institutions which in future will be responsible for managing EU funds.

The mechanisms to be used for implementation of activities identified under this component include the twinning, twinning light and technical assistance instruments. The facility could also include investment (equipment supply or works) supporting the institution building process. In this case, the projects proposed will receive national co-financing for the investments part. Project size would generally be small (< 2 million Euros).

### **3.2 Sectoral rationale**

N/A

#### **3.2.1. Identification of projects**

N/A

#### **3.2.3. Sequencing**

N/A

### **3.3 Results**

- The process of implementation of the acquis have made emphatic progress;
- Institutional and operational capacity of organisations strengthened in view of their future role in the implementation of the acquis;
- EU funds management in line with relevant regulations and guidelines (assuming that this facility will also be used in this area to cover short-term shortcomings).

*Note: Outputs to be produced may include the appraisal of regulatory texts, supply of core documentation, trained staff or a framework to guarantee a proper implementation of the acquis and management of EU funds.*

- Relevant background documentation, feasibility and pre-feasibility studies, project design schedules, terms of reference, technical specifications and tender dossiers prepared and submitted in due time for both PHARE funded projects and projects under structural instruments pipelines.

### **3.4 Activities (including Means)**

- Providing direct hands-on technical assistance to governmental institutions meeting urgent IB requirements arising from the negotiation process or other obligations of the acquis;
- Short and medium term expertise from member state administrations delivered upon request. Expertise may focus on economic, social, legal and/or institutional subject areas.
- Contracting TA or investment on a short-term basis to support line Ministries, Governmental Institutions and/or other relevant organisations in areas relevant to the accession process and in preparation of documents for projects under structural instruments pipelines.

*Note:* The allocation of this support will be decided through common agreement between the NAC and the Commission services at an early stage in the programming cycle, on the basis of initial proposals for Phare support received from competent bodies.

### **3.5 Linked Activities:**

#### ***Project Preparation Facility (PPF) Mechanism***

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

The PPF component proved to be an excellent instrument for supporting the line ministry in producing relevant background documentation, feasibility studies, project design schedules, terms of references and tender dossiers with the ultimate goal to develop solid project documents feasible for implementation.

Experience gained during Phare RO-00.06.18 formed the basis for the successful implementation of PPF activities identified under project RO-01.06.06, RO-2002/000-586.03.01 and PHARE 2003/005-551.03.03. For 2005 we have included PPF in the Special Actions Facility project fiche. Future PPF activities will continue under the budget line of the current Phare project.

#### ***Twinning Light (TL) Mechanism***

Experience with implementing classic long-term twinning programmes has resulted in the identification of a need for short- to medium-term twinning assignments with a duration of up to six months and a maximum budget of EURO 150,000. Starting with the Phare 2001 exercise, a Twinning Light (TL) mechanism was introduced in order to provide rapid and flexible assistance focused on specific limited priority areas related to the accession process and directly linked to the “Acquis Communautaire”. This component was also foreseen in the framework of the Phare project RO-2002/000-586.03.01. Further TL projects have been developed under the IB envelope in the PHARE 2003/005-551.03.03 and Phare 2004/016-772.05.01.

#### ***IB Envelope/Special Actions Facility and Early Membership Mechanism***

The IB Envelope was introduced in Phare 2003 and had the same purpose as the current facility. The whole amount was allocated by mid 2004. Also the requests under the Phare 2004 already cover the whole amount. A similar allocation is foreseen for Phare 2005 project fiche.

### **3.6 Lessons learned:**

A mechanism was established for submitting the subsequent project documentation under NACs signature by attaching the list of all sub-projects submitted so far. The previous IB Envelope and Special Actions Facility have been allocated in a very short period and the requests exceeded the allocated amount.

## **4. Institutional Framework**

The organization and functioning of the Ministry of Public Finance, regulated through GD No. 1574/2003, was amended through GD 403/2004 to encompass the new structures for

managing EU structural instruments, i.e. the Managing Authority for Community Support Framework and the Managing Authority for Cohesion Fund. Following this new GD, the Ministry of Public Finance is in charge with the programming, coordination and monitoring of the non-reimbursable financial assistance granted by EU and the member states to Romania and acts as the National Aid Coordinator.

The GD 208/2005 regarding the organization and functioning of the Ministry of Public Finance was adopted in March 2005 including a new organizational chart for the Managing Authority for Community Support Framework, allowing also the split of activities per functions. The implementation function is ensured through the Technical Assistance Directorate.

## 5. Detailed Budget

	<b>Phare/Pre-Accession Instrument support</b>	<b>Co-financing</b>			<b>Total Cost</b>
		<b>National Public Funds (*)</b>	<b>Other Sources (**)</b>	<b>Total Co-financing of Project</b>	€M
<b>Year 2006 Institution Building support</b>		<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Special Actions	12.87	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	12.87
<b>IB support sub-total</b>	12.87	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	12.87
	<b>Phare/Pre-Accession Instrument support</b>	<b>Co-financing</b>			<b>Total Cost</b>
€M		<b>National Public Funds (*)</b>	<b>Other Sources (**)</b>	<b>Total Co-financing of Project</b>	
<b>Year 2006 - Investment support jointly co funded</b>					
Special Investment	2.50	<i>1.00</i>	<i>0.00</i>	<i>1.00</i>	<i>3.50</i>
<b>Investment support – sub-total</b>	2.50	<i>1.00</i>	<i>0.00</i>	<i>1.00</i>	<i>3.50</i>
<b>Total project 2006</b>	15.37	<i>1.00</i>	<i>0.00</i>	<i>1.00</i>	<i>16.37</i>

(\*) contributions from National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises

(\*\*) private funds, FIs loans to private entities

## **6. Implementation Arrangements**

### **6.1 Implementing Agency**

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

**Contact:**

Central Finance and Contracting Unit (CFCU)

Director: Carmen Rosu

Address: 44 Mircea Voda Avenue, Entrance B, District 3, Bucharest, Romania

Phone: (0040 21) 32 68 733

Fax: (0040 21) 32 68 730 / 32 68 09

#### **Implementing Authority**

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

**Contact:**

Ministry of Public Finance (MPF)

General Directorate Managing Authority for Community Support Framework

Directorate for Technical Assistance

Director: Mrs. Livia Chirita

Address: 44 Mircea Voda Avenue, Entrance C, District 3, Bucharest, Romania

Tel.: 00-40-21-3025 237

Fax: 00-40-21-3025 264

e-mail: livia.chirita@mfinante.ro

After contracting, the institutions submitting the projects will act as Implementing Authorities. The Ministry of Public Finance – MACSF will remain responsible for the overall coordination of the implementation of the Facility.

### **6.2 Twinning**

The sub-projects financed out of the special actions could include twinning and twinning light

### **6.3 Non-standard aspects**

N/A

### **6.4 Contracts**



The mechanisms to be used for implementation of activities identified under this project fiche include twinning, twinning light and technical assistance. The facility may also include investments (equipment supply or works) supporting an institution building process. In this case, the projects proposed will receive national co-financing for the investments part. Project size would generally be small (< 2 million Euros).

## **7. Implementation Schedule**

### **7.1 Start of tendering/call for proposals**

ToR's for support and twinning fiches, as the case might be, may be submitted to MPF immediately after formal endorsement of the Phare 2006 programme by the Phare Management Committee. The last date for receipt of applications by MPF will be 30 May 2008.

### **7.2 Start of project activity**

The effective start of the activities under the projects financed through the Facility is supposed to be in January 2007.

### **7.3 Project completion**

Project activities must be completed three months before the last date for disbursement under the Financing Agreement for the Phare 2006 National Programme. Effectively this means June 2009.

## **8. Equal Opportunity**

Consideration should be given to this aspect in the projects financed through the Facility.

## **9. Environment**

N/A

## **10. Rates of return**

N/A

## **11. Investment criteria**

(applicable to all investments)

### **11.1 Catalytic effect**

N/A

### **11.2 Co-financing**

All investment projects (and investment associated with IB projects) receive co-financing from national public funds. The Commission will only finance up to 75% of eligible public expenditure.

**11.3      Additionality**

N/A

**11.4      Project readiness and size**

N/A

**11.5      Sustainability**

N/A

**11.6      Compliance with state aids provisions**

N/A

**12.      Conditionality and sequencing**

Allocation of financial resources under this Facility will be agreed upon between the National Aid Co-ordinator (NAC) and the Commission. This support will be contracted on the basis of Terms of Reference/twinning fiche/technical specifications to be approved by both the Ministry of Public Finance and the Commission.

**ANNEXES TO PROJECT FICHE**

1. Logframe in standard format for each project
2. Detailed implementation chart
3. Contracting and disbursement schedule, by quarter, for full duration of project
4. For all projects: reference list of feasibility/pre-feasibility studies, indepth ex ante evaluations or other forms of preparatory work.
5. Reference list of relevant laws and regulations
6. Reference list of relevant strategic plans and studies

## Annex 1 - Logframe

<b>Support to EU funds management</b> <b>PHARE 2006/018-147.05.01</b>		<b>Contracting period expires:</b> <b>November 2008</b>	<b>Disbursement period expires:</b> <b>November 2009</b>
		<b>Total budget:</b> <b>16,37 Meuro</b>	<b>Phare budget:</b> <b>15,37 Meuro</b>
<b>Overall objective</b>	<b>Relates to Copenhagen criteria and acquis chapter</b>	<b>List of other projects with same objective</b>	
<ul style="list-style-type: none"> <li>- To strengthen the Romania's administrative capacity to effectively implement the European aquis, in order to support Romania's preparation for accession to the European Union and its obligations in the early years of membership.</li> </ul>	<ul style="list-style-type: none"> <li>- Chapter 21 – “Regional policy and coordination of Structural Instruments”</li> </ul>	<ul style="list-style-type: none"> <li>- Phare 2005 “Special Actions and Early Membership Facility”</li> <li>- Phare 2004/016-772.05.01 – “Strengthening the capacity within the Romanian administration to support the pre-accession process”</li> <li>- PHARE 2003/005-551.03.03 – “Capacity development within the Romanian administration to manage and monitor EU pre-accession funds in an adequate and efficient way”</li> </ul>	
<b>Project purpose</b>	<b>Objectively Verifiable Indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
Further strengthening the capacity and capabilities of the government institutions in their support of the accession process and to manage EU funds.	Acceleration of the progress within ministries/institutions towards meeting the requirements of the acquis and of structural funds management. Effectively and timely implementation of the EU assistance programmes	<ul style="list-style-type: none"> <li>• - Minutes of the Monitoring Sub-committee</li> <li>• Monitoring reports</li> <li>• Regular reports</li> </ul>	<ul style="list-style-type: none"> <li>- Continued commitment of the administration to apply community regulations</li> </ul>
<b>Results</b>	<b>Objectively Verifiable Indicators</b>	<b>Sources of Verification</b>	<b>Assumptions</b>

<ul style="list-style-type: none"> <li>• The process of implementation of the acquis has made emphatic progress;</li> <li>• Institutional and operational capacity of organisations strengthened in view of their future role in the implementation of the acquis;</li> <li>• EU funds management in line with relevant regulations and guidelines (assuming that this facility will also be used in this area to cover short-term shortcomings). <i>Note: Outputs to be produced may include the appraisal of regulatory texts, supply of core documentation, trained staff or a framework to guarantee a proper implementation of the acquis and management of EU funds</i></li> <li>• Relevant background documentation, feasibility and pre-feasibility studies, project design schedules, terms of reference, technical specifications and tender dossiers prepared and submitted in due time for both PHARE funded projects and projects under structural instruments pipelines;</li> </ul>	<ul style="list-style-type: none"> <li>• Specific identified tasks have been completed with the help of MS experts or TA</li> <li>• feasibility and pre-feasibility studies, detailed designs of investment projects, technical specifications, designs of training and IB projects, project ToRs, technical specifications / tendering approved</li> <li>• analytical studies / papers on possible future funding opportunities in priority areas</li> </ul> <p><i>Note: More specific OVIs to be laid down in individual projects' description.</i></p>	<ul style="list-style-type: none"> <li>• Monitoring reports</li> </ul>	<p>The beneficiaries allocate appropriate human and financial resources to the specific task</p>
Activities	Means		Assumptions
<ul style="list-style-type: none"> <li>• Providing direct hands-on technical assistance to governmental institutions meeting urgent IB requirements arising from the negotiation process or other obligations of the acquis;</li> <li>• Short and medium term expertise from member state administrations delivered upon request. Expertise may focus on economic, social, legal and/or institutional subject areas.</li> <li>• Contracting TA or investment on a short-term basis to</li> </ul>	<p>TA, Twinning and twinning light contracts.</p>		<ul style="list-style-type: none"> <li>• Reduced staff turnover in the administration</li> <li>• Availability in due time of the information and documents needed by TA team</li> <li>• Availability of logistic facilities to the TA team</li> </ul>

support line Ministries, Governmental Institutions and/or other relevant organisations in areas relevant to the accession process and in preparation of documents for projects under structural instruments pipelines.			
			<b>Preconditions</b>

## Annex 2 - Detailed implementation chart

	2006						2007												2008												2009														
calendar months	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D			
activities																																													
		D	D	D	D	D	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C																						
									I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I									

**D = Design**

**C = Contracting**

**I = Implementing**

**Annex 3 – Cumulative contracting and disbursement schedule**

<b>CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (15.00 MEURO)</b>												
<b>DATE:</b>												
	<b>31/12/06</b>	<b>31/03/07</b>	<b>30/06/07</b>	<b>30/09/07</b>	<b>31/12/07</b>	<b>31/03/08</b>	<b>30/06/08</b>	<b>30/09/08</b>	<b>31/12/08</b>	<b>31/03/09</b>	<b>30/06/09</b>	<b>30/09/09</b>
<b>CONTRACTED (Component )</b>		1.50	5.50	9.50	12.00	13.50	15.37	15.37	15.37	15.37	15.37	15.37
<b>DISBURSEMENT (Component )</b>			0.90	3.30	5.70	7.20	8.10	9.00	11.50	13.50	15.37	15.37

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

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

**Annex 4 - Reference list of feasibility/pre-feasibility studies**

N/A

**Annex 5 - Reference list of relevant laws and regulations**

N/A

**Annex 6 - Reference list of relevant strategic plans and studies**

N/A