

STANDARD SUMMARY PROJECT FICHE

1. Basic Information

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| 1.1 Désirée number: | RO-0006.18 |
| 1.2 Title: | SUPPORT ACTIVITIES TO STRENGTHEN
THE EUROPEAN INTEGRATION PROCESS |
| 1.3 Sector: | Administration and Public Institutions (AD) |
| 1.4 Location: | Romania, Bucharest |

2 Objectives

2.1 Wider Objective

The wider objective of this project is to support and accelerate Romania's preparation for accession to the European Union with a view to its full and successful integration into European structures.

2.2 Immediate Objectives

The immediate objectives of this project are defined as:

- Strengthening the capacity to prepare adequate programmes and projects in the context of Romania's preparations for accession into the European Union, with a view of financial support under both future Phare programmes and/or international financing institutions (IFI).
- Providing key players in the EU accession process with necessary knowledge to participate effectively by delivering appropriate training modules in European affairs.
- Continuing support to the operation of the European Institute of Romania (EIR) as a management/delivery/resource center for measures supporting the preparation for accession.

2.3 Accession Partnership and NPAA priority

This project proposal is linked to the priority areas for Romania's membership preparation, as underlined in the Accession Partnership (AP) and the National Programme for the Adoption of the Acquis (NPAA). Both documents recognise the importance to improve the administrative capacity including programming in different subject areas.

Accession Partnership

Chapter 4 of the AP clearly indicates that in the field of programming substantial financial assistance through different Phare instruments will be provided. This chapter also indicates that a systematic co-operation with other international financing institutions is, with a view to facilitate co-financing activities, aimed at.

National Programme for the Adoption of the "Acquis"

In chapter 4.2 of the NPAA the capacity strengthening of the Romanian administration is mentioned as a priority in order to be able to effectively and correctly implement the “acquis”.

In chapter 4.3 is stressed that the Romanian administration should continue to benefit from additional technical assistance to assist the administration with designing and producing crucial documentation required to keep pace with the accession process.

Strengthening adequate programming will be focused on those areas that have been identified as priority areas in both the Accession Partnership (AP) and the National Programme for the Adoption of the Acquis (NPAA).

2.4 Contribution to National Development Plan

Not applicable

2.5 Cross Border Impact

Not applicable

3 Description

3.1 Background and justification

Project Preparation Facility

The Department for European Affairs (DEA) is at central level responsible for the overall co-ordination of the accession process. In this position, the DEA operates as interlocutor between the different line Ministries and Governmental Organisations and the Commission. As such, the DEA, on behalf of the Government of Romania bears, the final responsibility for the qualitative level of the various documentation and project proposals submitted on an annual basis to the Commission. In previous years, short-term technical support assisted the DEA with finalising this complex task.

In the short run, the current proposal focuses both on allocating resources for future technical assistance to the DEA in Phare programming as well as releasing funds to provide assistance to line Ministries and Governmental Organisations with the preparation of relevant technical documentation indispensable for a proper project preparation.

An adequate and comprehensive preparation of solid investment projects is a prerequisite for a timely future accession of Romania into the EU. Complex investment projects require detailed and reliable data and background documentation to identify the best approach for achieving the objective(s). In-depth feasibility studies, systems design, impact analysis and other project background documents are critical for a successful implementation of projects financed both through Phare and other international financing institutions (IFI). Background studies provide, apart from the project identification, also an analysis of the current status, an identification of possible alternative solutions including a

testing of their financial, technical and administrative feasibility and recommendations for the economically most advantageous solutions.

Recent experience has learned that there is ample scope for including a Project Preparation Facility (PPF) to be used for financing relevant studies and short-term technical assistance required for a proper design of project activities finally resulting in more mature project formats to be included in future Phare programmes or proposals financed through other international financing institutions (IFI).

European Institute of Romania

The European Institute of Romania (EIR) was especially established to improve the qualitative level of the administration and capacity strengthening of its employees in the medium term. Through the introduction of professional training programmes, the EIR is familiarising administrators both at central and decentralised level with the European integration process. The EIR is planning to extend its activities and widely involve local administrators in this familiarisation process.

As assigned in the 1997 Financing Memorandum, the EIR will receive additional support to operate in its current composition. In the FM 97 it was indicated that the EIR will operate as management/delivery/resource center for measures supporting the preparation for accession. The support will consist in provision of further financing which shall not exceed 100% of operational costs for period of 12 calendar months (year 2002). The expected Romanian contribution to the operation costs of the EIR is presented in an annex to the project fiche. The Romanian contribution to these costs will reach 100 % by 2005.

3.2 Linked activities:

The 1997 Phare Programme “Enhanced Pre-Accession Assistance” (RO-9706) initiated the programme “Training in European Affairs” for 240 civil servants from the central public administration. The training component proposed in this document can be considered as a continuation of the previous activity with two novelties to be introduced:

Trainees will be civil servants from the local public administration. Emphasis will be on training teams of Romanian trainers that have been identified and gained appropriate experience during the previous programme.

Apart from financing the training component, programme RO-9706 also provided support for the operational costs of the EIR during the first two years (2000, 2001) and foresees a possibility of financing a third year for 100%, pending on the assessment to be performed in autumn 2000. In case of a positive evaluation result, resources will then be allocated through the Phare 2000 programme.

3.3 Results

Project Preparation Facility

- short-term technical assistance provided to the DEA for two calendar years in order to provide assistance with the Phare programming for 2001 and 2002;
- line Ministries are, upon request, strengthened with short-term expertise in order to produce relevant background documentation, feasibility studies, project design schedules, terms of references and tender dossiers;

EIR - training programme

- approximately 250 trainees being local civil servants throughout Romania trained in European accession issues;
- local Romanian training teams capable of independently providing training on European accession issues to other Romanian local administrators;

EIR - operational capacity

- the EIR is assured that its operational costs are covered through Phare 2000 for a third consecutive year (2002);

3.4 Activities:

Project Preparation Facility

A short-term technical advisor (STTA) will assist the DEA with the Phare programming for both the years 2001 and 2002. In this capacity, the STTA will operate as interlocutor between the DEA and line Ministries on the one hand and the EC-Delegation and Commission on the other hand.

Preceding the actual preparation of the project fiches, the STTA will, with assistance of the EC-Delegation in Bucharest, provide a general briefing on the overall composition of the project fiches for staff attached to line Ministries and other Governmental Institutions responsible for drafting the 2001 and 2002 fiches.

The project will allow support to be provided to line Ministries and other Government government bodies with competence in areas relevant to the accession process. The allocation of this support will be decided through common agreement between the National Aid Co-ordinator 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. The support will be provided in cases where an initial proposal is considered to correspond to a priority for Phare support, (justified in terms of Accession Partnership short or medium term priorities; needs identified through the Regular Report; activities defined in the NPAA), but where further efforts are needed to define and prepare a mature project, ready for implementation under the upcoming Phare programme.

Project development to be supported under the PPF may include projects which are potential candidates for loans from international financial institutions, where co-financing by the IFI and Phare is considered as a possibility. Project preparation costs for such project can be supported by the facility, subject to the same procedures as projects proposed for support by Phare alone; i.e. an initial proposal from a competent government body at an early stage in the programming cycle, justification in terms of the priorities for accession, the allocation for project preparation to be agreed between the National Aid Co-ordinator and the Commission services.

Technical assistance provided to line Ministries and Governmental Institutions is basically focused on the preparation and completion of:

feasibility studies

The PPF can finance not only entire studies, but can also be applied to complete studies or tests to ensure that their recommendations are coherent and feasible. The most obvious in this field are cost-benefit analyses of a recommended solution or sensitivity testing of various assumptions made in a feasibility study.

detailed designs of investment projects

The detailed, technical preparation of a project following the completion of a feasibility study. It may involve developing detailed descriptions and technical specifications, bill of quantity for necessary inputs, completion schedules for works delivery and drafting of technical drawings.

environmental impact assessments

If relevant, Phare projects must meet basic EU requirements on environmental impact. The “acquis” includes a directive concerning environmental impact assessment (EIA) and public participation. For certain large projects full EIA and public participation is required. However Phare is likely to have many smaller projects that fall under the general provision of the EU law in this area, requiring that National Governments ensure through a screening of such projects that there is no adverse environmental impact. Where a programming authority has reasonable doubts over a project’s environmental impact, the PPF can finance a screening process and if needed a more elaborate and detailed EIA.

preparation of institution-building projects, training programmes and aid schemes

Productive sector investments often involve the provision of credit and/or grants to promote new production. Such schemes are often ill-prepared and suffer from slow disbursement as a result. The PPF can assist with the preparation of such schemes.

preparation of technical specifications, procurement plans and tender dossiers

For simple projects, detailed procurement plans are not necessary and preparation of tender documentation involves simply appending detailed technical documentation to a standard tender dossier. On more complex projects however, external technical support might be needed. This may be the case not only on complex works/supplies contracts but also for the preparation of calls for proposals for a grant scheme.

EIR - training programme

The training programme proposed is a continuation of the programme activities started under the 1997 Phare support programme. It is intended through the present programme to extend the activities to administrative staff operating at decentralised level. Training should be practically oriented and especially focus on familiarising administrative staff at different levels with the general concepts of project cycle management in order to guarantee that an increased resource capacity is able to prepare solid project proposals and other documents relevant for international programming. Related activities planned to be executed are:

- development of a training strategy in which both the local administrators and local trainers are identified as potential target group;
- development of appropriate training systems and mechanisms as a continuation of previously organised training;
- development of appropriate training material, adequate training equipment and usage of professional and qualified trainers;
- focusing on educating a core group of local trainers who will, after completion of their train-the-trainers course, be able to independently train local Romanian administrators in European integration aspects.

Implementation of these activities will take account of other planned training to decentralised structures envisaged in the context of regional and rural development programmes.

EIR - operational capacity

In line with the provisions of the 1997 Phare Financing Memorandum, the European Institute of Romania will be supported with core running costs in full for a further one year, and degressively for a further one or two years, on the basis that the core costs will be assumed progressively by Romanian public funds.

Provision of this support will be conditional on an independent technical evaluation to be carried out in 2000, this information will have a decisive impact on the final decision to release additional financial resources for the operation of the institute for a third, and subsequent years.

The support will enable the EIR to continue its key tasks, which are to identify the concrete ways and means for the implementation of the National Programme for the Adoption of the *Acquis* (NPAA) and, thus, help the Government of Romania to accelerate the preparation for accession to the EU. Its main responsibilities are: to carry out studies on EU matters for the GoR and other public bodies; to organise training for Civil Servants on accession related issues; to establish a specialised library that will serve the needs of the DEI in relation to the NPAA; produce didactic materials for lectures and training courses and publish studies, research papers, seminar proceedings, etc.; organise technical assistance and advisory services as required; prepare and co-ordinate awareness building campaigns on EU matters; co-ordinate translations related to the NPAA with particular reference to sector/topic-specific technical terminology (translation costs will not be covered by Phare).

4 Institutional Framework

In January 1993, the Government established the Department for European Integration (DEI). The main responsibilities of the DEI were at that time defined as being the national co-ordinator for European Integration and the national co-ordinator of non-reimbursable economic assistance. These responsibilities were formalised by two Governmental decisions (260/1994 and 141/1995).

Recently, the Government decision 41/20.01.2000 on the organisation and operation of the Ministry of Foreign Affairs stipulated the inclusion of the DEI within the structure of the Ministry of Foreign Affairs (MoFA), where a new department, the Department of European Affairs (DEA), was created. Through the same Governmental decision the Ministry of Foreign Affairs was appointed to:

- substantiate and coordinate Romania's accession into the European Union
- lead and coordinate the negotiation process for accession.

In accordance with the Phare 1997 Financing Memorandum, the European Institute of Romania (EIR) was created in 1998 (Government Ordinance 15/1998) as a public institution under the authority of the Romanian Government and Parliament. The main tasks and responsibilities of the EIR were defined as:

- providing background analysis and information to the central and local administration and to public institutions in order to strengthen their capacity to develop suitable pre-accession policies and mechanisms.
- acting as a management/delivery/resource centre, to assist these institutions with the implementation of such policies.

The operation of the EIR is to be supported through Phare funds for a period of 5 years, on a regressive basis according to the following structure: 100% in the first three years, 66% in the fourth year and 33% in the fifth year to be covered through Phare resources. The first Phare contract for financing the establishment and operation of the EIR was signed on 1 November 1999 and covers a period of 26 months, until December 2001.

5 Detailed Budget

Component/Sub-Project	Phare Support (in MEURO)					
	Investment Support (I)	Institution Building (IB)	Total Phare (I+IB)	National Co-financing	IFI	TOTAL
A) Project Preparation Facility (PPF)		5.000.000	5.000.000			5.000.000
1) TA to the DEA on Phare programming 2001 and 2002		300.000	300.000			300.000
2) TA for feasibility studies		1.750.000	1.750.000			1.750.000
3) TA for detailed design of investment projects		1.250.000	1.250.000			1.250.000
4) Preparation of institution building projects, training programmes and aid schemes		950.000	950.000			950.000
5) Preparation of technical specifications, procurement plans and tender dossiers		750.000	750.000			750.000
B) Training in European Affairs		1.200.000	1.200.000			1.200.000
1) technical assistance (long- and short-term expertise)		600.000	600.000			600.000
2) special training programmes and activities		600.000	600.000			600.000
C) Support to EIR		800.000	800.000			800.000
1) staffing salaries		500.000	500.000			500.000
2) running and maintenance costs of the EIR		144.000	144.000			144.000
3) organisation of conferences/seminars and internal staff training		96.000	96.000			96.000
4) audit fees and other costs in line with contract under 1997 Phare programme		40.000	40.000			40.000
5) additional equipment		30.000	30.000			20.000
Total		7.000.000	7.000.000			7.000.000

6 Implementation Arrangements

6.1 Implementing Authority

The Implementing Authority for all three identified sub-components, “Project Preparation Facility”, “Training in European Affairs” and “Support to the EIR” will be the Department for European Affairs within the Ministry of Foreign Affairs.

Contact:

Department for European Affairs (DEA)

Director: Mr. Dragos Negrescu

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

Contact:

PAO: Mircea Ionut Costea

Director General: Daniela Gheorghe Marinescu

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6.2 Twinning

No twinning is foreseen under this project fiche.

6.3 Non-standard aspects

Allocation of financial resources under the Project Preparation Facility (PPF) will be agreed upon between the National Aid Co-ordinator (NAC) and the Commission, following a screening of initial project proposals from competent Romanian bodies. The projects are considered to be priority areas in the context of both the AP and the NPAA but are not mature enough for immediate contracting. Additional support will be contracted on the basis of Terms of Reference to be approved by both the Department of European Affairs (DEA) and the Commission.

Due to its special nature, the contract "Support for the European Institute of Romania" will be concluded through a direct agreement without following the standard tendering process. Additional support to the EIR will be directly linked to the intention expressed in the 1997 Financing Memorandum to provide further support subject to a positive evaluation of the performance of the new institution which is scheduled for autumn 2000.

Furthermore, the running and operational costs for the institution are on the condition that the Romanian Government is prepared to assume an increasing share of the running costs for the institute in line with the original 1997 FM from the fourth year of operations onwards.

Before coming into effect, all procedures related to contracting will have to be approved by both CFCU and the Commission.

6.4 Contracts

Project Preparation Facility - MEURO 5.0
Training in European Affairs – MEURO 1.2
Support for the operation of the EIR – MEURO 0.8

7 Implementation Schedule

7.1 Start of tendering/call for proposals

7.1.1 Project Preparation Facility

ToRs ready by September 2000
Announcement for tender launched in October 2000

7.1.2 Training in European Affairs

ToRs ready by January 2001
Announcement for tender launched in February 2001

7.1.3 Support for the functioning of the European Institute of Romania

ToRs ready by September 2001
Contract concluded by December 2001

7.2 Start of project activity

7.2.1 Project Preparation Facility – January 2001

7.2.2 Training in European Affairs – May 2001

7.2.3 Support for the functioning of the European Institute of Romania – January 2002

7.3 Project completion

7.3.1 Project Preparation Facility – August 2002

7.3.2 Training in European Affairs – November 2002

7.3.3 Support for the functioning of the European Institute of Romania – December 2002

8 Equal Opportunity

The selection of both trainers and trainees will be made on non-discriminatory criteria and participation of women in both positions be monitored and reported through the progress reports. The same will apply for the recruiting of new staff for the European Institute of Romania .

9 Environment

Not Applicable

10 Rates of return

Not Applicable

11 Investment criteria

Not Applicable

12 Conditionality and sequencing

The PPF is not intended to cover projects in the area of economic and social cohesion, for which separate project preparation arrangements have been allocated.

No project shall be financed under the PPF unless it is included on a list that is approved by the NAC and which is submitted to the Commission at the end of 2000.

Sequencing is such that preparatory activities are underway when Phare programming support takes place in 2001. As such, certain projects may be programmed by Phare in 2000 conditional upon preparation reports and designs being completed and considered to be acceptable.

On-going support to the EIR will be released provided that the evaluation scheduled for autumn 2000 will be concluded positively.

Identification of and agreement on priority areas for training to be achieved by the EIR together with the DEA before finalisation of ToRs for Training in European Affairs

Results of the assessment on EIR performed in autumn 2000.

Start-up of the PPF assumes that the Financing Memorandum can be approved and in operation before the end of 2000.

Milestones:

Project Preparation Facility (PPF)

- appointment of SSTA to the DEA;
- successful and timely submission of project fiches to the Management Committee;
- effectuation of relevant studies, assessments and feasibility reports forming the basis for solid investment projects;
- general qualitative improvement of all documentation.

Training in European Affairs

- all topics and/or relevant training areas covered;
- number of trainees participating in the modules met;
- number of Romanian trainers leading training sessions at European standards successfully trained.

Support for the European Institute of Romania

- effective, efficient and successful operation of the EIR.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme
(including disbursement period)