

Financing Agreement
RO-PHARE-2005/017-690.01.05

Project Preparation Facility
for flood damage related measures

1. Basic Information Summary

CRIS Nr (2005)	2005/017-690.01.05	Country: Romania
Title	Project Preparation Facility for flood related measures	
Sector	Priority sector Accession preparations	Evaluation sector
Budget ‘Floods’ 2005	2.0 ME Phare	2,67 ME Total

2. Objectives

2.1. Overall Objective(s):

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

2.2. Project purpose:

In view of the catastrophic damages originating from the 2005 floods on the national economic and social infrastructure, this project will contribute to develop projects, which are designed to remove the damages and allow prevention against future damages.

3. Description

3.1. Background and justification:

The particularly catastrophic nature of the flooding in many regions of Romania during 2005 damaging to a large extent the transport infrastructure has effectively imposed an urgent programme of transport infrastructure rehabilitation. While rehabilitating, however, each measure should also be designed in such a way that the infrastructure will be less affected by similar floods in future.

With a view to transport infrastructure rehabilitation, Phare **2005/017-690.01.03 Flood damage related measures** will finance in selected sections of the regional and county road

network *minor rehabilitation work*, for which Phare funds could provide speedy finance, while IFIs might consider the size of the works at each location as too small for introducing their project machinery. This implies a grant scheme approach, where the grants are given to the County Councils which will be the legal owner of the infrastructure to be rehabilitated / reconstructed.

The current project applies the Project Preparation Facility (PPF) Mechanism to flood damage rehabilitation. Through PPF, 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, apply for PPF support in order to produce more mature documentation.

3.2. Results

- ❖ Performed ex-ante verification for technical design and the tender dossier for the projects accepted on the list under **2005/017-690.01.03 Flood damage related measures**. Technical expertise for each project is prepared by each grantee on his expenses. The tender dossiers are developed under the grant contracts of RO 2005/017-690.01.03.
- ❖ Technical expertise and technical design prepared for two projects:
 - “Flood defence works and valuating of the existing ones to get security for localities spread throughout lower Ialomita (Urziceni municipality, Slobozia municipality, Tandarei town)”.
 - “Arranging of Trotus River and its tributaries throughout Lunca de Jos -Urechesti, Harghita and Bacau counties”.
- ❖ Technical assistance for line ministries in developing specific documentations for flood damage related projects identified by NAC and EC Delegation, on case by case basis.

3.3. Activities (including Means)

This project fiche will support the project development for the rehabilitation of flood-damaged regional bridges financed under **2005/017-690.01.03 Flood damage related measures**, through ex-ante verification of the technical design and tender dossier for the projects included in Phare **2005/017-690.01.03**.

The project fiche will also support the preparation (technical expertise and technical design) of the following two projects:

- “Flood defence works and valuating of the existing ones to get security for localities spread throughout lower Ialomita (Urziceni municipality, Slobozia municipality, Tandarei town)”.
- “Arranging of Trotus River and its tributaries throughout Lunca de Jos -Urechesti, Harghita and Bacau counties”.
- The budget contains a contingency of 0.67 MEURO against the expectation that the NAC and EC Delegation will identify other projects necessary for flood damage rehabilitation and prevention.

The project will support the beneficiaries in the following areas:

- Review the correctness and accuracy of technical design, detailed design drawings and technical specifications, other studies elaborated within each grant project and recommend grant beneficiaries necessary improvements/corrections;
- Review the tender dossiers prepared by grant beneficiaries prior to tender launch and approval by the MEI and EC Delegation.
- Perform the technical expertise, draft the technical design and the related Tender Dossiers for the 2 (two) large infrastructure projects mentioned above, proposed by the Ministry of Environment and Waters Management (MEWM), which will be subsequently financed under Structural Funds or other IFIs. If the two projects will be not financed within the 5 years following the TA, the amounts corresponding to the provided TA will be recovered to the budget of the EC.
- Perform the technical expertise, draft the technical design and the related Tender Dossiers for specific projects that might be necessary to be developed, for further flood damage rehabilitation and prevention.

3.4. Linked Activities:

N/A

3.5. Lessons learned:

In the management and implementation of the proposed financing scheme for floods prevention and rehabilitation of the damages, the organizational structure in charge will thoroughly consider and take account of all the recommendations, conclusions and assessments under the two relevant broad headings:

- ❖ Technical issues concerning the management of previous PPF schemes

(As a general comment - the use of PPFs has been an effective way of laying down a solid foundation for the programming preparations and the implementation of key programmes and projects.)

- ❖ Strategic documents (studies, strategic analysis, flood prevention and rehabilitation specific strategies and action plans)

4. Institutional Framework

Ministry of Public Finance

Ministry of Public Finance will play the same role as previously played in implementing the PPF scheme.

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.

A new GD 208/2005 regarding the organization and functioning of the Ministry of Public Finance was adopted in March 2005 including a new organisation 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

Under the Provisions of the **Financing Agreement 17-690 of 2005 “concerning flood damage rehabilitation and prevention measures”** the following task will be implemented in this programme:

Phare 2005/017-690.01.		PHARE contribution			National co-finance¹	Total
Measure no.:						
Title:		INV	IB	Phare Total	INV	Total
05	Technical Assistance to flood damage related projects	2,00	0	2.00	0,67	2.67
¹ National co-financing will include any finance through the IFIs						

6. Implementation Arrangements

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

6.1. Implementing Agency

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

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Central Finance and Contracting Unit (CFCU)

Mrs. Carmen Rosu

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The Implementing Authority will be the Ministry of Public Finance. Within MPF, the Directorate for Technical Assistance will become responsible for the overall technical coordination and proper implementation of the activities identified under this project fiche.

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Ministry of Public Finance (MPF)

Directorate for Technical Assistance

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6.2. Non-standard aspects

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

7. Implementation Schedule

7.1. Start of tendering/call for proposals

ToR's for support may be submitted to MPF immediately after formal endorsement of the Financing Agreement 2005–17-690 by the Phare Management Committee.

7.2. Start of project activity

The effective start of the activities under the project is supposed to be in November 2006.

7.3. Project completion

Project activities must be completed three months before the last date for disbursement under the Financing Agreement for the Phare 2005 Programme 17-690.

8. Equal Opportunity

Consideration will be given to this aspect in all the projects financed through the present project.

9. Environment

N/A

10. Rates of return

N/A

11. Investment criteria (applicable to all investments)

N/A

11.1. Catalytic effect

N/A

11.2. Co-financing

N/A

11.3. Additionality

N/A

11.4. Project readiness and size

N/A

11.5. Sustainability

N/A

11.6. Compliance with state aids provisions

N/A

12. Conditionality and sequencing

(1) Sequencing is such that preparatory activities are underway when Phare programming support takes place in 2005.

(2) Allocation of financial resources under the present project will be agreed upon between the National Aid Co-ordinator (NAC) and the Commission, following a screening of the priorities arisen in the specific flood prevention and rehabilitation field. This support will be contracted on the basis of Terms of Reference to be approved by both the Ministry of Public Finance and the Commission.

ANNEXES:

Annex 1 - LOGFRAME

Annex 2 - DETAILED TIME IMPLEMENTATION CHART FOR PROJECT

Annex 3 - CONTRACTING AND DISBURSEMENT SCHEDULE BY QUARTER

ANNEX 1 - RO-PHARE-2005/017-690.01.05 - Project Preparation Facility for flood damage related measures

LOGFRAME PLANNING MATRIX FOR			Programme name: and number:	RO 2005/017-690.01.05
Project Preparation Facility for flood damage related measures			Contracting period expires: 30.11.2007	Contract execution period expires: 30.11.2008
			Total Budget: (MEuro) 2,67	Phare contribution: (MEuro) : 2,0
OVERALL OBJECTIVE(S)	Relates to Copenhagen criterion and Acquis chapter	List of other projects with the same objective		
Flood damage rehabilitation and prevention in Romania	<p><i>Chapter 21 - Regional policy and co-ordination of Structural Instruments</i></p> <p>To strengthen the institutional capacity of the managing authorities and of the intermediate bodies.</p> <p><i>2004 Regular Report on Romania towards accession</i></p> <p>The development of a high quality project pipeline needs to be given priority.</p> <p><i>2005 Romania - Comprehensive Monitoring Report</i></p> <p>Increased efforts are required (...) to prepare for the implementation of the Structural and Cohesion Funds.</p> <p>Work on preparing the pipeline, needs to continue.</p>			

Project Purpose	Objectively verifiable indicators	Sources of verification	Assumptions and Risks
To contribute to the development of projects designed to remove the damages and to allow prevention against future damages.	Project documentation developed for removal of the damages and for prevention against future damages approved on schedule.	Interim and final reports issued by the consultants. MEI and EC Delegation reports.	All other projects of the Financing Agreement RO 2005/017-690 Phare flood-damage rehabilitation and prevention programme for 2005 in Romania are implemented in time. Support from local institutions.
Results	Objectively verifiable indicators	Sources of verification	Assumptions and Risks
<ul style="list-style-type: none"> Ex-ante verification for technical design and the tender dossier of projects under RO-PHARE-2005/17-690.01.03 performed. Technical expertise and technical design prepared for the two specific projects (<i>“Flood defence works throughout lower Ialomita” and “Arranging of Trotus River”</i>) Technical documentation produced in case of new flood damage related projects identified by NAC and EC Delegation, on case by case basis 	<p>All tender dossiers ready for approval by MEI and EC Del.</p> <p>Technical design produced for the 2 projects.</p> <p>Technical documentation produced</p>	<p>Interim and final reports issued by the consultants.</p> <p>MEI and EC Delegation reports.</p> <p>MEI and EC Delegation reports.</p>	<p>Documentation elaborated for the two large projects is used afterwards for obtaining financing.</p> <p>Documentation elaborated for new projects is used afterwards for obtaining financing.</p>
Activities	Means		Assumptions and Risks
<ul style="list-style-type: none"> Review the correctness and accuracy of technical design, detailed design drawings and technical specifications; review the tender dossiers prepared by grant beneficiaries prior to tender launch. Perform the technical expertise, the technical design and the related Tender Dossiers for the 2 (two) large infrastructure projects. Perform the technical expertise, draft the technical design and the related Tender Dossiers for specific projects that might be necessary to be developed, for further flood damage rehabilitation and prevention. 	Service contract		<p>Grant beneficiaries submit the tender dossiers for MEI on time.</p> <p>Support from local institutions.</p>

			<p>Preconditions</p> <ul style="list-style-type: none"> ▪ Technical expertise for the projects listed under Phare 2005/017-690.01.03 ready by the time the project starts. <p>Tender dossiers are prepared by grant beneficiaries for the projects listed under Phare 2005/017-690.01.03.</p>
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ANNEX 2 - DETAILED TIME IMPLEMENTATION CHART FOR PROJECT NUMBER RO-PHARE-2005/017-690.01.05

	2006									2007												2008												2009		
calendar months	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	J	F	M
activities	D	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							

ANNEX 3 - CONTRACTING AND DISBURSEMENT SCHEDULE BY QUARTER FOR PROJECT NUMBER RO-PHARE-2005/017-690.01.05

Components	Cumulative disbursement schedule by quarter in MEUR (planned)														Total Phare Allocation
	2005		2006				2007				2008				
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Contracting															
activities					1,0	2.0									2.0
Total contracting:					1,0	2.0									2.0
Disbursement															
activities					0.6	0.7	1.4	1.5	1.6	1.8	1.8	1.9	2.0		
Total disbursement:															