



## **ROMANIA**

### **Advisory Services on “Strengthening the Regulatory Impact Assessment Framework in Romania”**

## **REPORT 3.1.2: Report on sectoral policy making and EU coordination needs**

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## **LIST OF ABBREVIATIONS**

<b>Abbreviation</b>	<b>Explanation</b>
<b>CAP</b>	Common Agriculture Policy
<b>CFP</b>	Common Fisheries Policy
<b>CC</b>	Consultative Committees
<b>CF</b>	Cohesion Fund
<b>CPA / ACP</b>	Certifying and Paying Authority
<b>COP</b>	Competitiveness Operational Programme
<b>CPR</b>	Common Provision Regulation
<b>CSF</b>	Common Strategic Framework 2014-2020
<b>DGAPE</b>	Directorate General for Analysis Programming and Evaluation
<b>EARDF</b>	European Agriculture and Rural Development Fund
<b>EC</b>	European Commission
<b>EMFF</b>	European Maritime and Fishery Fund
<b>EIB</b>	European Investment Bank
<b>ERDF</b>	European Regional Development Fund
<b>ESF</b>	European Social Fund
<b>ESIF</b>	European Structural and Investments Funds
<b>ETC</b>	European Territorial Cooperation
<b>EU</b>	European Union
<b>FMA OP</b>	Fisheries and Maritime Affairs Operational Programme
<b>IB</b>	Intermediate Body
<b>ICPA</b>	Inter-ministerial Committee for the Partnership Agreement
<b>MA</b>	Managing Authority
<b>ME</b>	Ministry of Economy
<b>MEF</b>	Ministry of European Funds
<b>MLFSPEP</b>	Ministry of Labour, Family, Social Protection and Elder People
<b>MNE</b>	Ministry of National Education
<b>MRDPA</b>	Ministry for Regional Development and Public Administration
<b>NRD OP</b>	National and Rural Development Programme
<b>OP</b>	Operational Programme
<b>PA</b>	Partnership Agreement
<b>ROF</b>	Regulation for organisation and functioning (Internal Regulations)
<b>ROP</b>	Regional Operational Programme
<b>SOP IEC</b>	Sectoral Operational Programme Increasing Economy Competitiveness
<b>WG</b>	Working Groups

## I. EXECUTIVE SUMMARY

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**1. The main objective of the current report is to assess the coordination needs between sectorial policies and the European Structural and Investment (ESI) Funds<sup>1</sup>, by identifying the key issues to be addressed in order to ensure an effective coordination throughout the entire programming cycle 2014-2020. The report assesses specific coordination needs, analyses the existing and planned coordination mechanisms, maps the institutions involved, and identifies the key roles, tasks and expected performance needed from policy makers in order to achieve an effective coordination<sup>2</sup>.**

**2. A new approach based on increased participation of policy makers was adopted for the 2014-2020 programming period.** The new ESI Funds regulations' provisions, the European Commission's recommendations for Romania on the development of the Partnership Agreement and programmes, the lessons learned in the implementation of 2007-2013 operational programmes, have supported this new approach which aims to increase effectiveness of the interventions, avoid overlaps with national funding and enhance results through complementarities and synergies.

**3. The programming for 2014-2020 officially started in June 2012 involving the policy makers to a larger extent than in the previous exercise.** The Ministry of European Funds has mobilized a large number of stakeholders, including the policy makers, and has managed the whole programming process through formalised coordination and tools, i.e. steering committees, thematic consultative committees, working groups and informal operational working meetings. The process's effectiveness improved continuously under the coordination of the Ministry of European Funds.

**4. The preparation of the Partnership Agreement and of the operational programmes was the main driver of the sectoral policy development for the next seven years.** The ESI Funds programming appears to be one step ahead the sectoral strategic planning process. A clear sector strategic framework with sector strategies in place and an adequate regulatory framework and administrative capacity are the key expectations of the ESI Funds authorities from the policy makers. Moreover, ESI Funds regulations require member states to provide evidence regarding the availability of these strategic elements in a

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<sup>1</sup> European Structural and Investment Funds is the term used for 2014-2020 programming period for Cohesion Policy Funds (European Regional Development Fund, Cohesion Fund, and European Social Fund), the Common Agriculture Policy Fund (European Agricultural Rural Development Fund) and the Common Fisheries Policy (European Fisheries and Maritime Affairs Fund)

<sup>2</sup> Although a specific focus of the assessment has been to identify the coordination needs between the ESI Funds and the three ministries involved in the current World Bank project, the report covers the entire mechanism of coordination and all the relevant policy makers. Nevertheless, the assessment includes where appropriate concrete examples of interactions, roles and needs of the three ministries and a case study for the Competitiveness policy area and Ministry of Economy was used to illustrate the role of the policy maker (institution) in the coordination with the ESI Funds authorities during the operational programmes preparation and implementation. The three ministries selected for the development of the pilot projects are the the Ministry of Regional Development and Public Administration, the Ministry of Labour, Family, Social Protection and the Elderly, and the Ministry of Agriculture and Rural Development.

number of sectors, in the form of ex-ante conditionalities, which carry the risk of suspension of payments in case of nonfulfillment.

**5. Although the Partnership Agreement, which is the key strategic document setting the framework for the implementation of ESI Funds, was approved, the coordination of the programming process with the sector policies continues to be needed as part of the operational programmes preparation.** Three key parts of the operational programmes require contributions from the policy makers and imply a good coordination: (i) the programme strategy integrated in the sector strategy framework, (ii) the operational programme results, indicators and their targets, and (iii) the description of the mechanisms to ensure coordination between the ESI Funds and other EU and national funding instruments.

**6. The need for coordination does not end with programming.** There are a number of key areas where the implementation of the ESI Funds requires a good coordination and support from the sector strategies for implementation: (i) correlated instruments for programmes implementation, (ii) consistent and correlated procedures for projects selection and implementation, (iii) joint support to beneficiaries, (iv) adequate capacities to support projects implementation at all levels, national, regional and local, and (v) coherent monitoring and evaluation systems.

**7. MEF has designed a coordination mechanism for the Partnership Agreement implementation phase and has assumed responsibility for setting it in place and ensuring functionality.** The mechanism brings together ESI Funds authorities and the policy makers on two levels: ministers (level 1) and directors (level 2). A third level, which is the operational one, is not specifically designed for coordination with policy makers, but policy makers could be invited to be part of the process if the operational issues discussed concern coordination with other sectoral instruments.

**8. At the operational programmes level the managing authorities have cooperated with policy makers mainly through working groups.** During the implementation phase the Monitoring Committee will be the main structure - required by the ESI Funds regulations - tasked with ensuring the appropriate involvement of all relevant stakeholders. Managing authorities may set up working groups bringing together their own operational staff with line ministries representatives in order to ensure coherence of implementation, monitoring, and evaluation tools.

**9. The institutional mapping has indicated the participation of policy makers at all levels of coordination and decision making.** One policy maker could be part of more than one thematic sub-committee of the Partnership Agreement coordination mechanism. For example the Ministry of Regional Development and Public Administration, due its horizontal role, is a member in all five thematic sub-committees. At the same time one policy maker has to coordinate with several operational programmes and with other national and EU instruments. These roles are expected to be demanding if effectively performed, as already proven in the programming phase, and to increase the workload in the policy makers' organisations. **The coordination of the ESI Funds with Competitiveness policies highlights the central role of the Ministry of Economy and the need to ensure an effective inter and intra-institutional cooperation.** Three departments of the Ministry of Economy are responsible for competitiveness policies and have to coordinate with five

managing authorities located in three different ministries, and with several programmes funded from the national budget and other EU programmes, like COSME<sup>3</sup>.

**10. During the implementation of the operational programmes the coordination can focus on specific tasks, identified in the analysis.** These represent key coordination issues which need to be addressed in order to ensure increased effectiveness of the actions, synergies and avoidance of overlaps.

**11. Fulfilment of the ex-ante conditionalities remains a priority for the policy makers due to the risk of suspension of payments in case of non-fulfilment.** The analysis also shows that once the conditionalities are fulfilled the policy makers remain responsible for their effective implementation, monitoring, and evaluation.

**12. The report highlights the need of the line ministries responsible for policy areas to make the shift from being coordinated and driven by the ESI Funds processes to act as effective coordinators in their policy areas.** The policy makers need to assume full ownership of the sector strategies and plans and manage the processes coherently during the EU funds seven years cycle. They have to create their own mechanisms for coordination at the sectoral level and need to match the ESI Funds' needs.

**13. Adequate capacity has to be ensured in the policy makers' organisations for the processes required to support the contributions to the ESI Funds, including when it comes to dealing with workload peaks, handling new tasks and functions, ensuring appropriate competences and acting as an effective coordinator in the relevant policy area.**

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<sup>3</sup> COSME is the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs) running from 2014 to 2020

## II. INTRODUCTION

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**14. The current report has been prepared as part of the World Bank project “Strengthening the Regulatory Impact Assessment (RIA) Framework in Romania”, funded from the European Regional Development Fund (ERDF) through the Operational Programme for Technical Assistance 2007-2013.**

**15. The main objective of the report is to assess the coordination needs between sectorial policies and European Structural and Investment (ESI) Funds<sup>4</sup>, by identifying the key issues that have to be addressed in order to ensure an effective coordination process throughout the entire programming period 2014-2020.**

**16. During the implementation of the 2007-2013 operational programmes, the correlation between national sectorial policies and the EU funding instruments encountered several difficulties.** A better coordination between the ESI Funds and national sectorial policies has been identified as an essential element necessary of the operational programme to improve the effectiveness and which is therefore required by the European Commission for the 2014-2020 programming period.

**17. The Ministry of European Funds (MEF), which coordinates the ESI Funds in Romania, has managed the 2007-2013 programming process which is still ongoing, involving the line ministries responsible for national policies in the elaboration of the Partnership Agreement (PA), which is the key strategic document for the ESI Funds.** The programming process continues now at the level of operational programmes and requires the contribution of policy makers. The PA and the OPs are required to indicate the coherence of the ESI Funds with the relevant policies and strategies the way the operational programmes will be further on during implementation correlated with the national policies.

**18. Within this framework, the report aims to capture the expected contributions of the policy makers to the coordination process, over the entire lifecycle and for all types of ESI Funds.** Drawing on the experience from the 2007-2013 programming period and the current programming process, this report will highlight the main issues to be addressed in order to avoid bottlenecks and ensure a coherent implementation of the OPs and national policies.

**19. The report is mainly addressed to MEF, the institution responsible for the overall coordination of the ESI Funds, in order to help fine tune the coordination mechanism and formalize the process where necessary.** The findings of the report can also be useful to Managing Authorities and policy makers to help reach a shared understanding of the roles and tasks in the coordinated implementation of ESI Funds. Finally and most important this report can be useful to the line ministries as a basis for planning and organizing the cooperation with the ESI Funds authorities and to support the assessment of the capacity needs needed in the ministries to achieve coordination with the ESI Funds system.

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<sup>4</sup> European Structural and Investment Funds (ESI Funds) is the term used for 2014-2020 programming period for Cohesion Policy Funds (European Regional Development Fund, Cohesion Fund, and European Social Fund), the Common Agriculture Policy Fund (European Agricultural Rural Development Fund) and the Common Fisheries Policy (European Fisheries and Maritime Affairs Fund)



**20. The subject is complex, encompassing almost all sectors and a large number of institutions and interactions.** For this reason the current assessment is limited to a number of topics including:

- A presentation of the coordination mechanism designed at the PA and OPs level
- Description of the interactions and coordination challenges at the level of the policy makers in relation to the institutions involved in the EU Funds management. The detailed interactions are described as an example only for one policy area, namely Competitiveness, which falls under the responsibility of the Ministry of Economy (MoE).
- The report does not intend to assess the capacity of the line ministries for policy making. Nevertheless, the analysis has identified a number of bottlenecks in the process which reveal a number of institutional weaknesses. These are presented in the report, with the note that their purpose is to serve as examples of the existing capacity needs and do not constitute a comprehensive inventory of potential challenges.

**21. A model tailored on the specific features of the coordination processes between the EU funds system and the sectoral policies was used for this assessment.** The model consists of four blocks of analysis represented in Figure 1.

**Figure 1: Analysis Structure**



**22. The activities conducted for this research included analysis of relevant documents as well as interviews with key stakeholders involved in the programming process and coordination with sectoral policies.** The following government officials participated in the interviews: representatives of the MEF in charge of the overall coordination of EU funds, representatives of Managing Authorities, and representatives of line ministries responsible for sectoral policies. In addition, the desk research of key documents covered EU regulations as well as strategy and methodological documents, and studies and evaluations on the implementation of the 2007-2013 operational programmes. The lists of references, keys strategies, and persons interviewed are presented in the annexes.

### III. ESI FUNDS - SECTORAL POLICIES COORDINATION NEEDS IN 2014-2020

#### II.1. European Structural and Investment Funds 2014-2020 framework in Romania

**23. Romania can benefit from more than EUR 30 bln from the EU during the upcoming programming period between 2014-2020. These resources are to be used for investments in smart sustainable and inclusive growth.** ESI Funds in Romania will support all 11 thematic objectives proposed by the European Commission (EC), covering five development challenges identified for the next seven years: Competitiveness, People and Society, Infrastructure, Resources, and Governance.

**24. The investments focused on each development challenge are linked to several policy areas as shown in the Table 1.**

**Table 1: Policy Areas Covered by Development Challenges**

Development Challenge: Competitiveness and local development
Policy areas: <ol style="list-style-type: none"> <li>1. Research Development and Innovation (RDI)</li> <li>2. Information Technology and Communication (ICT)</li> <li>3. Labour</li> <li>4. Education</li> <li>5. Enterprises</li> <li>6. Agriculture</li> <li>7. Aquaculture and Fisheries</li> <li>8. Public administration</li> <li>9. Energy</li> <li>10. Territorial &amp; Regional development (including ITI, CLLD, ETC and macro-regional and sea-basin strategies)</li> </ol>
Development Challenge: People and Society
Policy areas <ol style="list-style-type: none"> <li>1. Employment</li> <li>2. RDI</li> <li>3. Enterprises</li> <li>4. Social assistance</li> <li>5. Education</li> <li>6. Governance</li> <li>7. ICT</li> <li>8. Agriculture</li> <li>9. Aquaculture and Fisheries</li> <li>10. Territorial &amp; Regional development (including ITI, CLLD, ETC and macro-regional and sea-basin strategies)</li> </ol>
Development Challenge: Infrastructure
Policy areas <ol style="list-style-type: none"> <li>1. Transport</li> <li>2. RDI</li> </ol>

<ol style="list-style-type: none"> <li>3. ICT</li> <li>4. Enterprises</li> <li>5. Energy</li> <li>6. Environment</li> <li>7. Employment</li> <li>8. Education</li> <li>9. Governance</li> <li>10. Aquaculture and Fisheries</li> <li>11. Territorial &amp; Regional development (including ITI, CLLD, ETC and macro-regional and sea-basin strategies)</li> </ol>
<b>Development Challenge: Resources</b>
<p>Policy areas</p> <ol style="list-style-type: none"> <li>1. Environment</li> <li>2. Energy</li> <li>3. Enterprises</li> <li>4. Culture</li> <li>5. Transport</li> <li>6. Agriculture</li> <li>7. Aquaculture and Fisheries</li> <li>8. Territorial &amp; Regional development (including ITI, CLLD, ETC and macro-regional and sea-basin strategies)</li> </ol>
<b>Development Challenge: Governance</b>
<p>Policy areas</p> <ol style="list-style-type: none"> <li>1. Public Administration</li> <li>2. ICT</li> <li>3. Justice</li> <li>4. Territorial &amp; Regional development (including ITI, CLLD, ETC and macro-regional and sea-basin strategies)</li> </ol>

**25. The ESI Funds will be implemented through eight Operational Programmes (OPs).** These include the following:

- Large Infrastructure OP (LI OP) funded from Cohesion Fund (CF) and European Regional Development Fund (ERDF)
- Human Capital OP (HC OP) funded from European Social Fund (ESF)
- Administrative Capacity OP ( AC OP) funded from ESF
- Competitiveness OP (COP) funded from ERDF
- Regional OP (ROP) funded from ERDF
- Technical Assistance OP (TA OP) funded from ERDF
- National Rural Development Programme (NRDP) funded from European Agriculture Fund for Rural Development (EAFRD)
- Fisheries and Maritime Affairs (OP FMA OP) funded from EMFF

**26. The institutional architecture includes for each OP one managing authority (MA) responsible for the development and implementation of the OP. The MA may delegate part of the implementation functions to other organisations that can act as intermediate administrative bodies.** The MEF coordinates the entire ESI Funds system. The ESI Funds system includes also institutions responsible for certification, payments, and audit functions.

## II.2. New requirements for coordination

**27. Increased focus on national sector policies will strengthen the intervention logic for the programmes, and increase ownership levels and the impact of ESI Funds.** The Position paper of the Commission Services on the development of the Partnership Agreement and programmes in Romania for the period 2014-2020 highlights the need for the managing authorities to pay special attention to the cooperation with sector directorates within the concerned line ministries. “Managing authorities should not substitute these latter as sole legitimate policy making bodies, but should [...] better mainstream these national policies in their financing strategies and mechanisms”<sup>5</sup>

**28. The ex-ante conditionalities introduced by the new regulations represent a new tool that the EC will use to ensure that ESI Funds are implemented in the Member States within sound policy and regulatory frameworks.** The introduction of the ex-ante conditionalities is based on the EC ex-post evaluations, which highlight that unsound policy framework and regulatory as well as administrative and institutional bottlenecks can undermine the effectiveness of any investment. The proposed ex ante conditionalities are key to ensure that all institutional and strategic policy arrangements are in place for effective investment”<sup>6</sup>.

**29. The ex-ante conditionalities are a combination of (i) an appropriate regulatory framework, (ii) effective policies with clear objectives, and (iii) a sufficient administrative or institutional capacity.** According to Art 17.3 of the Regulation 1303/2013, Member States are required to ensure the fulfilment of the ex-ante conditionalities at the time of agreement of the PA and OPs and, if the agreement for ex-ante conditionalities is not fulfilled, no later than two years after the adoption of the Partnership Agreement or by 31 December 2016, whichever is earlier.

**30. Failure to fulfill the ex-ante conditionalities may lead to suspension of payments.** Fulfilment of the ex-ante conditionalities is an important task for the Member States, because of the negative consequences on payments in case of failure. According to art. 19 of the EU Regulation 1303/2013, failure to complete the actions required to fulfil an applicable ex ante conditionality, which has not been fulfilled at the date of submission of the Partnership Agreement and the respective programmes, by the deadline set out in paragraph 2, shall constitute a ground for suspending interim payments by the Commission to the priorities of the programme concerned that are affected.

**31. More than forty ex-ante conditionalities have been identified as applicable to Romania**<sup>7</sup>. These are the responsibility of line ministries and include the elaboration and setting in place of policy documents with specific requirements in terms of completeness and quality, e.g., description of monitoring systems, indicators and targets. Annex 1 presents a list of the thematic ex-ante conditionalities and the line ministries responsible for fulfilment.

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<sup>5</sup> [http://ec.europa.eu/regional\\_policy/what/future/pdf/partnership/ro\\_position\\_paper.pdf](http://ec.europa.eu/regional_policy/what/future/pdf/partnership/ro_position_paper.pdf)

<sup>6</sup> European Commission, 2014, Guidance on Ex Ante Conditionalities for European Structural and Investment Funds, Part I

<sup>7</sup> 29 thematic Cohesion Policy ex-ante conditionalities, 8 thematic rural development ex-ante conditionalities, 7 general ex-ante conditionalities.

## II.3. The previous experience regarding the coordination of the EU funds and policy making processes

**32. Poor coordination between EU and national policies in the 2007-2013 period lead to a reduction in the effectiveness of the interventions, overlaps of funding, and missed opportunities to enhance results through complementarities and synergies.** The Report on Administrative Capacity prepared within the Ex-ante Evaluation of the PA (2013) shows that although the partnership structures were created, limited capacity in policy management, ineffective communication, and ineffective cooperation tools are among the factors which have had a negative influence on the effective participation of the stakeholders in the programmes management cycle. Experience from the previous programming period indicates several factors affecting the effectiveness of investment, in particular the lack of strategic orientation, concentration and prioritization, as well as fragmentation of investments and failure to embed projects in national strategies and systems.

**33. The Sectoral Operational Programme 'Increasing Economic Competitiveness' (SOP IEC) 2007-2013 is one example of EU funded programme that was developed and implemented in the absence of a coherent strategic framework.** The strategies on which the priority axes have been built, including the Research Development Innovation Strategy, the Broadband Strategy, the Energy Strategy and the exercise of updating the SMEs Strategy were not correlated among each other. In the absence of a competitiveness strategy, SOP IEC lacked concentration, prioritization of the investments and coordination with other sectoral strategies aiming to increase competitiveness.<sup>8</sup>

**34. EC policies and national policies operated largely in isolation and failed to achieve synergies and complementarities. Overlaps of funding appeared.** The Functional Review on the Center of Government concluded that Romania is effectively operating two policy processes, one for EC-related policy issues coordinated by the Department of European Affairs, and one for national policy issues managed through General Secretariat of the Government. In the absence of a coordination mechanism, similar support programmes have been funded from the national budget and EU programmes (e.g. environment area investments in renewable energy, water infrastructure, and SMEs support). The programmes had overlapping areas of intervention, while competition for funding took place according to different rules which were more rigorous, demanding and transparent in the case of the EU programmes than in the case of the programs funded from the state budget.

**35. Achievements stemming from the Cohesion Policy in Romania between 2007 and 2013 have been reported in isolation from sectoral strategies and other national programmes.** Increasing employment and creating employment opportunities were among the expected results in two operational programmes funded from ERDF between 2007 and 2013, SOP IEC and ROP. The OPs reported 8151 new jobs created by the end of 2012, mainly through enterprise support measures. According to the Report on Jobs created Indicator<sup>9</sup> Romanian Government also funded a number of grant schemes for job creation, most of them part of three to five years multiannual plans, but there is little public information

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<sup>8</sup> SOP IEC, Interim evaluation, 2010

<sup>9</sup> DG Regio, EVALNET, 2013, Report on Job Creation as an indicator of outcomes in ERDF programmes

on achievements and no evidence regarding an aggregation of the planned or achieved results of the EU funded schemes with those funded through the national budget.

**36. The policy development process has been driven to a large extent by the requirements of the EC as conditions for accessing EU funding or in order to achieve compliance with EU regulations.** The MAs have tended to substitute for policy makers when the latter could not provide the vision for the strategic national framework. The authorities responsible for the management of the EU funds are perceived in many cases as the responsible bodies for national sectoral policy formulation. However the EU funds authorities' role to facilitate the sectoral strategic framework development is limited to the formulation and adoption phases. Once the policies have been adopted these remained without appropriate structures and tools needed for implementation.

**37. The experience of the previous programming period has revealed a low effectiveness level of the monitoring committees.** Involvement of the participants in the monitoring committees depends on the capacity of the policy making bodies to ensure the coordination of the all the programmes and tools for the policy implementation. In addition, the quality of the monitoring and evaluation system within a policy area could provide reference points to help assess the progress of the OP and make recommendations.

#### **II.4. The coordination process during the programming phase 2014-2020**

**38. A new approach to programming based on increased participation of the policy makers was adopted for 2014-2020.** The programming process for 2014-2020 started officially in June 2012 with the Government "Memorandum for the approval of the actions and documents for the preparation of the accession and implementation of the European funds during 2014 – 2020", which set the foundation of the Partnership framework. The Partnership Agreement and the OPs are key documents regarding the agreement with the EC, and which outline the plans on how ESI Funds are going to be used, including the strategic goals and investments priorities contributing to the overall aims of the Europe 2020 strategy for smart, sustainable and inclusive growth. The entire programming process is organised and coordinated by MEF. Compared to the previous exercise 2007-2013, the current programming process has relied more on the sectoral and regional policy makers, while only a few MAs and intermediate bodies (IBs) have been directly involved. This is a new approach in Romania and is part of a longer term plan to increase integration of the EU policies with the national policies.

**39. The programming exercise for the elaboration of the Partnership Agreement proved to be a challenge due to the large number of policy makers involved at central and at the regional levels.** A large number of stakeholders and policy makers at central and regional level have been involved in the preparation of the Partnership Agreement for more than two years. Assessments show that "MEF as a coordinating structure encountered difficulties in mobilising the partners but also obtaining added value contributions in the process".<sup>10</sup> Interviews with policy makers revealed that cooperation improved through an ongoing learning process.

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<sup>10</sup> Ecorys-Lideea, 2013, Evaluation report of the administrative capacity of the authorities and beneficiaries of CSF Funds

**40. The elaboration of the PA and the operational programmes was the main driver for the development of sectoral policies for the next seven years.** The start of the programming process found that the sectoral strategies for the forthcoming period were in progress and some had not even started. The need to assess and prioritize investments to be funded from ESI Funds, based on proper justification regarding coherence with the sectoral and regional needs, forced the policy makers to speed up the sectoral strategic planning. In some cases the needs assessment and prioritization for funding required additional studies, which had to be procured. The development of the PA appeared to be one step ahead most of the sectoral strategic planning processes.

**41. A significant number of ex-ante conditionalities including policy documents, tools for implementation, and capacity requirements will not be fulfilled by the end of 2014,** according to the status of fulfillment reported in the second draft of the PA. This means that the PA and OPs will be finalized in absence of a significant number of policy documents in place, which implies risks regarding the lack of coherence of the programmes with the sectoral priorities. At the same time, the strong coordination role of MEF should be maintained in order to ensure that action plans are implemented and deadlines are met.

## II.5. Challenges in the development and the implementation of the operational programmes 2014-2020

**42. Coordination remains a priority on the agenda of the MEF for OPs development and implementation.** The PA was approved by the EC on 5<sup>th</sup> of August 2014. The OPs development is in progress, and the process is coordinated by the Managing Authorities with the support of the MEF, as national coordinator of all ESI Funds. Further coordination of all authorities responsible for ESI Funds and ministries responsible for sectoral policies is needed for finalization and implementation of the Ops, as explained below.

**43. The three main parts of the Operational Programmes require a good coordination among policy makers:** (i) ensuring that the programme strategy design and formulation is coherent with the sectoral strategy, (ii) setting the results indicators and targets in a coherent manner and (iii) providing the description of the coordination mechanism. These parts are also strongly inter-related with each other.

**44. Policy makers need to have a clear view regarding sector needs and priorities, as well as pertaining to instruments and modalities of implementation.** Figure 2 presents in a visual manner the links between the OP and the Sector Strategies elements. The first link labeled A indicates the coherence of the OP and the Sector Strategy. The OP has to show what are the needs that will be addressed through the interventions, based on a proper justification that will also explain which other instruments, (EU or national budget programmes) will address the remaining needs (see link B in Figure 2) in a complementary manner. The coordination refers in this case to complementarities and synergies between interventions funded from different sources/programmes for a common objective, either programme objective or sector strategy.

Figure 2: Operational programs - Sector strategy coherence elements



**45. The OP results, indicators, and targets have to be coherent with the expected results of sectoral strategies.** The new definition of the results and impact in the new



programming period extends the expected effects beyond the intervention contribution. Results indicators represent the dimension of the intended-change, based on the contribution of the interventions but not solely due to it. For this reason the OP results could be defined at the sector level including, in addition to the intervention effect, other contributions, e.g. from other EU or no-EU programmes, or other factors such as regulatory frameworks, capacities, or socio-economic factors. The impact is the net effect of the intervention and will be established through evaluations deducting from the actual result – the visible change – including all other influences. The coordination of the OP with the agenda of the policy making institutions will focus on achieving a clear view regarding the expected contributions of the OP to the sector objectives and the identification of other external factors and contributions. For this reason the OPs preparation process requires that sectoral strategies are in place and include the definition of the objectives, results, the monitoring and evaluation system with indicators and targets. A clear understanding of the required regulatory framework based on ex-ante impact assessments will facilitate the MAs job to plan and evaluate the achievements in terms of results and impact.

**46. The mechanism to ensure coordination between the ESI Funds, and other EU and national funding instruments is required as part of the OP.** The mechanism refers to the tools that will be used by MA and MEF to ensure that during implementation of the OP, both policy makers and the OP authorities will be informed about the OP phases of the implementation and about relevant sectoral policies development (strategy implementation, new tools for policy implementation, regulatory framework changes, that could influence the results of the OP). The mechanism will also aim to ensure that stakeholders agree on actions to improve coordination, share monitoring data, and provide mutual support for evaluations and revisions of the OP and sector policies.

**47. A solid level of involvement of the policy makers in programming has facilitated the process, although the main constraint has been the late development of the sectoral strategies, which were not completed and made available.** Stakeholders involved in the programming process confirmed in the interviews a good level of cooperation with the line ministries responsible for the policy development. The main difficulty was the fact that the various strategies on which the programme strategy was built were not finalized and as a consequence only parts of the analysis and proposals for priorities could be included. The deadlines for OP submission and the ex-ante conditionalities are the main drivers of progress in regard to the operational programme..

**48. The new architecture of institutional set-up for ESI Funds calls for strengthened coordination between the system for EU funds and policy makers.** Romania has decided to change the architecture of the institutions involved in the management of the EU Funds, concentrating the managing authorities' functions in three ministries. The report on the administrative capacity of the authorities and beneficiaries, prepared as part of the Ex-ante Evaluation has highlighted the need to strengthen the mechanisms for coordination between the sector policies and EU funds allocation mainly in case where the MA is not located in the same ministry as the relevant policy maker.

**49. Effective implementation of the OPs depends therefore on policy implementation capacity, which proved to be weak in key sectors benefiting of EU funds in 2007-2013.**

<sup>11</sup>“There is limited capacity within the key development institutions at regional, local, and sectoral level to manage project pipelines and to ensure the existence of mature projects ready for implementation. For a number of sectors, there is no organisation empowered to implement sectoral policies, e.g. RDI, tourism, SMEs etc - at regional level. The intention to use more strategic integrated projects in the 2014-2020 period will require strengthening of these development institutions mentioned above, and rendering them able to facilitate or directly develop and implement such projects”<sup>12</sup>. For this reason one recommendation put forward in a recent analytical report was to “identify, strengthen or create capacities for policy implementation for the key sectors funded from CSF, at the national and regional level, e.g. regional bodies for RDI policy implementation, SMEs, Human Capital (HC), etc”.

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<sup>11</sup> Ecorys-Lideea, 2013, Evaluation report of the administrative capacity of the authorities and beneficiaries of CSF Funds

<sup>12</sup> Ecorys-Lideea, 2013, Evaluation report of the administrative capacity of the authorities and beneficiaries of CSF Funds.

## IV. THE COORDINATION MECHANISM DESIGNED FOR 2014-2020

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**50. Responding to the challenges of the new programming period and the new institutional architecture, MEF has designed a coordination mechanism and has assumed the responsibility for setting it in place and ensuring functionality.** The mechanism – included in the Partnership Agreement – serves as a means to ensure the best use of funds, addresses the coordination inside the system among the OPs as well as the coordination with other bodies, specifically the policy makers responsible for policy areas.

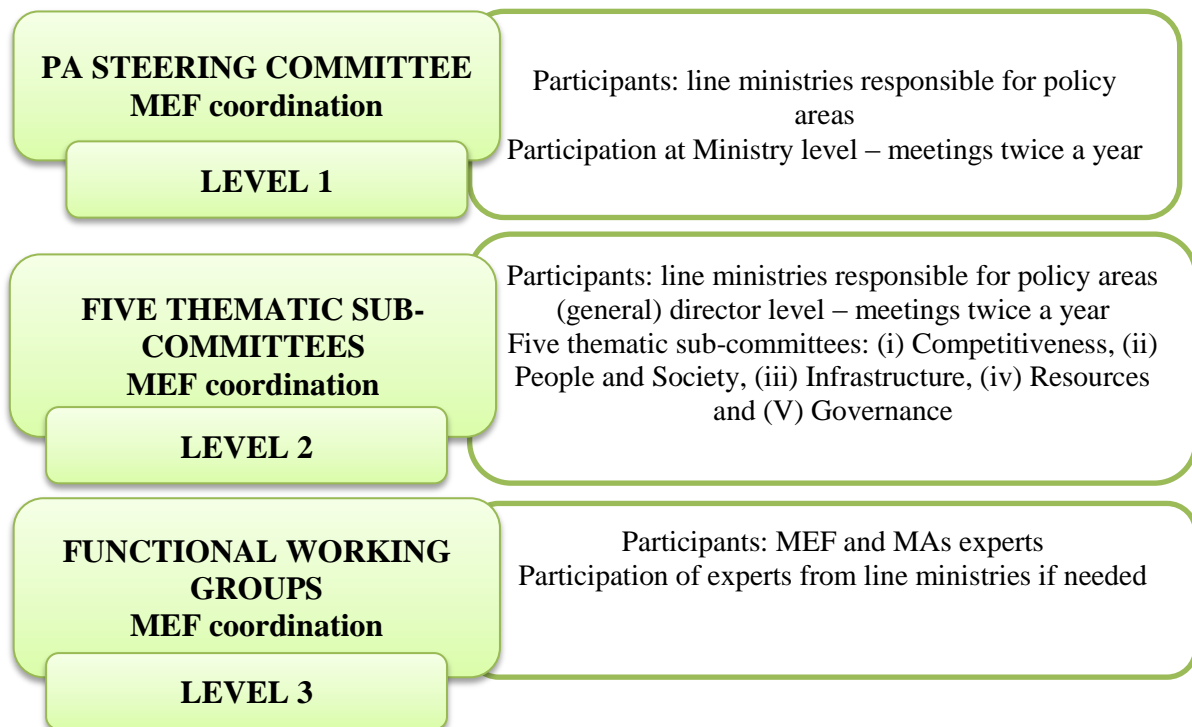
**51. A coordination mechanism for PA implementation was designed for three levels of interactions.** Figure 3 presents a representation of the mechanism in place which is composed of the following levels.

- **The upper level, Level 1 – of the PA - the line ministries responsible for relevant policy areas** will be brought together for key decisions regarding the implementation of the PA, on the basis of the progress achieved, and on the basis of changes in the economic and social environment that could influence the needs and the strategic direction set in the PA. Coherence with the sectoral strategic directions has to be considered.
- **Level 2 of coordination** will focus on the specific issues of the development areas identified in the PA as development challenges. The tool for coordination is the thematic sub-committee – one for each development challenge. The institutions responsible for policy areas will participate at the level of general director in the relevant sub-committee.
- **Level 3 is dedicated to experts on MEF and MAs** to discuss, agree, and ensure coherence of key operational aspects across the ESI Funds. The policy makers could be invited or they could ask to attend if coherence of the ESI Funds instruments and other national instruments is required at operational level. Having in view the requirement for the new programming period to ensure that the various funding programmes are correlated in order to avoid overlaps, and to use similar rules and procedures, the participation of the policy makers at the operational level of the coordination mechanism is needed. The policy makers should have a proactive attitude, asking for cooperation through the respective working groups.

**52. Although coordination mechanisms are not formalized at the OP level, the MAs initiated and managed the coordination process with the policy makers for the development of the OPs.** The main instruments used were the working meetings – organized upon need. The good level of responsiveness on the part of the policy makers, which was confirmed in the interviews conducted as part of the current assessment – did not require formalization of the process.

**53. During OP implementation, according to the CPR and the PA provisions, the “monitoring committee” will constitute the main tool to ensure adequate involvement of all stakeholders.** The policy makers are key stakeholders for the OP and their participation is essential.

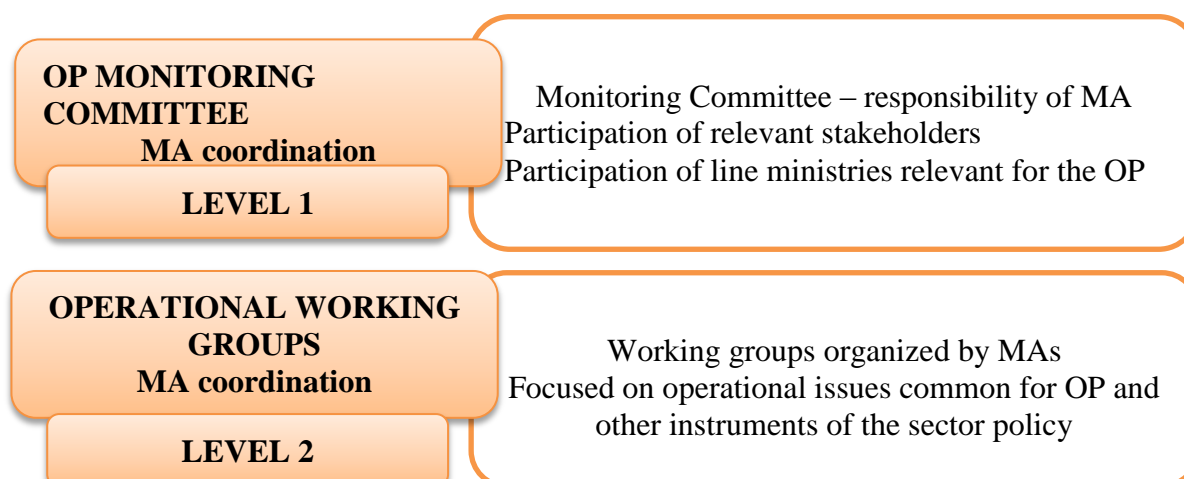
**Figure 3: Mechanism for coordination of ESI Funds authorities with policy makers**



**54. In addition to the coordination at PA level, through the PA Steering Committee and Thematic Sub-Committees, the Monitoring Committees and operational working groups at the OP level will facilitate coherence of the OP interventions with other elements of the sectoral policy.** A simple scheme of the coordination mechanism is presented in Figure 4. The experience of the working meetings used in the programming process will be useful if extended over the OP implementation. Considering the three key parts of the OP where the coordination between the OP and the sectoral strategies is specifically required (see section II.5) themes for working groups have been identified as, but not limited to, the following topics :

- Interim revision of the needs and objectives of the OP in coherence with the strategies' needs and objectives
- Coherence of the OP with other EU members' programmes in terms of calendars, uniform procedures, verification of potential overlaps, and reduction of the administrative burden.
- Coherent monitoring and evaluation system, and mutual support in data and information collection
- Support to beneficiaries
- Transparency of the results

**Figure 4: Coordination mechanism at OP level**



**55. The coordination of the ESI Funds and sectoral policies should be approached from the policy makers’ perspective.** At present coordination mechanisms are designed and managed by the authorities responsible for ESI Funds implementation and the role of the policy makers is seen as a reactive one - to respond to demands of the mechanism. A different role for policy makers in the coordination of the policy areas with ESI Funds is outlined in Figure 2. The policy makers are responsible for policy formulation and implementation and the OP funded from ESIF is only one of the instruments selected/ created to achieve the policy objective. From this perspective, the policy makers will need their own mechanisms for coordinating the ESI Funds with the other instruments (funding programmes, regulatory measures, etc). Such a mechanism would help the policy makers to have a better understanding of the contributions of each programme, and progress against targets and could support the to monitoring committees and working groups.

## V. MAPPING THE INSTITUTIONS INVOLVED IN THE COORDINATION MECHANISMS

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### IV.1. Institutions involved in the mechanism of coordination at the PA level

**56. The PA development exercise brought together 15 line ministries in the Inter-ministerial Committee for the Partnership Agreement (ICPA) - as relevant policy makers for the ESI Funds implementation in 2014-2020.** At the operational level, the development of the PA also required policy makers to participate in the thematic (sectoral and horizontal) working groups and Consultative Committees. Further contributions to the PA development have been required under the coordination of MEF and DGAPE. The list of the ministries members of ICPA is included in Annex 4.

**57. The coordination mechanism** described in section III and presented in Figure 3 and Figure 4, **requires the participation of the line ministries at the PA and OP level, based on the relevance of the policy area for which they are responsible.** A preliminary mapping is presented below, taking into account the main links between the development challenges and the policy areas. Additional participants could result from the inclusion of additional complementarities with other policy areas.

**PA coordination level 1 – PA Steering Committee:** participation should consider all ministries responsible for sectoral policies, similarly to the composition of ICPA.

**PA coordination level 2 – Thematic Sub-committees:** participation according to the relevance of the policy area to the theme of the sub-committee.

#### 1. Thematic Sub-committee Competitiveness and Local Development

- Ministry of Education - (RDI)
- Ministry of Information Society (ICT)
- Ministry of Labour (employment)
- Ministry of Education (education)
- Ministry of Economy (enterprises and energy)
- Ministry of Agriculture and Rural Development (agriculture, aquaculture and fisheries)
- Ministry of Regional Development and Public Administration (Public administration, territorial & regional development - including ITI, CLLD, ETC and macro-regional and sea-basin strategies)
- Ministry of European Funds - coordinator

#### 2. Thematic Sub-committee: People and Society

- Ministry Education (RDI)
- Ministry of Information Society (ICT)
- Ministry of Labour (employment, social inclusion)
- Ministry of Education (education)
- Ministry of Economy (enterprises)
- Ministry of Agriculture and Rural Development (agriculture, aquaculture and fisheries)

- Ministry of Regional Development and Public Administration (Public administration, territorial & regional development - including ITI, CLLD, ETC and macro-regional and sea-basin strategies) Ministry of European Funds - coordinator

### **3. Thematic Sub-committee: Infrastructure**

- Ministry of Transport (Transport)
- Ministry of Environment (Environment)
- Ministry of Information Society (ICT)
- Ministry of Labour (employment, social inclusion)
- Ministry of Economy (energy)
- Ministry of Agriculture and Rural Development (agriculture, aquaculture and fisheries)
- Ministry of Regional Development and Public Administration (Public administration, territorial & regional development - including ITI, CLLD, ETC and macro-regional and sea-basin strategies)
- Ministry of European Funds - coordinator

### **4. Thematic Sub-committee: Resources**

- Ministry of Environment (environment and climate change)
- Ministry of Economy (energy)
- Ministry of Agriculture and Rural Development (agriculture, aquaculture and fisheries)
- Ministry of Regional Development and Public Administration (Public administration, territorial & regional development - including ITI, CLLD, ETC and macro-regional and sea-basin strategies)
- Ministry of European Funds - coordinator

### **5. Thematic Sub-committee: Governance**

- Ministry of Regional Development and Public Administration (Public administration, territorial & regional development - including ITI, CLLD, ETC and macro-regional and sea-basin strategies)
- Ministry of Justice (Justice)
- Ministry of Information Society (ICT)
- Ministry of European Funds - coordinator

**58. The Governance thematic sub-committee has the specific feature that the funding priorities for this development challenge will be addressed by all policy makers in order to strengthen their administrative capacity.** For this reason the coverage of this thematic sub-committee might be extended over all policy makers eligible.

**59. The PA coordination level 3 (see figure 3)** – at this level it is not specifically intended to involve the representatives of the policy making bodies. These stakeholders will be included on a need basis and for this reason no relevant links to specific policy makers will be identified.

## IV.2. Institutions involved in the coordination mechanism at OP level

**60. Five OPs contribute to the competitiveness policy area, making coordination a demand for the Ministry of Economy.** As mentioned in the introduction, the report cannot cover the entire ESI Funds system, due to the complexity of the interactions, the large number of institutions involved, and the large coverage in terms of policy areas. For this reason at the level of the OP the current analysis will be limited to the competitiveness policy area and the relevant OPs. The general picture of the institutions involved in coordination at the level of the OP and the relevant interactions is presented in Figure 5, together with the key inputs and coordination issues.

**61. Five OPs of the ESI Funds for 2014-2020 will contribute to competitiveness policies objectives: ROP, COP, HC OP, NRDP and FMA OP.** There are direct links between the OPs objectives and at least one of the three strategies relevant for competitiveness, which have been developed for the period 2014 -2020: National Strategy for Export (NSE) (approved in June 2014), Governmental Strategy for SMEs Development (GSSMEs) (published for consultation on 26<sup>th</sup> of May 2014), National Strategy for Competitiveness (NSC) (consultation version September 2013). Analysing the three OPs funded from Structural Instruments, ROP, COP and HC OP it was determined that all three refer to NSC, only ROP refers to GSSMEs and none of them refers to NSE. Although the National Strategy for Export was considered in the PA relevant for ESI Funds and the Competitiveness challenge, at the level of the OPs the relevance is not mentioned further on.

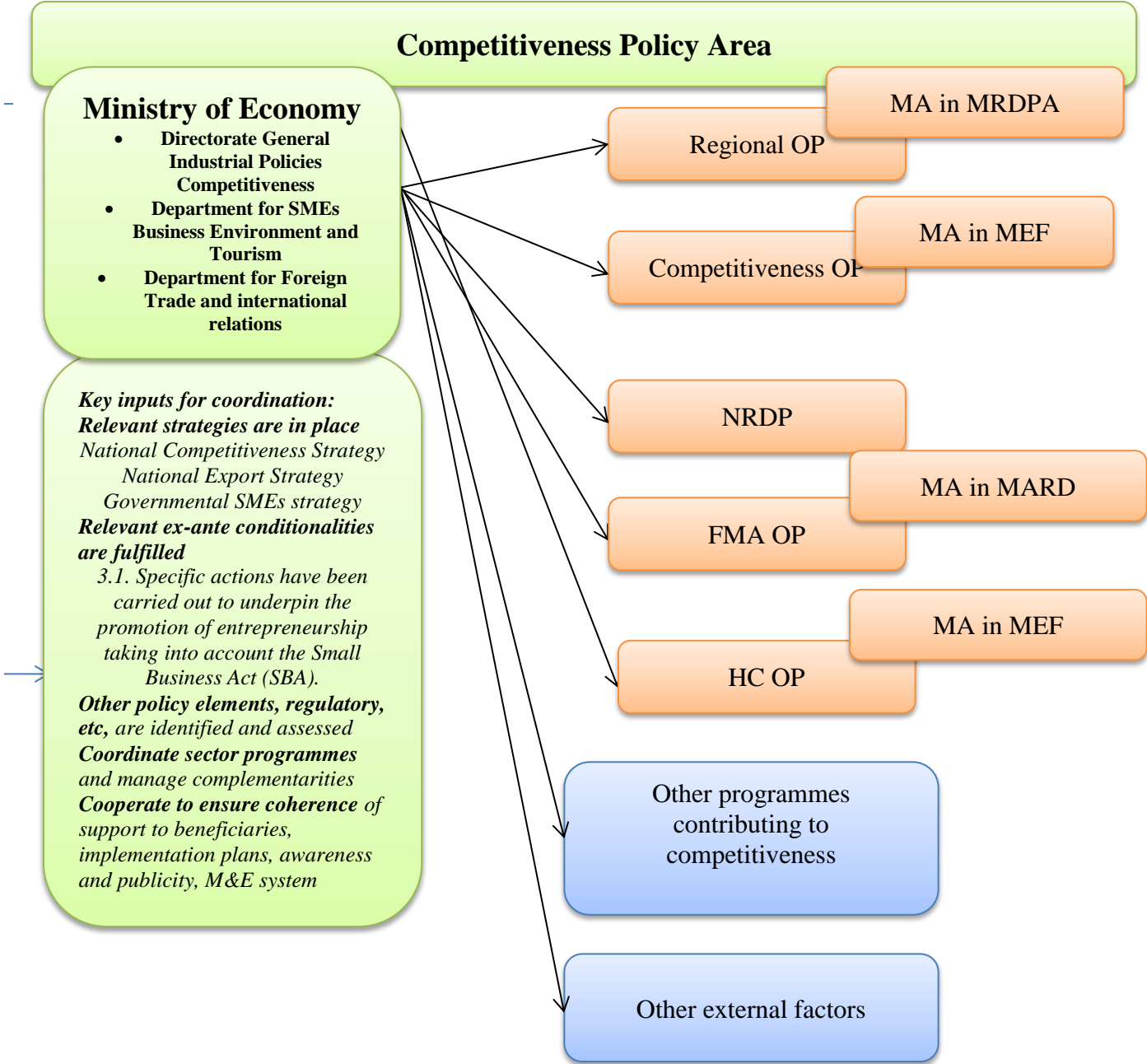
**62. The coordination involves a significant inter and intra-institutional cooperation.** The Ministry of Economy will need to coordinate with the MAs with regard to the five OPs which are located in three different ministries: MDRAP (ROP), in MEF (COP and HC OP) and MADR (NRDP and FMA OP). Inside the Ministry the responsibility for the specific policy area is shared by three departments in the Ministry of Economy: Industrial Policies, Foreign Trade and International Relations, and the Directorate for SMEs, Business Environment and Tourism. Each of these departments has elaborated one of the three strategies mentioned above. A good coherence of these three strategies is essential.

**63. For the OPs development and implementation it is essential the policy maker provide key inputs in a timely manner.** In order to respond to the programme needs – as explained in section II.5, the policy makers need to ensure that: (i) a strategy is in place (including M&E system, indicators system and targets, implementation system, etc), (ii) ex-ante conditionalities are fulfilled, (iii) other policy elements that support achievements of results (e.g. tax incentives, other support instruments like SMEs one stop shop) are in place, and (iv) a clear view exists regarding other instruments contributing to the policy objective. In the case of the Competitiveness policy area the Ministry of Economy has developed three strategies that need to be in place, coherent, and which are adequately considered in the OPs addressing competitiveness and SMEs. One ex-ante conditionality is applicable to this policy area, namely the ex-ante conditionality “3.1. Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA)”, and which falls under the responsibility of the Directorate for SMEs Business Environment and Tourism. This ex-ante conditionality is not yet fully fulfilled. The effective coordination requires also ensuring the planning of the enterprise support funded from



national sources and any other source than ESI Funds (including other EU programmes like, COSME<sup>13</sup>) and the identification and planning of other measures – e.g. regulatory measures – that support policy implementation). The Ministry of Economy would need to coordinate and manage from its own perspective the complementarities and synergies in this area, and ensure coherence between the M&E systems and implementation means (e.g. the support to beneficiaries, one-stop-shop approach).

**Figure 5: Institutions involved in coordination of ESI Funds with Competitiveness Policy Area**



<sup>13</sup> COSME is the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs) running from 2014 to 2020

## VI. THE ROLES AND TASKS OF POLICY MAKERS IN THE COORDINATION MECHANISM

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**64. The coordination of the ESI Funds with the sectoral policies does not conclude with the approval of the PA and OPs.** In section II the need for coordination was explained for situations relevant throughout the whole life cycle of the Ops, showing that lack of coordination is an issue which affects effectiveness levels during the implementation of the OPs as much as it does in the programming phase.

**65. Beyond participation in the coordination meetings, specific contributions are expected by ESI Funds authorities from the part of the policy making bodies in each phase of the PA and OP.** In order to detail the expected tasks and inputs of the policy maker in a coordination mechanism the analysis has been structured in four phases; Phase 1 - PA development (formulation and approval); Phase 2 - PA implementation (including monitoring and evaluation function); Phase 3 - OPs development (formulation and approval); and Phase 4 OPs implementation (including implementation of the actions, and the monitoring and evaluation function).

**66. The effectiveness of the coordination mechanism managed by MEF as national coordinator of ESI Funds and by MAs for each OP depends not only on the participation of the policy makers, but also on the quality of their contributions and the policy processes supporting these contributions.** For this reason the analysis mirrors the tasks of the ESI Funds authorities (column 2 in the table Annex 2) related to the coordination with the corresponding coordination tasks required from the policy makers (column 3). For each required contribution to the coordination mechanism, the functions and tasks which need to be emphasized in the policy makers' organisations have been highlighted. These actions are needed in order to provide useful contributions in the coordination mechanism (column 4).

**67. The MEF ensured the coordination with policy makers during the PA development phase** (Phase 1 in the Annex 2). The key tasks for effective coordination are: (i) the overall coordination of the stakeholders; (ii) identification and mobilization of the stakeholders; (iii) setting up coordination structures, agreements, procedures, and operationalize them; (iv) collection and integration of the contributions from the policy makers and other stakeholders; (v) setting in place a monitoring system for the ex-ante conditionalities with adequate support to responsible policy makers, and (vi) formulation of the PA in agreement with the stakeholders. The policy makers are expected to participate in the coordination structures set up for coordination and to provide required inputs regarding needs, funding priorities and options. A particular task for the policy-makers in the current programming exercise is the fulfilment of the ex-ante conditionalities, which fall in their area of responsibility.

**68. The key expectation for the policy makers in this phase is the adequate correlation of the sector policies formulation and adoption with the programming process, in terms of timing and content.** This means the policy makers need to assume full ownership of the sector strategies and plans and to manage them coherently with the EU funds over the seven years cycle. The leading role in correlation of the EU funds with sectoral policies can be assumed by policy makers, by integrating into their policies the contribution of the EU funded programmes. A rigorous monitoring of the progress, prepared by MEF, proved to be effective and stimulated the institutions responsible to act in order to comply with the plans.

**69. Availability of the sector strategies, sound analysis to support evidence-based policy formulation and adequate capacity in the policy makers' organisations to respond to the high workloads** during the programming phase are three key requirements for **policy making institutions in order to improve their contributions** to the programming process. Improved capacity of the responsible departments in the line ministries to manage the policy making process can avoid a late start of the policies' development, and insufficient studies and evaluations. Although the Operational Programme Administrative Capacity Development 2007-2013 could fund this type of studies, this issue can be pointed as a reason for the lagging behind in the analytical thinking to support a strategic vision. During the interviews conducted as part of this assessment it was also mentioned, that the contributions to the PA and OPs development produced a significant increase of the workload in the line ministries' directorates responsible for the relevant policies. The interviewees stressed that a key institutional issue is to ensure adequate structures and human resources for each phase of the policy cycle.

**70. After the approval of the PA, coordination with policy makers will be managed by MEF through dedicated structures.** During PA implementation (Phase 2 in Annex 3) the policy makers are expected to participate in coordination structures including the PA steering committee (level 1 of coordination) and in the thematic sub-committees. Keeping in view that part of the Ex-ante conditionalities will not be fulfilled at the time when the Partnership will be agreed with the EC, the fulfilment of the Ex-ante conditionalities remains in this phase a key task for the policy makers. Useful contributions to the coordination with ESI Funds depends on the policy management, the capacity of the policy maker to ensure an adequate planning, the coordination of the programmes and tools for implementation, the monitoring and evaluation of the policies, and the complementarity of the ESI Funds with other instruments.

**71. The role of the policy makers to ensure coordination with the MAs during the development of the OP is similar to the one in the PA development, but specific tasks have to be highlighted due to the more detailed level of the programming.** The policy makers are expected at this stage to provide a clear strategic framework in which to integrate the OP interventions as contributions to the policy objectives. For this, the policy makers need to be able to indicate the needs and priorities, sector objectives, expected results and targets, how other needs (not included in the OP) will be addressed, through which instruments programmes are complementary or synergic with the OP, and what other measures are needed, including regulatory measures that will have an influence on the policy implementation (negative or positive). Studies and evaluations and regulatory impact assessments are useful tools to support policy makers in providing justified responses to the programmers.

**72. Key areas of correlation of the sectoral policies with the OP implementation include complementarities, consistent procedures, and support to beneficiaries, a coherent M&E system, and transparency regarding public support.** The following issues could be indicated:

- Management of the complementarities and synergies
- Simplified and uniform procedures for beneficiaries in EU funded and national funded actions
- Correlation of the actions' calendars funded from different programmes (where needed)

- Promotion of funding opportunities for EU and non-EU support
- Provision of support to beneficiaries for project development and implementation through sector delivery units;
- Ensure adequate capacity to delivery units, including the cases where the ministry is the beneficiary
- Publicity of the programme results.

**73. Coordination of the MAs with policy makers is essential in order to ensure coherence of the monitoring and evaluation systems.** Coordination will start from the programming phase and will continue during the whole implementation period covering the following issues: selection of the indicators (using the same result indicators for the Strategy and the OP could be an option) clear and coherent definitions, methodologies for collection and processing, cooperation and mutual support for data collection, reporting and evaluations.

## VII. CONCLUSIONS AND RECOMMENDATIONS

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**74. A new approach to programming based on increased participation of the policy makers was adopted for 2014-2020 EU programming period.** This was due to the focus on national strategies justified by EC requirements and the experience of the operational programmes implementation in 2007-2013.

**75. MEF succeeded to mobilize and coordinate the policy makers for the preparation of the PA. The experience represents a good basis for the coordination mechanism designed for the implementation phase.**

**76. The coordination process during the PA preparation improved over time due to the persistence of MEF, but was constrained by several factors** including: late start of the sectoral strategies development, lack of adequate studies and evaluations to support analysis and prioritization, unavailability of key strategic documents, and increased workloads on policy makers under the pressure to respond to the demands of the programmers.

**77. The ex-ante conditionalities, a combination of regulatory framework, policy documents and capacity requirements, are among the most important aspects of the coordination** with the policy making bodies due to the risk of suspension of payments in case of failure to fulfill the conditionalities on time.

**78. The contributions of the policy makers to the PA and OPs development and implementation are not limited to participation in the dialogues and responses provided on demand.** The quality of the inputs is essential and the inputs have to be supported by adequate policy processes in the policy makers' organisations.

**79. The EU funds programming process appeared to be one step ahead of the sector policy processes and in several cases the main driver has been EU funding conditionality.** For this reason the processes were not correlated and the programming process could not be developed within a clear strategic sectoral framework.

**80. The role of the policy makers in the coordination mechanism is a challenging one in some areas, due to the fact that one policy maker should coordinate with several operational programmes** which contribute to the policy objectives.

**81. The policy makers need to assume full ownership of the sector strategies and plans, and to manage the processes coherently during the EU funds seven years cycle.** A shift can be made from coordination of the sector strategies by MAs for the coherence of the OPs, to coordination by policy makers of the sector programmes, including the OPs and other programmes.

**82. The policy makers need to step ahead of the ESI Funds programming process** and ensure timely provision of a sector strategic framework which includes needs, priorities, objectives, expected results and targets.

**83. Policy makers can also assume a leading role in coordinating all programmes which contribute to the sector policy by integrating the ESI Funds programmes with other programmes and instruments.** The policy makers need to have a proactive role in ensuring cooperation with the Mas and ministries.

**84. Fulfilment of the ex-ante conditionalities is a key task for the policy makers in order to respond to the requirements of the ESI Funds implementation.** The ex-ante

conditionalities ought not be treated in isolation from the sector policies processes and the adequate implementation measures to be put in place.

**85. Sound analysis, assessments, e.g. regulatory impact assessments, studies and evaluations can be used regularly in the policy making process, ensuring in this way the availability of adequate evidence for policy decisions and programming.**

**86. Key coordination issues in the next phases of the PA and OPs implementation include, without being limited to, complementarities of instruments, simplification and consistency of procedures for beneficiaries, correlation of implementation calendars, joint support to beneficiaries, transparency of results, and coherence of the monitoring and evaluation systems.**

**87. Adequate capacity has to be ensured in the policy makers' organisations for the processes required to support the contributions to the ESI Funds, including when it comes to dealing with workload peaks, handling new tasks and functions, and ensuring appropriate competences.** The list of tasks in Annex 2 could be used for further analysis of the capacity of the policy makers.

**88. Making a better use of funds available for studies and evaluation and for increasing the capacity** can be considered. This initiative can include a number of areas, from technical assistance and/or Administrative Capacity OP.

## ANNEX 1: LIST OF EX-ANTE – CONDITIONALITIES AND LINKS WITH THE POLICY MAKER

No	Applicable ex-ante conditionality at national level	Policy Maker responsible	Operational Programme to which the ex-ante conditionality applies	
1	1.1 <sup>14</sup> . Research and innovation: The existence of a national or regional smart specialization strategy in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well-performing national or regional R&I systems.	Ministry of Education	Competitiveness Programme	Operational
2	1.2 Research and Innovation infrastructure. The existence of a multi- annual plan for budgeting and prioritization of investments.	Ministry of Education	Competitiveness Programme	Operational
3	2.1. Digital growth: A strategic policy framework for digital growth to stimulate affordable, good quality and interoperable ICT-enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	Ministry for Information Society	Competitiveness Programme	Operational
4	2.2. Next Generation Network (NGN) Infrastructure: The existence of national or regional NGN Plans which take account of regional actions in order to reach the Union high-speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and of a quality in line with the Union competition and State aid rules, and to provide accessible services to vulnerable groups.	Ministry for Information Society	Competitiveness Programme	Operational
5	3.1. Specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA).	Ministry of Economy-SMEs Department	Regional Operational Programme	
6	4.1. Actions have been carried out to promote cost-effective improvements of energy end use efficiency and cost-effective investment in energy efficiency when constructing or renovating buildings.	Ministry of Economy – Energy Directorate	Large Infrastructure Programme	Operational
		Ministry of Regional Development and Public Administration	Regional Operational Programme	
7	4.2. Actions have been carried out to promote high-efficiency co-generation of heat and power.	Ministry of Economy – Energy Directorate	Large Infrastructure Programme	Operational
8	4.3. Actions have been carried out to promote the production and distribution of renewable energy sources	Ministry of Economy – Energy Directorate	Large Infrastructure Programme	Operational
9	5.1. Risk prevention and risk management: The existence of national or regional risk assessments for disaster management taking into account climate change adaptation	Ministry of Regional Development and Public Administration	Large Infrastructure Programme	Operational

<sup>14</sup> Exante conditionality code according the Guidance Document on Ex-ante conditionalityconditionalities

No	Applicable ex-ante conditionality at national level	Policy Maker responsible	Operational Programme to which the ex-ante conditionality applies
10	6.1. <i>Water sector</i> : The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	Ministry of Environment	Large Infrastructure Operational Programme
11	6.2. Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly through the development of waste management plans consistent with Directive 2008/98/EC, and with the waste hierarchy	Ministry of Environment	Large Infrastructure Operational Programme
12	7.1. Transport: The existence of a comprehensive plan or plans or framework or frameworks for transport investment in accordance with the Member States' institutional set-up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN-T comprehensive and core networks.	Ministry of Transport	Large Infrastructure Operational Programme
13	7.2. Railway: The existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on railway development in accordance with the MSs' institutional set-up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN-T comprehensive and core networks. The investments cover mobile assets, interoperability and capacity building.	Ministry of Environment	Large Infrastructure Operational Programme
14	7.3. Other modes of transport, including inland-waterways and maritime transport, ports, multimodal links and airport infrastructure: the existence within the comprehensive transport plan or plans or framework or frameworks of a specific section on inland-waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improving connectivity to the TEN-T comprehensive and core networks and to promoting sustainable regional and local mobility.	Ministry of Transport	Large Infrastructure Operational Programme
15	7.4 Development of smart energy distribution, storage and transmission systems. The existence of comprehensive plans for investments in smart energy infrastructure, and of regulatory measures, which contribute to improving energy efficiency and security of supply	Ministry of Economy Energy Directorate	Large Infrastructure Operational Programme
16	8.1. Active labor market policies are designed and delivered in the light of the Employment guidelines	MLFSPE*	Human Capital Operational Programme
		MLFSPE*	Human Capital Operational Programme



No	Applicable ex-ante conditionality at national level	Policy Maker responsible	Operational Programme to which the ex-ante conditionality applies
17	8.3. Labor market institutions are modernized and strengthened in the light of the Employment Guidelines; Reforms of labor market institutions will be preceded by a clear strategic policy framework and <i>ex ante</i> assessment including the gender dimension	Ministry of Labour, Family, Social Protection and Elderly (MLFSPE)	Human Capital Operational Programme
18	8.4. Active and healthy ageing: Active ageing policies are designed in the light of the Employment Guidelines.	MLFSPE*	Human Capital Operational Programme
19	8.5. Adaptation of workers, enterprises and entrepreneurs to change: The existence of policies aimed at favoring anticipation and good management of change and restructuring.	MLFSPE*	Human Capital Operational Programme
20	8.6. The existence of a strategic policy framework for promoting youth employment including through the implementation of the Youth Guarantee. This ex ante conditionality applies only for implementation of the YEI	MLFSPE*	Human Capital Operational Programme
21	9.1. The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	MLFSPE*	Human Capital Operational Programme
22	9.2. A national Roma inclusion strategic policy framework is in place	National Agency for Roma	Human Capital Operational Programme
23	9.3. Health: The existence of a national or regional strategic policy framework for health within the limits of Article 168 TFEU ensuring economic sustainability.	Ministry of Health	Regional Operational Programme
		Ministry of Health	Human Capital Operational Programme
24	10. Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	Ministry of Education	Human Capital Operational Programme
25	10.2 Higher education: The existence of a national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of Article 165 TFEU.	Ministry of Education	Human Capital Operational Programme
26	10.3. Lifelong learning: The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165, TFEU	Ministry of Education	Human Capital Operational Programme
27	10.4. The existence of a national or regional strategic policy framework for increasing the quality and efficiency of VET systems within the limits of Article 165 TFEU.	Ministry of Education	Human Capital Operational Programme
28	11. The existence of a strategic policy framework for reinforcing the MS's administrative efficiency including public administration reform	Ministry of Regional Development and Public Administration	Administrative Capacity Operational Programme

## ANNEX 2: EU FUNDS AUTHORITIES – POLICY MAKERS ROLES AND TASKS IN THE COORDINATION MECHANISM

Phase of the PA/OP cycle Coordination mechanism Structures, tools, shared documents (1)	Functions and tasks within the PA / programmes cycle (EU funds authorities role) (2)	Functions and tasks within the PA/ programmes cycle Ministries (3)	Other related tasks and functions in the strategy cycle (4)
<p><b>Phase 1</b> <b>Partnership Agreement (PA)</b> <b>Development (programming)</b></p> <p><b>ICPA, TCC<sup>15</sup>, Working groups;</b> informal consultation</p> <p><b>Key documents:</b> Strategies Socio economic analysis PA versions</p>	<p>1.1. Identification, mobilization of the stakeholders, setting coordination structures, agreements, procedures, operationalize them (ensured by MEF)</p> <p>1.2. Collection /Integration of the contributions from policy makers</p> <p>1.3. Coordination of the Exante conditionalities fulfilment</p> <p>1.4. Negotiation with the EC</p> <p>1.5. Consultations with the stakeholders</p> <p>1.6. Formulation of the PA</p>	<p>2.1. Participation in the coordination structures</p> <p>2.2. Contributions to analysis and needs identification</p> <p>2.3. Selecting, priorities for funding in the area of interest.</p> <p>2.4. Ensuring achievement of the Exante conditionalities in their policy area</p> <p>2.5. Correlate the participation in MEF PA development processes with own strategic development processes.</p>	<p>3.1. Policy formulation and adoption</p> <p>3.2. Coordinating the policy development process with ESI Funds cycle</p> <p>3.3. Involving relevant stakeholders (other line ministries, relevant services in the EC (DGs)</p> <p>3.4. Assessments studies and evaluation supporting analysis</p>
<p><b>Phase 2</b> <b>PA implementation</b> Level 1 MPASC<sup>16</sup> strategic coordination</p>	<p>1.7. Coordination ensured MEF</p> <p>1.8. Continue support for the ex-ante conditionalities fulfilment</p>	<p>2.5. Participation in the coordination structures</p> <p>2.6. Ensure Exante conditionalities fulfilment</p>	<p><b>Policy implementation</b> 3.5. Design and implementation of programmes from other sources (National Budget)</p>

<sup>15</sup> Interministerial Committee for PA; Thematic Consultative Committees

Level 2 Thematic sub-committees (five) <sup>17</sup> Level 3 Functional working groups <sup>18</sup> - expert level	1.9. Monitoring and Evaluation of the PA 1.10. Revisions of the PA	2.7. Assess progress and achievements against sector strategy objectives and targets	3.6. Ensure coordination of all programmes and instruments contributing to the policy implementation, 3.7. Strategy monitoring and evaluation
<b>Phase 3 Operational programmes elaboration</b>  Working groups, Informal meetings Formal consultations	1.11. Coordination Managing Authorities (MAs) 1.12. Collection /Integration of the contributions from stakeholders 1.13. Negotiation with the EC 1.14. Consultations with the stakeholders 1.15. Formulation of the OP	2.8. Provide inputs (sector needs, strategic objectives, targets, other complementary instruments) 2.9. Manage complementarities and synergies 2.10 Identify factors external to the programmes and address (e.g. business environment legislation)	[the same as in the PA elaboration phase] 3.1. Strategy formulation and adoption 3.2. Coordinating the strategy development process 3.3. Involving relevant stakeholders (other line ministries, relevant services in the EC (DGs) 3.4. Assessments, studies and evaluation supporting analysis
<b>Phase 4 Operational programmes implementation</b>  Monitoring Committees Working groups at operational level	1.16. Coordination tasks ensured by MAs, organisation of monitoring committees and working groups. 1.17. Monitoring complementarities and synergies as identified in the programming phase. 1.18. Coordination of the actions implementation with other instruments (launch call for	2.11. Participation in formal and informal coordination  2.12. Management of the complementarities, demarcation from other programmes.  2.13. Plan and coordinate other sector programmes with OPs implementation plans (e.g. calendars of the calls for	Policy implementation 3.8. Coordination of the sector programmes  3.9. Design of programmes and other instruments – complementary or in synergy with the EU programme  3.10. Support for beneficiaries for accessing funds (e.g. SMEs one stop shop).

<sup>16</sup> Management of the Partnership Agreement Steering Committee – Line ministries responsible for policy areas and other stakeholders – meetings twice/year (policy makers at the ministry level)

<sup>17</sup> Thematic coordination – ensuring synergies, complementarities, overseeing Exante conditionalities, continuous relevance of the OP and PA – representation at the level of general director in the Ministry

<sup>18</sup> Experts level addressing mainly MAs and MEF

	proposals) 1.19. Ensure procedures for projects selection, contracting implementation, monitoring are consistent with other relevant programmes 1.20. Provision of information regarding the funding opportunities 1.21. Support to beneficiaries for projects development 1.22. Publicity and visibility of the programme	proposals) 2.14. Cooperate with MAs to ensure consistent procedures for beneficiaries across all OPs.  2.15. Promotion of the funding opportunity  2.16. Joint support to beneficiaries for development  2.17. Publicity of the programme results	3.11. Counselling and training, for project development capacity of the beneficiaries  3.12. Other actions regarding the business environment  3.13 Ensure adequate communication strategies and plans for sector results visibility including ESI Funds.
Operational programmes monitoring and evaluation (M&E)	1.23. Cooperation for coherent M&E <sup>19</sup> (sets of indicators, agreed definitions, data collection and processing methodologies, sources), common indicators where possible. 1.24. Cooperation for collection of information and data  1.25. Programme evaluations	2.18. Cooperation for coherent M&E systems  2.19. Cooperation for collection of information and data  2.20. Contributions to the evaluation with relevant sector information	<b>Monitoring and evaluation</b> 3.13. Creation / revision of the monitoring and evaluation system  3.14. Information and data collection, processing and dissemination  3.15. Evaluation plans preparation 3.16. Evaluation and studies

<sup>19</sup> Design of the M&E system in the programming phase

### **ANNEX 3. LIST OF NATIONAL STRATEGIES IN THE PARTNERSHIP AGREEMENT**

1. National Strategy for Digital Agenda – the strategic policy framework for digital growth.
2. National RDI Strategy
3. National Strategy for Employment
4. National Agriculture Strategy
5. National Competitiveness Strategy
6. National Strategy for the Promotion of Social Inclusion and Combating Poverty,
7. National Strategy for Child Rights Protection and Promotion;
8. National Strategy for Elderly and Active Ageing,
9. Strategy of the Government of Romania for the inclusion of the Romanian citizens belonging to the Roma minority for the period 2012-2020.
10. National Strategy to Promote Social Responsibility 2011 – 2016
11. National Strategy for Tertiary Education
12. National Strategy to Reduce ESL
13. National Strategy for Lifelong Learning
14. National Strategy of Education Infrastructure
15. National Strategy for the prevention of emergency situations
16. National Strategy for Flood Risk Management
17. National Strategy on Climate Change
18. National Strategy and National Action Plan on Biodiversity Conservation 2013-2020
19. National Strategy and National Action Plan for contaminated sites management
20. Spatial Development Strategy
21. National Strategy for Regional Development
22. Health National Strategy
23. Blue Growth Strategy
24. Strategy for Culture and Patrimony 2014-2020
25. National Export Strategy
26. The strategy for intermodal transport 2020
27. Strategy on strengthening the efficiency of public administration 2014-2020
28. Better Regulation Strategy
29. Strategy for the development of the judicial system
30. National Anticorruption Strategy (NAS) 2012-2015
31. Strategy for strengthening the integrity within the judiciary 2011-2016
32. ITI Danube Delta Strategy

Note: the Governmental Strategy for SMEs Development has been published for consultation on 26<sup>th</sup> of May 2014. Although it is not mentioned in the PA, ROP has considered the needs and priorities in the development of the OP.

#### ANNEX 4: LIST OF MINISTRIES MEMBERS OF ICPA

No	Central public authorities Ministries members of ICPA	Policy area
1	Ministry of Public Finance	Public finance
2	Ministry of European Funds	European Structural and Investment Funds
3	Ministry of Regional Development and Public Administration	Regional development Development and territorial/European cooperation Public administration
4	Ministry of Internal Affairs	Internal affairs
5	Ministry of Agriculture and Rural Development	Agriculture and Rural Development
6	Ministry of Environment and Climate Change	Environment
7	Ministry of Transport	Transport
8	Ministry of Economy	Competitiveness Energy
9	Ministry for Information Society	Information Communication Technology
10	Ministry of Labour, Family, Social Protection and Elderly	Employment Social inclusion
11	Ministry of National Education	Education Research and development
12	Ministry of Health	Health
13	Ministry of Culture	Culture
14	Ministry of Justice	Justice
15	Ministry of External Affairs	External Affairs

## **ANNEX 5: LIST OF PERSONS INTERVIEWED**

- Mrs. Mihaela Toader – General Director, MEF, DGAPE
- Mr. Gabriel Friptu - General Director, MDRPA
- Mrs. Madalina Istrate - counsellor, MDRPA, MA for ROP
- Mrs. Anca Marica - Deputy Director General, Ministry of Economy, Directorate for SMEs Business Environment and Tourism
- Mrs. Mariana VOICU - Director, Ministry of Economy, Industrial Policies and Competitiveness Directorate
- Mr. Emil Ionescu - Deputy Director, Ministry of Economy, Directorate for SMEs Business Environment and Tourism
- Mrs. Aneta Stoica – counsellor, MEF, DGAPE

## **ANNEX 6: REFERENCES**

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