

# ROMANIA CATCHING-UP REGIONS

STRATEGIC REQUIREMENTS  
FOR ORGANIZATIONAL MODELS



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## ABBREVIATIONS AND ACRONYMS

|              |  |
|--------------|--|
| <b>AA</b>    | Administrative Agreement                                   |
| <b>ANAP</b>  | National Agency for Public Procurement                     |
| <b>ANR</b>   | National Agency for the Roma                               |
| <b>CC</b>    | Competition Council  |
| <b>CEF</b>   | Connecting Europe Facility                                 |
| <b>CEF</b>   | Connecting Europe Facility                                 |
| <b>CF</b>    | Cohesion Fund  |
| <b>CLLD</b>  | Community-Led Local Development                            |
| <b>CPR</b>   | Common Provision Regulation                                |
| <b>CPR</b>   | Common Provision Regulation                                |
| <b>EBRD</b>  | European Bank for Reconstruction and Development           |
| <b>EFSI</b>  | European Fund for Strategic Investments                    |
| <b>ERDF</b>  | European Regional Development Fund                         |
| <b>ESF</b>   | European Social Fund                                       |
| <b>ESF</b>   | European Social Fund                                       |
| <b>ESIF</b>  | European Structural and Investment Funds                   |
| <b>ETC</b>   | European Territorial Cooperation                           |
| <b>EU</b>    | European Union   |
| <b>EUI</b>   | European Urban Initiative                                  |
| <b>FUA</b>   | Functional Urban Area                                      |
| <b>GDP</b>   | Gross Domestic Product                                     |
| <b>GIES</b>  | General Inspectorate for Emergency Situations              |
| <b>IB</b>    | Intermediate Body  |
| <b>IDA</b>   | Inter-communal Development Association                     |
| <b>ITI</b>   | Integrated Territorial Investment                          |
| <b>IUDP</b>  | Integrated Urban Development Plans                         |
| <b>IUDS</b>  | Integrated Urban Development Strategy                      |
| <b>JRC</b>   | Joint Research Center                                      |
| <b>LAG</b>   | Local Action Group   |
| <b>MA</b>    | Managing Authority   |
| <b>MC</b>    | Ministry of Culture  |
| <b>MCSI</b>  | Ministry of Communication and Information Society          |
| <b>ME</b>    | Ministry of Energy   |
| <b>MEF</b>   | Ministry of European Funds                                 |
| <b>MEN</b>   | Ministry of Education                                      |
| <b>MLSJ</b>  | Ministry of Labor and Social Justice                       |
| <b>MRDPA</b> | Ministry of Regional Development and Public Administration |
| <b>MRI</b>   | Ministry of Research and Innovation                        |
| <b>MS/MH</b> | Ministry of Health   |
| <b>MT</b>    | Ministry of Tourism  |
| <b>NGO</b>   | Non-Governmental Organization                              |

|              |  |
|--------------|--|
| <b>OP</b>    | Operational Programme                                  |
| <b>PNCDI</b> | National Research & Development and Innovation Program |
| <b>PNDL</b>  | National Local Development Program                     |
| <b>PPP</b>   | Public Private Partnership                             |
| <b>PPS</b>   | Purchasing Power Standards                             |
| <b>PUG</b>   | Local Spatial Plan (Plan Urbanistic General)           |
| <b>PUZ</b>   | Zonal Urban Plan (Plan Urbanistic Zonal)               |
| <b>RAS</b>   | Reimbursable Advisory Services Agreement               |
| <b>RDA</b>   | Regional Development Agency                            |
| <b>ROP</b>   | Regional Operational Programme                         |
| <b>SUD</b>   | Sustainable Urban Development                          |
| <b>SUMP</b>  | Sustainable Urban Mobility Plan                        |
| <b>TAU</b>   | Territorial Administrative Unit                        |
| <b>TEN-T</b> | Trans-European Transport Network                       |
| <b>TO</b>    | Thematic Objective                                     |
| <b>TP</b>    | Technical Project                                      |
| <b>UA</b>    | Urban Authority  |
| <b>WB</b>    | World Bank   |

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## EXECUTIVE SUMMARY

Strategic requirements are a way to ensure that EU funds generate more value added than just the investments they finance. For the 2021-2027 Programming Period, Romania will receive around 30 billion Euro through European Structural and Investment Funds (ESFI). This sizable budget will help address a number of development challenges throughout the country. To be able to access these funds, Romania, as all other EU Member States, has to meet a number of Strategic requirements. Generally, these strategic requirements cover most sectors covered by EU funds, and include the national level and local levels, and from the Managing Authorities and Intermediary Bodies to end beneficiaries. Moreover, in addition to the minimum strategic requirements imposed by the European Commission, there are also a set of additional strategic requirements imposed by national governments (linked usually to restrictions imposed by the national legislation and regulations, and to goals the National Government hopes to achieve).

For the Sustainable Urban Development (SUD) approach, the following large strategic requirements are in place for the 2014-2020 Programming Period in Romania:

- At least 5% of ERDF (European Regional Development Fund) has to go to SUD (Romania has allocated 11% of ERDF – one of the highest shares in the EU);
- Beneficiaries (39 county capitals) had to prepare Integrated Urban Development Strategies (IUDS) and Sustainable Urban Mobility Plans (SUMP) to access pre-allocated SUD funding.
- Beneficiaries also had to put in place Urban Authorities, with the minimum responsibility of selecting a list of priority projects for SUD funding from the IUDS.

Other EU Member States have included other strategic requirements for SUD funding, such as: minimum size of the targeted urban area; need for inter-jurisdictional cooperation agreements; additional strategic documents (e.g. urban regeneration strategy); the establishment of multi-stakeholder alliances, etc.

For the 2021-2027 Programming Period, the European Commission has taken a purposeful effort to simplify the Cohesion Policy and enable more flexibility for Member States and end-beneficiaries in defining core elements of Operating Programmes and interventions that will be supported as part of these. To this end a Simplification Handbook has been prepared, and the draft Cohesion Policy 2021-2027 outlines the minimum requirements for the SUD approach:

- At least **6% of ERDF** allocations have to go for the SUD approach (in the case of Romania, this amounts to at least 1 bn. Euro);
- For SUD implementation, Member States could employ Integrated Territorial Investments (**ITI**), Community-Led Local Development (**CLLD**), or other organizational models (e.g. **dedicated operational programme, dedicated priority axis** under an operational programme).
- To have **territorial strategies** in place, which can be drawn from existing strategies or plans, and, at a minimum have to include the following: a) the geographical area covered by the strategy; b) an analysis of the development needs and the potential of the area; c) a description of an integrated approach to address the identified development needs and potential; d) a description of the involvement of partners [...] in the preparation and implementation of the strategy.
- There is no requirement to set up Urban Authorities, as was the case for the 2014-2020 Programming Period, but “where an urban, local or other territorial authority or body carries out tasks falling under the responsibility of the Managing Authority other than the selection of operations, the authority shall be identified by the Managing Authority as an **Intermediate Body**.”

In addition to these minimum requirements imposed through the Cohesion Policy 2021-2027, Member States can choose to promote additional strategic requirements. These additional strategic requirements should ideally find an equilibrium between the positive impact they hope to achieve, the burden they impose on beneficiaries, and the benefits they generate for beneficiaries. In simplistic terms, the larger the resources allocated, the higher the strategic requirements can be, and vice-versa.

The report proposes a way to think about potential strategic requirements for the SUD 2021-2027, based on the types of organizational models that could be adopted. Recommendations are summarized below:

- **Clear eligibility of geographic areas and investments. This can be through a dedicated priority axis** whose strategic requirements are adjusted based on the number of urban areas that are eligible, the individual allocations for these urban areas, and the variety of interventions eligible under the approach. At a minimum, strategic requirements should require that **an integrated territorial strategy be in place, which can and should draw on existing strategies and plans (with updates where needed), and that a list of priority projects be in place. The list of priority projects should not be limited to those projects eligible for SUD 2021-2027 funding but include a comprehensive list of priority projects for the estimated capital investment budget of the respective locality, for the 2021-2029 Implementation Period. For large urban areas, integrated territorial strategies should cover the functional urban area, or the metropolitan area (if a metropolitan inter-communal development association is in place), and funding should be eligible also for suburban and peri-urban localities.**
- **Integrated financial arrangements through a dedicated operational programme.** A dedicated operational programme could focus both on a limited number of urban areas or cover all urban areas. Regardless of the approach chosen, an important condition of a dedicated OP is that a number of priority axes under the OP should include pre-allocated financing for large strategic projects, especially those impacting multiple jurisdictions

and or achieving multiple integrated development objectives. All urban areas that access pre-allocated funds, should have an integrated territorial strategy in place, covering the metropolitan area/FUA, and with a list of priority projects for the entire estimated capital investment budget for the 2021-2029 Implementation Period. Urban areas that access financing solely through competitive calls (e.g. smaller urban areas) should only be required that the financed projects are included in an existing strategy/plan approved by the local council. For large urban areas (e.g. growth poles and, potentially, development poles), financing should also be available for suburban and peri-urban areas.

- **Strengthened implementation capability through ITIs.** ITIs should ideally target only large metropolitan areas and urban agglomerations, where a clear interest is expressed by local administrations. All ITIs should elaborate integrated territorial strategies for the ITI territory, which should draw on existing strategies and plans, which are inclusive of a list of priority projects for the entire estimated capital investment budget for the 2021-2029 Implementation Period. Unlike the other two main options, an intermediate body also should be put in place and be responsible with the management of EU funds at the local level.
- **Decentralization through the development of Regional OPs.** If regional OPs will be put into place, then the SUD approach can be negotiated individually in each individual region, based on the needs and characteristics of urban areas in the respective regions. In such a situation, both ITIs and dedicated priority axes could be used for the SUD approach, with the choice of the two instruments to be decided regionally.

The report also discusses some of the risks that should be kept in mind when the decision for a SUD approach is taken, focusing on three types of risks: 1) contextual s; 2) implementation; and 3) collaboration. Some key takeaways include:

- **Contextual risks.** EU funds are not a panacea for development. They can help fill in critical public infrastructure gaps and help address key developmental challenges (e.g. re-training courses for unemployed people), but they cannot substitute for a strong private sector. Finland currently has the highest absorption rate of EU funds, but it has had a sluggish economic performance since Nokia exited the mobile telephony market. There is also a risk of creating a dependency on EU funds, which may hamper innovative entrepreneurial activities.
- **Implementation risks.** The implementation of EU funds requires a fine balance between **absorption** and **impact**. There is an inherent risk that a drive to absorb EU funds at all cost may lead to a squandering of resources, or, worse, investment in projects that have a negative developmental impact in the long term (e.g. projects that burden national and local budgets with operation and maintenance costs). On the other hand, focusing only on impacts may leave sizeable grants unspent, and small but impactful projects may be passed on. Administrative capacity, such as culture, and context, also play a significant role in implementation outcomes.
- **Collaboration risks.** The more a country develops, and the more complex its economy becomes, the higher is the need for inter-jurisdictional solutions. Unfortunately, developing countries are often in a situation where they have to address new problems with old institutions. Trust, incentives, and the legal framework all play a role in the success of inter-jurisdictional agreements. EU funds can help incentivize inter-jurisdictional agreements, but the actors involved in such agreements need to acknowledge the benefits of such agreements to ensure their long-term survival.

In order to anchor successful inter-jurisdictional organizational models on the basis of which the SUD strategies will nest, the following strategic requirements are recommended to shape the program design for the 2021-2027 Programming period:

- **Clear and focused criteria for eligible territories and projects** – there is evidence that urban areas are at the core of regional and national economic growth. As such SUD targeted areas should be informed by national and regional level analysis to better understand their role in contributing to national economic growth.
- **Integrated territorial plans supported by a dedicated operational programme** - integrated territorial plans at the scale of the identified impact area (i.e. FUA, metropolitan, city, etc.) should be the basis on which investment decisions are made, taking into account the integrated nature of challenges to be addressed.
- **Decentralization should be considered as evidence that shows that well-capacitated local administrators have a much closer relationship with ultimate beneficiaries.** To this end consideration should be given to Regional Operational Programme supported by a variety of instruments and delivery mechanism such as ITI, CLLDs, IBs etc.
- **Citizen engagement should be at the center of strategy development and implementation.** This has the dual benefit of enhancing the quality of projects and their implementation and of building and strengthening civic society capacity, thus contributing to enhancement of broader human capacity.
- **Expanding the menu of eligible thematic areas** - in the 2014-2020 SUD implementation, Romania had significantly less eligible thematic areas, especially considering the financial allocations made. In the next programming period, this menu should be expanded to cater for a more varied project profile.
- **Greater flexibility** – administrative burdens imposed by overly complex and centralized decision-making processes may have contributed to lackluster funds absorption. In the next programming period, there should be greater flexibility in matching eligible institutions to financial support in response to identified challenges.
- **Capacity building should be a defining feature of SUD implementation** in the 2021-2027 Programming Period informed from lessons gleaned in the 2014-2020 period in Romania and other member states. The departure point for this should be reinforcing existing institutions (such as the Regional Agencies) that have proven their worth and clearly define their mandate and make dedicated resources available.

# INTRODUCTION



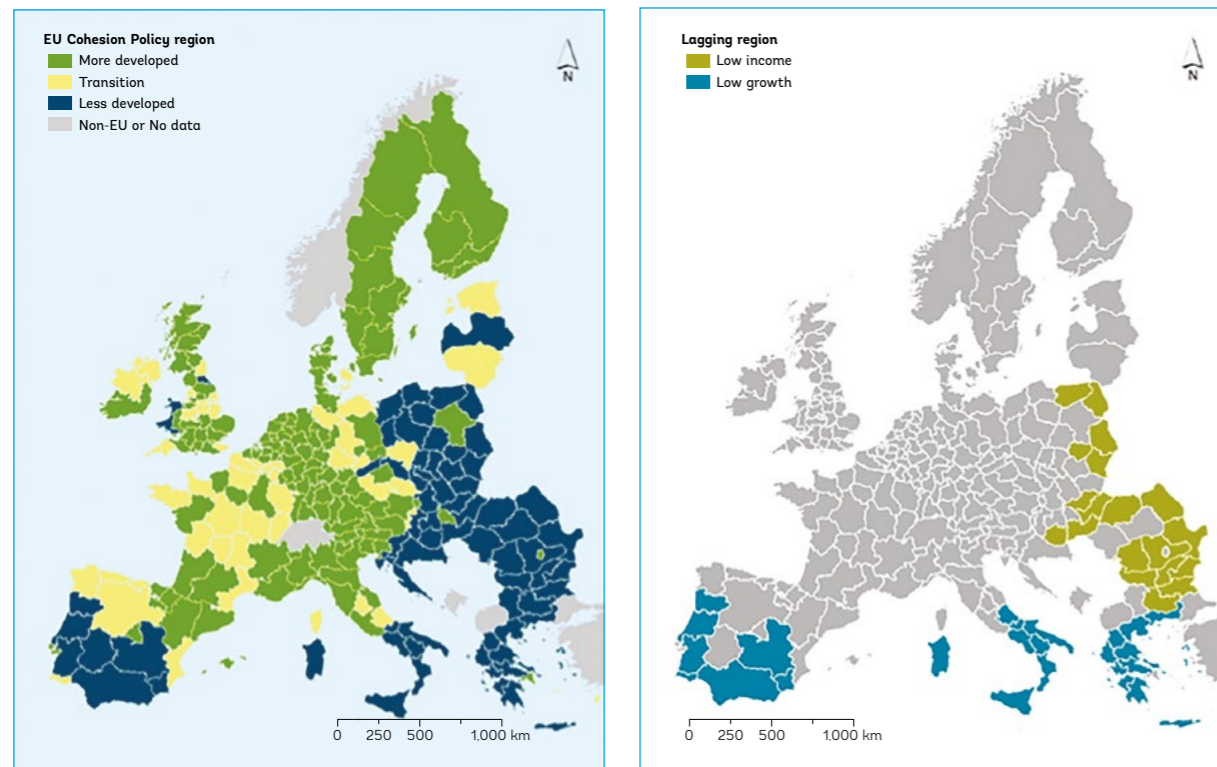
The mandate of the EU Cohesion's Policy is to narrow development gaps and reduce disparities between member countries and regions whilst supporting the European Union's growth agenda more generally. Around €454 billion of European Structural and Investment (ESI) Funds have been allocated to help EU regions become more competitive in the 2014-2020 Programming Period, with a focus on less developed regions (with a GDP per capita (PPS) of less than 75% of the EU average) and transitions regions (with a GDP per capita (PPS) between 75% and 90% of the EU average). However, not all EU regions have been able to take full advantage of the benefits, due inter alia to the effects of the 2008 economic crisis and structural problems.

Consequently, Ms. Corina Crețu, the Commissioner for Regional Policy, with the Task Force for Better Implementation, initiated the **Lagging Regions Initiative** to identify growth constraints in less developed regions, and provide targeted assistance and programs to foster growth. Thus, lagging regions development support is offered to a broad range of stakeholders (regional and local administrations, educational institutions, business support institutions, small- and medium-sized enterprises (SMEs), entrepreneurs, investors, non-governmental organizations, international financing institutions). It is meant to maximize the impact of regional investments. Two types of lagging regions were identified in the EU:

- **LOW GROWTH REGIONS:** cover less developed and transition regions that did not converge to the EU average between the years 2000 and 2013 in member states with a GDP per capita (PPS) below the EU average in 2013. These include almost all the less developed and transition regions of Greece, Italy, Spain, and Portugal.
- **LOW INCOME REGIONS:** cover all the regions with a GDP per capita (PPS) below 50% of the EU average in 2013. This group covers the less developed regions of Bulgaria, Hungary, Poland and Romania.

Poland and Romania were the first countries to pilot this initiative, with two regions each – Świętokrzyskie and Podkarpackie in Poland, and Northwest and Northeast in Romania. Since these first pilot projects, the work has been extended both thematically and geographically (e.g. Slovakia was included in the initiative), with a focus on determining how regions can become more competitive and inclusive.

**FIGURE 1.**  
NUTS 2 regions classified by Cohesion Policy category (left) and Lagging Region category (right)



Analytical work undertaken in recent years<sup>1</sup>, indicates that the performance of regions in the EU is clearly linked to the performance of urban areas within the region. The most dynamic EU regions either have one or more metropolitan areas or urban agglomerations within their boundaries, or they are close to one in another region. Without strong urban areas, one cannot have strong regions. Cities function as pulse beacons, diffusing development to the areas around them.

Strong cities are not enough though. To ensure that the benefits of city development also spill over to the urban hinterland, it is critical to devise and encourage inter-jurisdictional cooperation and development. Few urban investments nowadays have impact only on one administrative unit, so provisions should be in place for inter-jurisdictional planning and implementation. For example, the suburban and peri-urban areas of Bucharest and the 40 county capitals generate 20% of firm revenues in the country, have attracted 31% of migrants, and have received 32% of new housing units after 1990. However, little has been done to foster inter-jurisdictional dynamics between core cities and their suburban and peri-urban areas (e.g. metropolitan mobility, cross-jurisdictional investments, sharing of services).

For the 2021-2027 Programming Period, the European Commission proposed that the European Regional Development Fund (ERDF) will have a stronger focus on sustainable urban development (SUD) activities, with Member States having to allocate least 6% of ERDF funds for integrated development in urban areas (Sustainable Urban Development), either through a dedicated operational programme, a dedicated priority axis, within an operational programme, or with the help of tools such as Integrated Territorial Investments (ITI) or Community-Led Local

Development (CLLD). The European Commission also wants to offer “more incentives for a more effective governance based on partnership, **multi-level governance** and an **integrated place-based approach** in its programmes”<sup>2</sup>.

Thus, all EU Member Countries, Romania included, have to have a stronger focus on cross-sectoral and inter-jurisdictional approaches, and they have to better respond to the needs of territories that may not be defined by one clear administrative boundary.

With this in mind, a new Administrative Agreement (AA) for the Romania Multi-municipality Financing Program was signed between the European Commission and the International Bank for Reconstruction and Development with the objective to support Romania identify ways to improve the impact of its investments in urban areas through better territorial planning, and by providing inputs into the design of multi-municipal financing instruments and recommending relevant institutional structures. The following activities are envisaged under the project:

- **Activity 1.** Identification of intervention areas/sectors, in which there could be intrinsic added value for channeling EU funding through municipalities, FUA /metropolitan and/or regional associative bodies (such as IDAs , RDAs etc.) in place of, or in addition to national authorities responsible for functions such as health, tourism, energy, education, social services, urban and metropolitan/regional transport, competitiveness and support for SMEs and innovation, etc.
- **Activity 2.** Analysis of the need for an overall or sector specific forms of territorial cooperation (such as metropolitan IDAs, project-oriented partnerships between TAUs, etc.), for instances in which EU funding could be organized at the subnational level. These forms of cooperation could come to complement or supplement the current model used for EU funding, which focuses only on the administrative territory of the eligible county seats.
- **Activity 3.** If the opportunity for such an intercommunity or regional model is confirmed for any of the intervention areas/sectors under analysis, the project will identify suitable organizational models (for example, establishing a new intercommunity association or making use of an existing one, or ad-hoc initiatives, such as a partnership agreement for a certain investment project) and functional within Romania for each of the intervention areas/sectors.
- **Activity 4.** In case EU funding is proposed on a new, alternative organizational model, different from the ones already existing in Romania and based on international best practices, establish the implications for:
  - i. The need for integrated urban development strategies/plans.
  - ii. The need to strengthen administrative capacity, at different levels.

This report corresponds to Activity 4 listed above. The report looks at the potential strategic requirements that may be required by the different organizational models, and some of the risks that come from applying these strategic requirements. Examples from different EU Member Countries will be drawn upon, and a more extensive discussion on risks (e.g. some of the negative externalities EU Funds could generate) will be undertaken.

<sup>1</sup> See for example: Farole, Thomas, Soraya Goga, and Marcel Ionescu-Heroiu. 2018. *Rethinking Lagging Regions: Using Cohesion Policy to Deliver on the Potential of Europe's Regions*. World Bank Publications.

<sup>2</sup> European Commission. 2018. *Policy Objective 5 – Europe Closer to Citizens and Tools for Integrated Territorial Development [Policy Paper]*.

**BACKGROUND ON  
STRATEGIC REQUIREMENTS**

EU Funds are designed to help directly and indirectly a number of development challenges. At the most basic level, and what most people identify with EU Funds, are the public infrastructure projects that people see going up throughout the country. There are of course less visible projects (e.g. life-long training courses) financed with EU Funds, and there are development results that are achieved in indirect ways, such as improved governance. One of these ways are strategic requirements that Member Countries have to abide by in order to access EU Funds. European Structural and Investment Funds (ESIF) represent the largest development program in the World (the table below indicates the resources EU Member Countries can access through the ESIF), and it makes sense to tie access to these grants to a number of strategic requirements. By-and-large, strategic requirements aim to permanently strengthen institutions in Member Countries, and to make national and sub-national governments more efficient and effective

Annex 1 includes the major strategic requirements Romania has to meet for the 2021-2027 Programming Period. These are quite extensive and cover most of the sectors targeted by EU Funds. Strategic requirements also trickle down to the end beneficiaries, in the form of tasks that have to be achieved before the future beneficiaries of EU Funds can apply for those EU Funds. Some of these strategic requirements are imposed through EU Regulations, while others are imposed by individual governments. For the 2014-2020 Programming Period, the Romanian local administrations that wanted to access EU Funds through the Sustainable Urban Development (SUD) approach (i.e. Priority Axis 4 of the Regional Operational Programme (ROP) 2014-2020) had to meet the following major strategic requirements:

1. They had to have an Integrated Urban Development Strategy (IUDS) in place;
2. They had to have a Sustainable Urban Mobility Plan (SUMP) in place, and the SUMP had to feed-in to the IUDS;
3. They had to have an Urban Authority in place, in charge primarily of selecting the priority projects to be financed from Priority Axis 4 of the ROP 2014-2020.

For the 2021-2027 Programming Period, the strategic requirements for the SUD approach were not yet known at the time of the writing of this report. The only strategic requirements that are more or less known, are those imposed through the (draft) Cohesion Policy 2021-2027. Thus, each Member State has to allocate at least 6% of ERDF allocations for the SUD approach (in the case of Romania, this means at least ~€1 billion), and to access these SUD funds, local administrations have to have an IUDS in place.

**TABLE 1.**  
Proposed allocations to Member States per Fund for 2021-2027 (in million euros, current prices)

|                             | ESF+           | ERDF           | ETC          | CF            | of which to transfer to the CEF | Transfers*   | CPR proposal, Annex XXII |
|-----------------------------|----------------|----------------|--------------|---------------|---------------------------------|--------------|--------------------------|
| BELGIUM                     | 1 177          | 1 158          | 405          | 0             | 0                               | 15           | 2 754                    |
| BULGARIA                    | 2 588          | 5 643          | 143          | 1 654         | 401                             | 54           | 10 082                   |
| CZECHIA                     | 2 737          | 10 524         | 314          | 6 444         | 1 563                           | 100          | 20 116                   |
| DENMARK                     | 181            | 213            | 249          | 0             | 0                               | 3            | 646                      |
| GERMANY                     | 6 205          | 10 346         | 1 029        | 0             | 0                               | 101          | 17 681                   |
| ESTONIA                     | 492            | 1 651          | 51           | 1 075         | 261                             | 16           | 3 285                    |
| IRELAND                     | 579            | 450            | 190          | 0             | 0                               | 7            | 1 226                    |
| GREECE                      | 5 900          | 11 528         | 120          | 4 034         | 978                             | 116          | 21 697                   |
| SPAIN                       | 12 084         | 25 377         | 639          | 0             | 0                               | 221          | 38 325                   |
| FRANCE                      | 7 194          | 9 654          | 1 106        | 0             | 0                               | 102          | 18 058                   |
| CROATIA                     | 2 145          | 5 776          | 219          | 1 695         | 411                             | 53           | 9 888                    |
| ITALY                       | 15 011         | 27 411         | 788          | 0             | 0                               | 252          | 43 463                   |
| CYPRUS                      | 207            | 434            | 24           | 319           | 77                              | 4            | 989                      |
| LATVIA                      | 736            | 2 573          | 55           | 1 424         | 345                             | 24           | 4 812                    |
| LITHUANIA                   | 1 029          | 3 127          | 88           | 2 085         | 506                             | 31           | 6 359                    |
| LUXEMBOURG                  | 21             | 21             | 30           | 0             | 0                               | 0            | 73                       |
| HUNGARY                     | 4 806          | 11 624         | 272          | 3 437         | 833                             | 109          | 20 248                   |
| MALTA                       | 91             | 345            | 14           | 219           | 53                              | 3            | 673                      |
| NETHERLANDS                 | 552            | 673            | 392          | 0             | 0                               | 9            | 1 625                    |
| AUSTRIA                     | 510            | 695            | 229          | 0             | 0                               | 8            | 1 442                    |
| POLAND                      | 14 297         | 45 300         | 595          | 12 144        | 2 945                           | 392          | 72 724                   |
| PORTUGAL                    | 7 579          | 11 578         | 142          | 4 436         | 1 076                           | 127          | 23 862                   |
| ROMANIA                     | 8 385          | 17 323         | 392          | 4 499         | 1 091                           | 168          | 30 766                   |
| SLOVENIA                    | 793            | 1 673          | 80           | 901           | 218                             | 18           | 3 464                    |
| SLOVAKIA                    | 2 481          | 8 345          | 235          | 2 173         | 527                             | 71           | 13 305                   |
| FINLAND                     | 725            | 944            | 129          | 0             | 0                               | 10           | 1 809                    |
| SWEDEN                      | 946            | 1 121          | 333          | 0             | 0                               | 13           | 2 413                    |
| Technical assistance*       | 349            | 737            | 29           | 153           |                                 |              |                          |
| Transnational cooperation * | 200            |                |              |               |                                 |              |                          |
| EUI *                       |                | 564            |              |               |                                 |              |                          |
| Interregional **            |                |                | 1 206        |               |                                 |              | 1 206                    |
| <b>TOTAL</b>                | <b>100 000</b> | <b>216 808</b> | <b>9 498</b> | <b>46 692</b> | <b>11 285</b>                   | <b>2 027</b> | <b>372 991</b>           |

For the 2021-2027 Programming Period, the strategic requirements for the SUD approach were not yet known at the time of the writing of this report. The only strategic requirements that are more or less known, are those imposed through the (draft) Cohesion Policy 2021-2027. Thus, each Member State has to allocate at least 6% of ERDF allocations for the SUD approach (in the case of Romania, this means at least ~€1 billion), and to access these SUD funds, local administrations have to have an IUDES in place.

At the time of the writing of this report, there were also a number of strategic requirements pertaining to the **thematic concentration** of EU funds, as follows:

- 35% of ERDF funds have to be allocated for PO1 (Smarter Europe) interventions;
- 30% of ERDF funds have to be allocated for PO2 (Greener Europe) interventions;
- The ERDF has to contribute 30% to climate change objectives;
- CF has to contribute 37% to climate change objectives;
- 2% of the ESF+ have to be allocated for material support for disadvantaged people;
- 25% of the ESF+ have to be allocated for social inclusion; and
- 10% of the ESF+ have to provide support for unemployed youths.

Further, for the 2021-2027 Programming Period, the European Commission has had a strong focus on simplification – which also applies to the way strategic requirements are designed. The idea is to remove strategic requirements that burden the system and focus on those that strengthen institutions. Annex 2 includes the complete list of major simplifications included in the Cohesion Policy 2021-2027. Below, some of the simplifications that will impact the way the SUD approach is designed are listed:

- **Simplification 3:** A common CF (Cohesion Fund) and ERDF (European Regional Development Fund) Regulation. A streamlined and integrated CF and ERDF Regulation would also help facilitate integrated urban approaches. For example, for Integrated Territorial Investments (ITIs), it will be easier to include CF interventions in ITI strategies.
- **Simplification 6:** Common templates available upfront. Common templates for all funds will, again, make integrated approaches, as encouraged through the SUD, more likely.
- **Simplification 9:** Administrative capacity integrated with sectoral objectives. This means that the administrative capacity strengthening component can be bundled under the Policy Objective 5, and, by extension, be embedded within the SUD approach. For example, projects focusing on strengthening administrative capacity could be embedded directly into an IUDES.
- **Simplification 25:** Shorter, better structured programmes. This can help lighten the burden when designing the SUD approach and organizational models for 2021-2027.
- **Simplification 28:** Minor changes and corrections do not require a Commission decision. This will make it easier to adjust IUDES where needed.
- **Simplifications 32-40:** Territorial tools – Simpler design tailored to local situations. These simplifications directly target the SUD approach and include a number of important provisions, such as: existing programming and implementation structures can be continued; territorial tools used under Policy Objective 5 can combine activities

financed under all other policy objectives; much shorter provisions on CLLD and ITI; the same rules are defined for all territorial tools, with a defined *minimum set of requirements for territorial strategies*; clarification on when an intermediate body is needed at the local level; a single instrument, the European Urban Initiative will bring together several urban instruments.

- **Simplification 49:** Straightforward transfer system among Funds and instruments. This will ease the combination of funds for tools such as the ITI.
- **Simplification 51:** Designation procedure discontinued. Existing entities engaged in the management of EU Funds can be simply “rolled over” from the current programming period, to the next.
- **Simplification 61:** More flexible combination of grants with financial instruments. In an IUDS it will be possible to combine grants and financial instruments as a single operation.

The draft Cohesion Policy 2021-2027 proposes a general structure for all territorial strategies, which should, at a minimum, include:

- a. **the geographical area covered by the strategy;**
- b. **an analysis of the development needs and the potential of the area;**
- c. **a description of an integrated approach to address the identified development needs and the potential;**
- d. **a description of the involvement of partners [...] in the preparation and in the implementation of the strategy.**

Moreover, these territorial strategies should draw on existing strategies and plans, rather than require the elaboration of new documents. The need for an Urban Authority at the local level is eliminated, but flexibility is given to local administrations that want to play a more comprehensive role in the management of EU funds. Thus the Cohesion Policy 2021-2027 stipulates:

Where an urban, local or other territorial authority or body carries out tasks falling under the responsibility of the managing authority other than the selection of operations, the authority shall be identified by the managing authority as an intermediate body.

One measure for 2021-2027, which will impact particularly smaller and poorer beneficiaries, is that the rate of co-financing for **less-developed regions** is 70% (down from 85%), and for **developed regions** it is 40%.

## STRATEGIC REQUIREMENTS FOR SUD 2021-2027 ORGANIZATIONAL MODELS

In the current programming period, the regulation (Article 7 of the ERDF regulation) imposed a limited number of Strategic requirements for SUD implementation. Regardless of the implementation mechanism chosen by member states (ITI, dedicated OP, dedicated Priority Axis, CLLD) the SUD strategic requirements included:

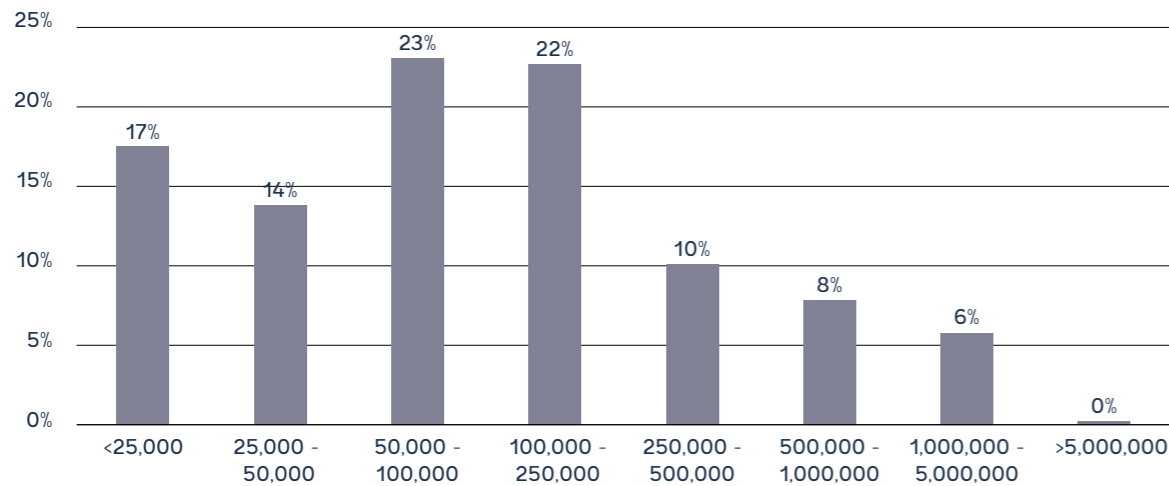
1. dedication of 5% of ERDF resources to SUD,
2. preparation of a SUD strategy,
3. designation of the territory eligible for SUD,
4. creation of a SUD Implementing Body at the local level.

In the post 2020 programming period, the draft regulations stipulate that a minimum of 6 % of ERDF funds should be allocated to SUD implementation in each Member State. There is increased flexibility for Member States in terms of designing their SUD implementation models, based on their 2014-2020 experience, the main difference is that under the draft regulations local authorities will no longer be required to adopt formal IB status.

In the 2014-2020 programming period Member States designed a variety of national and/or regional strategic requirements to ensure coherent, efficient and effective implementation. The post 2020 Romanian SUD model could benefit from analyzing experiences of other countries.

The regulation and Commission guidelines left considerable scope for Member States to decide what type of urban areas they would like to target, although the SUD approach was designed primarily for metropolitan areas and urban agglomerations. The figure below provides an overview of the size of urban areas that were selected for SUD implementation across the EU. The size of urban areas ranges from the inclusion of smaller urban centers (<25,000 inhabitants) in Germany, Greece, Ireland, Portugal, Spain, Latvia and Slovenia to those that only focus on a few of the largest urban areas (Belgium, the Netherlands, United Kingdom, Sweden).

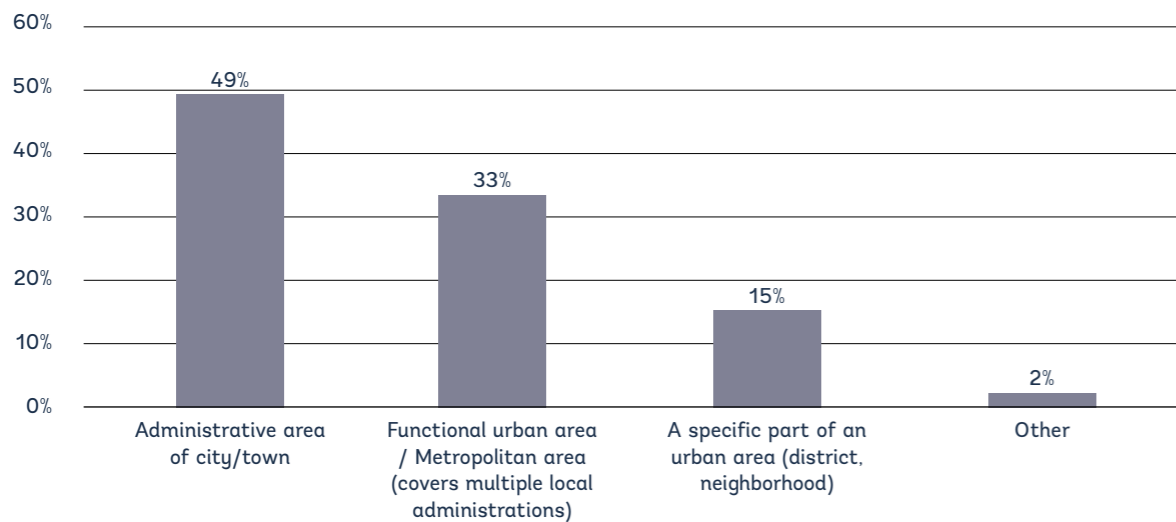
**FIGURE 2.**  
Size of urban population of SUD strategies in 2014-20 (n=347)



Source: van der Zwet et al. (2017)

The figure below provides an EU wide overview of the types of urban areas that are covered by SUD strategies in Member States. Around 50 percent of the strategies cover an existing administrative unit, about a third of strategies cover a wider FUA and 15 % focus on a neighborhood/area within an administrative area.

**FIGURE 3.**  
Territorial scope of SUD strategies 2014-20 period (n=356)



Source: van der Zwet et al. (2017)

There is a considerable variation in terms of the **documentary requirements** for the implementation of SUD strategies. Various countries required urban authorities to submit additional documents, such as Mobility Plans, Urban Regeneration Plans, or CLLD Strategies. Mobility plans were usually required in relation to SUD Thematic Objective 7 (Sustainable Transport) – i.e. for urban areas that hoped to use SUD funds for mobility investments. In Portugal, national authorities stipulated that urban authorities should prepare mobility plans and revitalization plans, etc. In this way,

they wanted to increase the quality of SUD strategies. Other Member States that included mobility plans were Romania, Cyprus, Czechia, Slovakia, Italy.<sup>3</sup> In other countries the requirement for a dedicated strategy was largely fulfilled by pre-existing strategic documents. For example, in the Netherlands the Implementation Plan was a translation of pre-existing local strategies which required relatively minor adaptations to be compatible with SUD requirements (see Box 1).

The European Commission published the guidelines for SUD implementation relatively late on in the 2014-2020 programming period. It also purposely (in order to ensure flexibility) left considerable scope for local interpretation of the requirements. As a consequence, many Member States and regions **formulated their own guidelines in order to establish quality standards**. These guidelines took different forms (van der Zwet et al, 2019):

- formal guidance could be issued by the MA (e.g. Ireland, Czech Republic, Bulgaria and Lithuania);
- use of standardized templates for strategic documents (e.g. Romania, France, or the Netherlands);
- in cases where calls for strategies were used, the call document would formulate detailed requirements (e.g. Portugal, Spain);
- dedicated workshops were also used to inform staff of technical requirements (e.g. Poland).

The availability of guidance, templates, workshops, etc. determines whether approaches across Member States and regions have been standardized. An analysis of over 400 strategic documents in all member states (van der Zwet et al., 2017) demonstrates that in most cases strategic documents have clear sections that will set-out the challenges and objectives based on an integrated approach and supported by a clear intervention logic. Yet elements such as governance arrangements are less often explicitly included in strategic documents.

**BOX 1. Examples of content of SUD strategy documents**

In **Poland** SUD strategies include several elements: coherence with domestic policy frameworks; characteristics of the FUA: territory, population, municipalities; FUA area analysis (often including SWOT); mission, objectives, priorities of the strategy; project selection criteria; list of strategic projects; list of complementary projects funded from other sources; funding allocations; governance arrangements; planned monitoring and evaluation; process of the strategy preparation; information on environmental impact assessment of the planned investments.

In **the Netherlands** each of the four eligible SUD cities drafted an implementation plan (around 20 pages) which linked ERDF and ESF investment to local strategies. For example, the implementation plan for The Hague consisted of a description of the regional context, identification of challenges, prioritization of the opportunities, description of fund allocations (ESF and ERDF), description of the funding instruments (i.e. financial instruments) and governance arrangements.

In **Bretagne (France)** partnership contracts between urban areas and the MA consisted of two parts an analysis of the shared challenges and opportunities for the metropolitan pole which includes local and regional issues and identifies priority areas for investment at the regional level; a partnership contract which sets the tools for implementing the priorities including the objectives and length of the contract, the allocated funds and governance arrangements.

In **Belgium** ITI strategies were drafted on the basis of local strategies. The formal ITI strategy documents consisted of a policy note which set out the context of the ERDF programme objectives, including priorities, a description of the ITI tool, financial allocations, governance structures; strategic framework for the strategy including a SWOT and a summary of local strategic documents; project call and selection procedures.

<sup>3</sup> For more information see: van der Zwet et al (2017) Annex 4, available on: [https://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/integrated\\_strategies/annex\\_4\\_strategy\\_fiches.pdf](https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/integrated_strategies/annex_4_strategy_fiches.pdf)



Some Member States also imposed strategic requirements that **enforced collaboration between municipalities**. For example, in **Poland**, national authorities required establishing a formal collaboration of municipalities belonging to each FUA. In this way, Polish authorities aimed to strengthen the metropolitan approach to local development, and to promote partnership principle in SUD. In **Finland**, SUD implementation required the establishment of a **network between cities**.

A study of over 300 SUD strategies in Member States (van der Zwet et al. 2017) showed that the strategic requirements for governance arrangements vary considerably. The figure above provides an overview of key tasks in terms of strategy development, preparing calls for projects, selection of operations and monitoring, management and evaluation and how they were divided between urban authorities and the MA. Tasks that were in almost all cases delegated to the urban authority were the development of the strategy and implementation plan.

Urban authorities usually also had a role in animation of projects, preparation of project calls, launching calls, collecting applications, quality assessment of the operations. In several member states, the national authorities required that IBs prepare SUD-specific criteria, which would allow assessing the extent to which planned projects contribute to achieving objectives of SUD strategies.

The Managing Authority (MA) in most cases retained at least a degree of responsibility for approval of strategies, verification of the selection procedures, eligibility checks, final verification of operations, signing grant applications, financial management and evaluation. Annex 3 provides further details on the extent to which responsibilities had been delegated to local level IBs. The main conclusions are that the extent of delegation in many cases depends on experience in previous programming periods, capacity at the local level, size of funding allocations, size of city and domestic governance/constitutional arrangements.

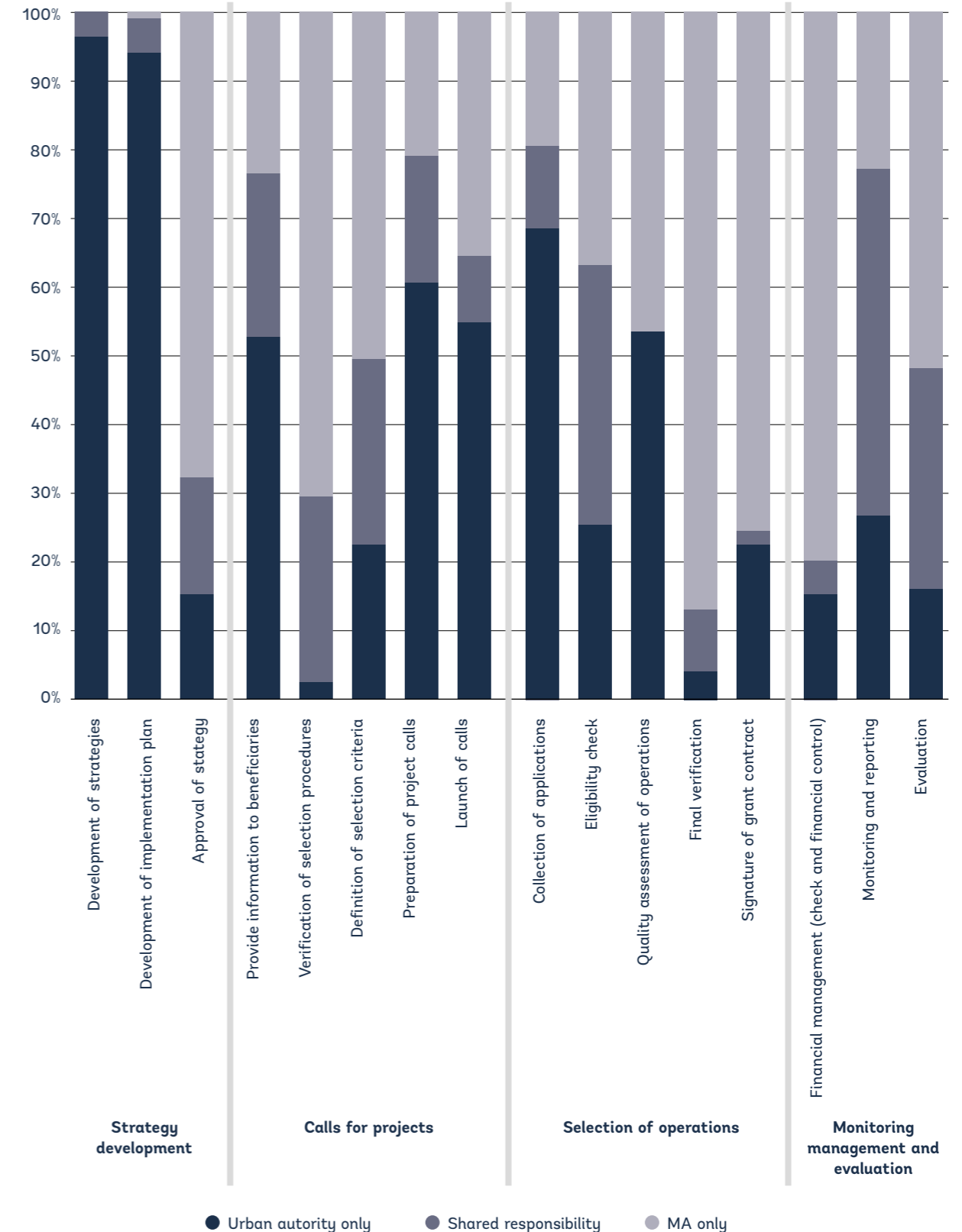
Output 4, under this Program, showed that particular organizational models were more likely to be used in certain contexts:

- Dedicated multi-thematic priority axes were more often used in Member States or regions where fund allocations were lower and/or where a high number of urban areas were selected for SUD implementation. They also tended to have fewer thematic objectives than strategies implemented with other mechanisms.
- Integrated Territorial Investments (ITIs) were more often used in member states that implemented SUD in fewer and larger urban areas and/or received higher financial allocations. They also offered a broader choice of thematic objectives, as well as for merging various funds (e.g. ERDF and ESF). ITIs also were more likely to target territories that were not an administrative unit, e.g. functional urban areas, multiple cities, neighborhoods, or coastal, mountainous and cross-border areas.
- Only Italy had an Operational Programme dedicated to several pre-designated metropolitan areas. This approach was closely linked to a new national urban policy.

Several Member States used Operational Programme dedicated to a single city (e.g. Prague, Brussels and Stockholm) either acknowledging the specific role and challenges of the city or following pre-existing approaches.

Considering these characteristics, the following strategic requirements can be considered for particular implementation mechanisms in Romania.

**FIGURE 4.**  
Delegation of responsibilities across 300 SUD strategies in the EU (n=306)



Source: van der Zwet et al. 2017

## Dedicated Priority Axis under a national OP

This mechanism seems suitable especially if SUD resources are allocated to numerous urban areas, the SUD budget per each area is relatively low, and the expected number of projects is limited. In this situation, the strategic requirements might include:

- 1. Clear criterion for eligibility** – either in terms of size of population<sup>4</sup> (e.g. min. 50 thousand inhabitants) status (e.g. county capitals and their FUAs), or based on a set of other criteria (e.g. municipalities belonging to functional areas of growth poles and urban development).
- 2. Relying on an intermediary body at the regional level** – The IB (in the case of Romania, the IB would most likely be the regional development agency) would take on key management responsibilities in order to concentrate administrative capacity and reduce the burden on cities. It would define project selection criteria adjusted to the regional context (which would make most sense if a move towards regional operational programmes is made), animate project preparation by the urban areas belonging to its territory, conduct project assessment (possibly leading to project preselection), and monitoring of SUD implementation. The IB would also assume as many responsibilities from the MA as possible, to ensure that key operational steps are handled closer to the beneficiaries, and not in Bucharest.
- 3. Creating a list of preselected strategic projects** – rather than competitively selecting projects in every urban area (to be funded from ERDF or other funds) – would identify and prioritize key projects in order to use the limited resources for addressing the most pressing needs and challenges defined by local authorities. This should be followed by a strict timeline of submitting the projects in order to prevent delays. Local administrations would not be limited however to competitively access financing for other project, from different priority axes.
- 4. A more proportional approach towards strategy design** – requirements for new strategy or additional planning documents can be lowered in order to reduce the administrative burden on urban areas. The draft Cohesion Policy 2021-2027 makes minimal requirements for how a territorial strategy should look and encourages the use of existing strategies and plans.

## Dedicated OP for multiple urban areas

This solution appears the most appropriate in cases where there is an existing or emerging national metropolitan or urban policy, to which the OP can contribute with significant extra resources. Alternatively, it can be used in cases where there is a number of urban areas that share

<sup>4</sup> Spain provides a good example of population-based criteria. Four types of urban area were eligible: a municipality with a population above 20,000; groups of municipalities with a population in each exceeding 20,000; a municipality of more than 20,000 inhabitants combined with peripheral municipalities of less than 20,000 inhabitants; and groups of municipalities with less than 20,000 inhabitants forming an urban area with more than 20,000 inhabitants.

commonalities (e.g. in terms of population size, social challenges and/or economic specialization). In this way, the OP focusses on their specific needs and challenges. In this context, the strategic requirements might include:

- 1. Clear criterion of defining which cities belong to the OP** – either size (e.g. min. 100 thousand inhabitants), status (e.g. county capitals), or based on an independent analysis of functional urban centers in a Member State. (e.g. municipalities belonging to functional areas of growth poles and urban development poles).
- 2. Updated SUD strategies for all targeted areas** – These strategies should include a diagnosis of the key challenges of the area, and also potentially predefining crucial investments to fulfil the strategic objectives. They should include both the investments covered under the five Cohesion Policy objective, and other domestic policy objectives to ensure a comprehensive and coherent approach.
- 3. Formal preselection of projects in every urban area as part of the strategy design process** – This approach allows urban centers to allocate their resources to those issues that are most pressing. Preselection should be followed by a strict timeline of submitting the projects in order to prevent delays. In addition, smaller, less strategic projects, could be accessed competitively under individual priority axes of the dedicated OP.
- 4. Requirement for mobility plans, urban regeneration plans, or other thematic documents** – if the allocations are substantial in real terms then additional strategic planning documents are needed to ensure an effective approach to SUD implementation, and a focus on pre-selected priority projects. The documentary requirements depend on the available thematic objectives for SUD implementation (e.g. if transport is a major objective it should include mobility plans).
- 5. RDAs could be the IBs for the dedicated OP** – Similar to the role they now play for the ROP, RDAs would also be IBs for the dedicated Urban OP. For large allocations per urban area, secondary IBs could be considered. This would ensure sufficient capacity and efficient implementation in each of the targeted urban areas. The tasks of local IBs could be limited at the start of the programme period (e.g. preparation of SUD strategy, preparing SUD-specific project (pre)selection criteria, project animation, monitoring), and expanded during the implementation process depending on the administrative capacity building effects. Alternatively, IBs could be set up at the level of the local administration, the way it was done in Italy (where the project management directorates took on this role).
- 6. Signing formal MA-IB agreements** – The IBs' tasks and those of the MA should be clearly defined and agreed in agreements that are binding. These agreements should include formal governance arrangements as well as rules of interinstitutional collaboration. This will allow clarifying implementation procedures and ensure efficient implementation. The agreements would differ based on who will take on the IB responsibilities (e.g. the RDA or the local administrations).

## Dedicated OP for a single urban area

This solution seems the most suitable for the Bucharest-Ilfov Urban Area, considering its distinct socio-economic situation. A dedicated OP would be appropriate if significant resources are planned to be invested in the city and its metropolitan area. In this case, the strategic requirements might include:

1. **A new or updated SUD strategy which is drafted as part of the OP design** – The strategy should provide a diagnosis of the key challenges and opportunities of the FUA, and also potentially predefine crucial investments to fulfil the strategic objectives. These should include both the investments covered under the five Cohesion Policy objectives, and other domestic policy objectives to ensure comprehensive interventions. To simplify things, the strategy could be the Regional Development Plan, under preparation by the Bucharest-Ilfov Regional Development Agency.
2. **Formal pre-selection of projects** – This would allow resources to be directed to the most pressing needs and challenges defined by local authorities. This should be followed by a strict timeline for submitting the projects in order to prevent delays. Projects could also be accessed competitively under individual priority axes, by different beneficiaries within the Bucharest area.
3. **Requirement for mobility plans, urban regeneration plans, or other thematic documents** – If the allocations are substantial in real terms then additional strategic planning documents are needed to ensure an effective approach to SUD implementation. The documentary requirements depend on the available thematic objectives for SUD implementation (e.g. if transport is a major objective it should include mobility plans).
4. **Inter-municipal collaboration agreements** – If the OP includes the whole FUA of Bucharest and not only the city, the conditionality might also include the requirement of formalizing inter-municipal collaboration, defining the collective objectives, decision-making rules and the share of responsibilities.
5. **The MA of the OP would take on all implementation and management responsibilities** – There would be no requirement to establish separate IBs at the local level. The role of the MA could be taken by the Bucharest-Ilfov Regional Development Agency, and the IB could sit with the Bucharest City Hall, or with a joint-secretariat set up by Bucharest City Hall, Ilfov County, the six district city halls, and representatives of the territorial administrative units in Ilfov County.

## Integrated Territorial Investments

This tool, designed by the EC to complement other organizational models, seems most suitable for introducing new approaches to implementing EU funds, e.g. crossing administrative boundaries (e.g. in functional urban areas), or linking investments from multiple funds in the same urban area. In such a case, the strategic requirements can include:

1. **Formal criterion of defining which areas are targeted by ITI, and which public administrations belong to that area** – The EC recommends that a sound justification be given for why a particular area was chosen for the ITI tool, and a clear explanation why other mechanisms are less suited to respond to that area's needs. The formal selection of eligible areas could be followed by a lobbying stage in which additional areas might volunteer to implement ITI, and/or additional municipalities might want to join or resign from belonging to an assigned area.
2. **A new or updated SUD strategy for the designated area/territory** – The strategy should diagnose the key challenges and opportunities in relation to the whole territory, and also potentially predefine crucial investments to fulfil the strategic objectives. These should include both the investments covered under the five Cohesion Policy objectives, and domestic policy objectives to ensure comprehensive interventions.

3. **Formal pre-selection of strategic projects** – This would allow resources to be directed to the most pressing needs and challenges defined by local authorities. This should be followed by a strict timeline for submitting the projects in order to prevent delays.
4. **Requirement for mobility plans, urban regeneration plans, or other thematic documents** – If the allocations are substantial in real terms then additional strategic planning documents are needed to ensure an effective approach to SUD implementation. The documentary requirements depend on the available thematic objectives for SUD implementation (e.g. if transport is a major objective it should include mobility plans).
5. **IBs at the local or regional level** – Each ITI is required to have an Intermediary Body (may be a secondary IB) responsible for the management of pre-allocated EU Funds, particularly the relationship with end-beneficiaries. The tasks of IBs could be limited in the beginning (e.g. preparation of territorial strategy, preparing specific project (pre)selection criteria, project animation, monitoring), and increased during the implementation process depending on the administrative capacity building effects.
6. **Signing formal MA-IB agreements** – The IB's tasks and those of the MA should be clearly defined and agreed in agreements that are binding. These agreements should include formal governance arrangements as well as rules of interinstitutional collaboration. This will allow clarifying the implementation procedures and ensure efficient implementation.
7. **Formalizing inter-municipal collaboration** – The FUA partners should define the collective objectives, decision-making rules and the share of responsibilities for the whole FUA. The conditionality might predefine available forms of collaboration based on the national legal framework and indication which forms will be most suitable for SUD implementation. There should be flexibility for each FUA to choose an appropriate collaboration mechanism as they will require different levels of engagement and should be adjusted to the trust among municipal representatives and their common ambitions and expected benefits.

## Regional Operational Programmes

This solution appears as the most suitable for a situation in which urban areas in the country face varying challenges and have diverse needs. Each ROP can define development objectives and indicators, thematic objectives available for SUD, implementation mechanisms (ITI, CLLD, Priority Axis etc.), and increase resources for SUD implementation (from the minimum 6%). In such cases, the strategic requirements could also be defined at the regional level, depending on the resources allocated to SUD, number of targeted areas and the type of urban areas (neighborhoods, FUAs, towns). Depending on the chosen implementation model, the strategic requirements could follow recommendations suggested for different options above. One thing to keep in mind though is that, when allocations per urban area are decided at the regional level, there will be a significant pressure to spread the funds to as many urban areas as possible, which does not allow the concentration of resources for addressing the needs of larger urban areas.

If regional operational programmes are devised, another option is that of having a national tool (e.g. dedicate OP) or a local tool (e.g. ITI), designed specifically for large urban areas. The development dynamics of large urban areas are different than the dynamics and needs of smaller urban areas, and as such would benefit from a separate treatment.

## CLLD

CLLD is not a tool that is well suited for the outright implementation of the SUD, but is an ideal complement, helping to address targeted issues, at the neighborhood level. For the 2014-2021 Programming Period, the CLLD tool was targeted at marginalized communities in urban areas, although CLLD allocations were not considered to be part of the SUD allocations. For the 2021-2027 Programming Period, the CLLD tool in urban areas will continue to focus on marginalized communities, but, in addition, there are talks to have the tool focus on competitiveness issues, through the encouragement of a competitive and innovative business environment.

The draft Cohesion Policy 2021-2027 indicates that the CLLD tool should:

1. focus on sub-regional areas;
2. be led by local action groups (LAGs), composed of representatives of the public and private sector, without any single group controlling decision-making;
3. have an integrated strategy at their foundation; and
4. promote innovative and cooperative approaches with and among territorial actors.

The draft Cohesion Policy also provides more details on the responsibilities of MAs with respect to CLLD agreements, as well as the tasks that LAGs should assume at a minimum.

# RISKS AND CONSTRAINTS ASSOCIATED WITH THE IMPLEMENTATION OF INTER-JURISDICTIONAL PROJECTS

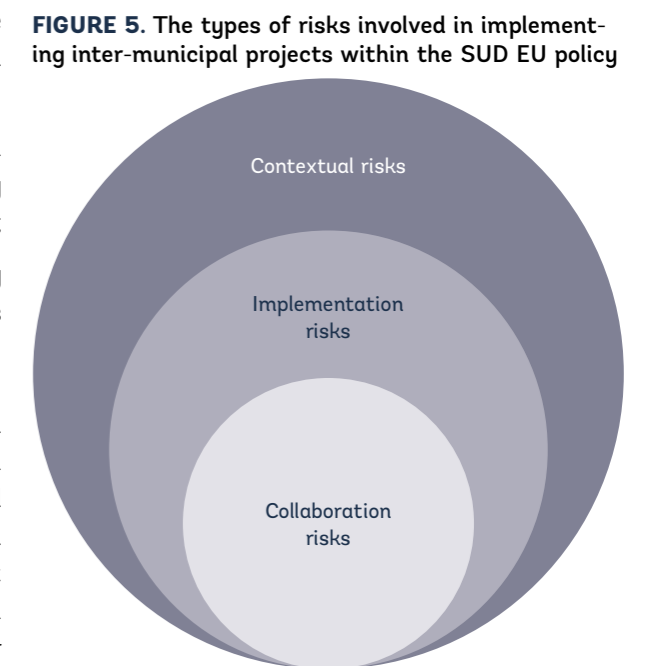
This section will evaluate risks associated with implementing inter-jurisdictional projects in the context of planning and implementation of Sustainable Urban Development (SUD) mechanisms in the 2021-2027 Programming Period.

The analysis will draw from experiences in other Member States in 2014 – 2020 programming period. Particular attention will be given to the scenario in which SUD will be implemented in functional urban areas. The analysis of the risks will conclude with recommendations of how to limit particular challenges of implementing SUD instruments in Romania. Specific consideration will be given to risks associated with each implementation instrument (i.e. ITI, Priority Axis and OP).

Three types of risks were identified during the analysis of academic literature and case studies of SUD instruments implementation in the 2014-2020 programming period:

- i. **Contextual risks**, connected to the socio-economic and political situation in Romania and the EU;
- ii. **Implementation risks**, directly associated with the characteristics of SUD EU Policy and how this finds expression in Romania;
- iii. **Collaboration risks** related to establishing inter-municipal collaborative mechanisms for this purpose.

All three types of risks are interconnected in a way that SUD implementation is embedded in the broader context, while inter-municipal collaboration happens within the implementation framework, and also needs to take the context into consideration. This dependency is illustrated in the figure below. The structure of this chapter will be organized following these three risk types.



Source: Own elaboration

## Contextual risks

Policy implementation happens within a specific socio-economic, political and geographical context. These contextual aspects create risks for implementation and influence the behavior of public authorities and other stakeholders involved in the design, management and implementation of SUD strategies. Importantly, context should be considered on international, national and sub-national levels, which is why each EU member state, region and municipality might have different conditions for implementing the same policy.

This section signalizes crucial contextual risks, as they should be acknowledged when preparing SUD implementation system in Romania. However, these risks are the most difficult to overcome as usually they do not depend on national government or reflect long-term processes that are difficult to change. For these reasons, the report lists the risks, but does not form specific recommendations. More detailed analysis will be provided for the other two kinds of risks, as they can be directly addressed in the programming preparations.

The most important contextual risks in relation to the implementation of SUD that need to be taken into consideration in Romania are:

1. **4Global and European economic conditions** - It is important to consider that the economic situation in Romania is influenced by the European and global economic trends. In this way, the effectiveness of SUD instruments is related to a broader context in which they are implemented, and to the markets to which they contribute. The risks of the current economic situation should be considered when planning SUD instruments. For example, if the EU economy performs poorly, it is possible that the positive impact of EU funds in Romania will be dimmed, given the 70%-80% of Romanian exports go to the EU.
2. **Insufficient private sector development** - SUD implementation in each Member State depends also on the condition of its private sector. Romania and Slovakia were among the poorest performers on EU funds in 2007-2013, but also had the fastest economic growth rates in the EU. Finland is the top performer on EU funds, but the crisis of private companies caused major problems for the national economy. This shows that forward-thinking and efficient administration is important in ensuring the effectiveness of SUD instruments, but only with a strong private sector the development can be truly sustainable.
3. **EU funds dependency** - EU funds can create dependencies among beneficiaries. There is a risk that dependency on EU funds will lower the entrepreneurial drive of local administrations and companies to generate their own sources of funding. Furthermore, activities can become too restrictive, preventing local administrations and firms from thinking outside the strategic requirements that EU funds impose.
4. **Political instability** - The dynamics of the political situation in a Member States can have a significant impact on the implementation of SUD requirements. If the priorities and rules change often, it creates ambiguity and uncertainty among beneficiaries and institutions involved in funds management and implementation. Moreover, political instability can particularly effect inter-municipal collaboration, as political leaders of jurisdictions have direct influence on the collective objectives. If the decision-makers change, collaboration has increased risk associated with it as each time collaboration rules and trust have to be rebuilt.

5. **Multi-level negotiations of the European regulations** - Uncertainty at the EU level influences the programming preparations in Romania, as it is not certain which form the regulations for SUD implementation will take. Furthermore, there is considerable uncertainty in relation to time frame due to term changes in the main EU institutions. Thus, the ongoing programming preparations are based on draft regulations, and it is likely that at least some of the requirements will be modified in further negotiations. This will require Romanian SUD implementation plans to be adjusted accordingly, potentially delaying implementation.
6. **Legal and procedural national framework** - National laws directly influence implementation and inter-municipal collaboration. First, they define what local governments are able to do, influencing the kind of investments that can be supported by EU funds at a particular level. Furthermore, national regulations provide the basis of the potential inter-municipal collaboration legal forms and the scope of their activity. Consequently, some areas that would potentially benefit from collaborative structures (i.e. in functional urban areas), might not be able to adopt inter-municipal collaborative agreements for legal reasons.
7. **Administrative culture** -The national administrative culture that has formed over time can have a major impact on the implementation of SUD. Most importantly, it can influence employees' motivation and consequently administrative capacity in institutions involved in EU funds management. Furthermore, an administrative culture which undergoes continuous and extensive change can also form risks for SUD implementation. It can lead to beneficiaries and EU funds managers needing to invest more time in learning the procedures rather than on preparing investments and progressing the policy implementation.

## Implementation and collaboration risks

Regardless of the chosen SUD implementation mechanism, there is a set of strategic and operational decisions to take into account when considering the targeted areas and scope of investments available for the development of the strategies. There are risks associated with choosing each of the available implementation mechanisms, which will be discussed below.

## Strategic implementation risks

Some of the factors that policy makers should take into consideration include:

- Type of eligible territory
- Number of targeted areas
- Delimitation method
- Thematic scope
- Legal form of collaboration

- Size of SUD budget
- Localities (e.g. urban, suburban, peri-urban) eligible for SUD funding
- IB's institutional location

Choices for each of these factors involve a risk assessment.

### Risk of EU funds fragmentation

Key risks connected to the number and size of areas targeted by SUD instruments relate to the risk of EU funds fragmentation. In principle, the more urban areas are eligible for SUD funding, the less funds will be available for each of them. Similarly, the bigger urban areas are (e.g. the number of municipalities in each functional urban area, further referred to as FUA), the less funding is potentially available per capita or per municipality. Too much fragmentation of EU funding limits the added value of SUD investments, as it allows the implementation of a smaller number of projects in a high number of particular urban areas, instead of locating many investments in a few territories that would **establish a critical mass, make a significant change and achieve an important development impact**. Furthermore, fragmentation and limited resources also have the potential to decrease the political significance of SUD instruments. Political support is necessary for the successful implementation of SUD instruments as integration of EU investments at the operational level requires collaboration of local leaders at different levels.

Member States approach the issue of fragmentation in a variety of manners. **France, Portugal, Italy and Spain** have targeted SUD in more urban areas, each receiving a limited share of SUD funding. This was done mostly due to pressures to invest in all or most cities in each country. **Poland, Czech Republic, the Netherlands, UK, Finland** targeted the SUD funds in a fewer urban areas. While with the last three countries this might have been attributable to low overall funding allocations, in Poland and Czech Republic, the decision was inspired by a desire to establish critical mass. Overall, targeting a limited number of urban areas allowed higher budgets for each SUD strategy, stimulating synergy effects between investments, and, in several countries, boosting urban development and regional impact.

#### BOX 2: Recommendations of how to minimize EU funds fragmentation risks

It is recommended to **limit the number of targeted urban areas in Romania**, to ensure adequate impact of SUD funds. The selection of urban areas should be done based on the overall socio-economic impact the urban areas have on their respective regions and contribution to national economy.

Another recommendation is to have a manageable size for targeted territories, especially regarding the number of involved municipalities. FUAs with too many potential beneficiaries could also stimulate fragmentation of EU funding. Consequently, the decision on the size of each FUA should follow a relevant expertise of functional inter-relations (see next section) and should include the assessment of proportionality of available funding to the scope of problems that could be addressed with such resources. This will avoid fragmentation of EU funding within a single territory, and will adjust the allocation of funds in accordance to the financial and implementation capacity of beneficiaries.

In order to ensure a balanced division of EU funds that allow significant interventions, SUD budgets should be increased proportionally to the number and size of selected urban areas. This happened for example in Poland, where each region willing to increase the number of urban areas targeted by the ITI tool, had a possibility to add funding from its regional operational programme to be used for the additional SUD strategies. This allowed increasing the number of areas without increasing the fragmentation of resources.

### Risk of unfitted FUA delimitation

EU Member States have used SUD resources to target different types of territories (neighborhoods, cities, functional urban areas, geographical regions, a group of cities with similar specialization etc.). Defining the boundaries of these strategies can be complex. In particular, FUAs can be problematic as they typically cross administrative boundaries. In this context, delineating FUA territory can be controversial and therefore involves risks such as politicization of the designation process and snow-balling of eligible territories for SUD strategies.

There can be significant pressures to extend the territory eligible for SUD funding as many political actors want to have access to ring-fenced funding. Among countries that shared their FUA delimitation method, the Polish methodology seems to be most relevant for the Romanian context. First, it included an expert analysis of functional connections among main Polish cities, focusing on everyday inhabitants' mobility for work and education purposes. This allowed defining areas that share joint challenges from the human-centered perspective. Second, it allowed municipalities to suggest amendments to the pre-defined FUAs, acknowledging that sometimes adding a few jurisdictions would be beneficial, in particular where inter-municipal collaboration frameworks were already in place, while some may not wish to be involved in collaboration with neighboring municipalities. For a more detailed account of the Polish SUD approach, see the case study in Output 4.

#### BOX 3: Recommendations of how to minimize unfitted FUA delimitation risks

It is recommended to **use an expert analysis in combination with inputs from local actors for the delimitation method for FUA territory**. This approach provides an objective methodology for defining boundaries of FUA (expert analysis) and allows adjustments to the local context (contextual analysis). This is likely to result in delineating FUAs that would be both evidence-based and politically acceptable politically.

### Risk of thematic irrelevance

There is a broad scope of thematic objectives (TO) and investment priorities available for Cohesion Policy investments. Some countries limited the objectives available for SUD instruments, while other left the choice to regional and local actors. Usually, SUD strategies refer to 3-6 investment priorities and differ in their choice within each country. There is even a higher variety in terms of investment priorities, as in some countries SUD strategies make a selection among 40 different ones (Poland, Czech Republic).

The thematic scope usually depends on the funding allocations, which is why Romania as one of the biggest beneficiaries in the upcoming financial perspective would be expected to have a broad thematic variety of investments. A few member states set a specific minimum number of TOs to be included in SUD strategies (e.g. in Spain), in order to ensure integration of different kinds of investments.

Limiting the number of objectives simplifies implementation and reduces the administrative burden on programme authorities. As such it reduces risks of delays in implementation. However, having a narrow thematic menu also creates risk. First, local authorities may not be able to invest in those areas that are most relevant to their area. Second, it can oblige urban authorities to adopt objectives that are not relevant for their local development challenges.

There are major differences between the challenges and needs of urban areas located in different regions, of different size and capacity, and with various socio-economic structures, in line with the overarching place-based perspective of the SUD approach a one-size-fits-all solutions can be considered less effective in terms of stimulating local development.

#### BOX 4: Recommendations on how to minimize thematic irrelevance risks

Considering the relatively large ESIF allocation that Romania receives, strategies would benefit from a broad menu of thematic objectives and investment priorities. Following the place-based approach recommended by the European Commission, SUD investments should be adjusted to the local context and based on the knowledge of local challenges, which should be defined by local actors. This will allow planning investments that will support urban development and make a maximum use of SUD funds. It is also important to keep in mind however, the EU funds come with a number of hard strategic requirements (e.g. at least 35% of the ERDF has to go to interventions under *Policy Objective 1. A Smarter Europe by Promoting Innovative and Smart Economic Transformation*, and at least 30% of the ERDF have to be allocated for *Policy Objective 2. A Greener, Low Carbon Europe by Promoting Clean and Fair Energy Transition, Green and Blue Investment, the Circular Economy, Climate Adaptation and Risk Prevention and Management*).

#### Risks related to territorial eligibility

The type of challenges that SUD instruments are expected to address often exceeds the administrative boundaries. For this reason, the European Commission advises the development of strategies that target functional urban areas rather than single municipalities. **In order to ensure SUD operations are implemented in the whole FUA, it is necessary to allow all the jurisdictions located in that FUA to access SUD funding;** if only the main city is eligible, there is a risk that investments will only take into consideration the interests of the core cities, rather than follow a broader agglomeration perspective. At the same time dividing up SUD funding allocations between municipalities can have the negative impact of creating projects in isolation.

#### BOX 5: Recommendations on how to minimize unfitted territorial eligibility risks

It is recommended that the approach to territorial eligibility be coherent with the targeted area. Consequently, if SUD instruments will be focusing on problems of neighborhoods, the institution eligible for funding should be the urban districts, if urban administrative scale is the main target – the core cities should prepare relevant projects, and if SUD are supposed to address development issues across the functional urban area, those municipalities located in FUAs should be eligible for funding, ideally for projects identified in a FUA-level strategy. Moreover, mechanisms leading to integration of their investments should be established (see collaboration risks section).

Member states have resolved this issue in different ways:

- the core cities of each FUA took responsibility of SUD management, but all municipalities located in FUAs were eligible to individually apply for funding;
- municipalities were required to apply for SUD funds linked in formal inter-municipal partnerships created around particular projects;
- local authorities are required to establish formal collaboration between jurisdictions in each FUA to be eligible for SUD funding – the new collaborative body was often responsible for SUD implementation and all FUA's municipalities were eligible for funding.

#### Risk of administrative burden and implementation delays.

These risks are related to various aspects of SUD implementation:

- designation of SUD funding;
- designation of SUD implementing bodies (IBs);
- the type of SUD instruments;
- the available funds for SUD investments; and
- the complexity of the operational implementation system.

SUD regulations allowed for a variety of ways in which the regulation could be implemented in Member States. In a small number of member states SUD was implemented partly through dedicated national OPs. However, in a majority of cases SUD requirements were implemented through a dedicated priority axis at the national or regional level. It seems that placing SUD funding within national OPs limits the administrative burden, as it limits the number of institutions involved in funds management. However, it is important to highlight that it creates more physical and mental distance between fund managers and beneficiaries, which **may lead to delays, complicate communication and lead to safe and repetitive investments that are not well-fitted to local contexts**. At the same time, it is important to note that while sub-national administrations want to have a bigger say in the planning of the investments that directly benefit them, they are often less willing to assume the administrative burden required by the management of EU funds at the regional/local level.

Furthermore, these delays and risks are further exacerbated by the extent of national level institutions duplication at the regional level. For instance, in smaller member states, national institutions are usually best placed to implement ESIF funds and as such OPs at the national level include a framework for SUD. In larger member states or those that are more decentralized, regional OPs fulfil this function.

There was less variety in the placement of IBs involved in SUD implementation, as the European Commission expected them to be situated at the local level. In most cases their tasks were delegated to existing or newly established sub-national institutions. They were sometimes in core cities (partially Poland, Spain and Portugal, Czech Republic, England), regional administration (partially Germany, Finland), or inter-municipal organizations (partially Poland, Spain and Portugal, France).

Locating SUD IBs at local level was controversial in several countries, as it creates some administrative burden due to more levels of administration involved in implementation, which potentially stimulates delays. However, local IBs have also been observed to increase the performance of SUD instruments, as they are closer to beneficiaries and may play a role in stimulation and coordination of projects, organizing trainings, allowing higher quality of projects, and motivating beneficiaries to efficient absorption.

The ITI tool can in some cases lead to additional administrative burdens as it may require the creation of specific administrative procedures and additional regulations as well as increased capacity building activities among authorities and beneficiaries so that they know how to manage and use the new instrument. In other cases (e.g. the Netherlands) ITI is considered a mechanism that builds on existing practices and approaches and as such does not add any additional burden, which can be explained by earlier experience of local authorities in EU funds' management. Furthermore, the learnings from other Member States in the 2014-20 period can provide lessons to avoid some of the associated risks in terms of increased administrative burdens.

Many problems of urban areas not only cross administrative boundaries, but also often have complex nature and cannot be solved by a single kind of intervention. For this reason, many countries decided to mix ESF with the required ERDF resources. This was possible only when ITI were chosen as an implementation instrument or when a multi-fund OP was used (the CLLD tool allows this too, albeit, at a smaller scale). In other cases, ESF funds were allocated to SUD strategies without forming part of the 'official' ring-fenced funding.



Linking investments from both funds adds administrative burden as usually the two are managed by different organizational structures, which need to start collaborating and adjusting their procedures to each other. From an inter-municipal perspective there are some risks linked to a multi-fund approach as it requires local actors to engage with a different funding streams with different intervention logics and implementation/management cultures. However, mixing the funds provides the opportunity of synergy effects between hard and soft investments. It seems that in the Romanian context benefiting from such a synergy would be desirable due to complexity of socio-economic problems. Therefore, establishing informal links between the funds should be the priority (option with the lowest potential administrative burden), while full integration of ERDF and ESF should be considered in the context of the administrative burden risks.

#### **BOX 6:. Recommendations on how to minimize administrative burden and delays risks**

The recommendations regarding how to limit the risks of administrative burden and delays in implementation focus on considering the main desired outcomes and added value of SUD instruments. Some solutions that may appear problematic (IT as implementation mechanism, IBs at local level, SUD funds in regional OPs, mixing ESF with ERDF), may bring substantial benefits and increase SUD performance. It should be considered how national guidelines and training for lower-level authorities could overcome the risks, allowing the expected added value. Crucially, the process of preparations for programming should be inaugurated by national authorities as soon as possible, which should motivate local authorities to prepare SUD strategies and planned collaborative mechanisms before the start of 2021-2027 financial perspective.

## Operational implementation risks

As far as operational elements of SUD implementation model are concerned, policy makers need to consider the following aspects:

- Division of tasks between MAs and IBs,
- SUD strategy preparation process,
- Preferred project form,
- Placement of SUD instruments in the national legal framework,
- Project selection modes,
- Project selection criteria.

### **Risk of insufficient administrative capacity**

SUD implementation can add additional administrative burden to the local level and increase the need for additional capacity. Following the place-based approach to SUD development promoted by the European Commission, SUD instruments should involve local actors in programming and implementation. Local actors in most EU member states were typically not involved in EU funds management before the 2014-2020 programming period and creating local IBs faced capacity risks. Consequently, the scope of tasks delegated to SUD IBs was usually limited to preparation of

SUD strategies, projects animation, partial involvement in project selection and monitoring. Many countries used Technical Assistance funding to employ staff to ensure that IBs were able to cope with the additional burden. Additionally, in some countries (e.g. in Poland) TA funding was also used to support local SUD coordinators, responsible for preparing relevant projects. This approach motivated local authorities to delegate experienced staff to tasks related to SUD implementation. The capacity of IBs was built through direct contact with Managing Authorities (especially useful if MA was at the regional level), trainings provided by national government, and participating in networks of urban areas created by national authorities (e.g. in Spain), by non-government organizations of cities (e.g. in Poland) or by the European Commission (Urban Innovative Actions, Urban Development Network, Cities In Article 7 (CIA 7) Implementation Network and International Urban Cooperation. Participation in the networks allowed exchange of information, peer-to-peer feedback and mutual support in preparing the institutional mechanisms for SUD implementation. Some countries (e.g. Poland) noted progress in capacity building among local IBs and extended their tasks during the process of implementation. The OP Administrative Capacity 2014-2020 will open a line of financing for the updating of Integrated Urban Development Strategies, which will allow local administrations an early start for the 2021-2027 Programming Period.

In terms of the IBs for functional urban areas, there are additional administrative capacity challenges as they need to pursue tasks associated with facilitating inter-municipal collaboration. These involve partnership brokering; promoting collective benefits, building trust among municipal representatives, moderating negotiations, consensus seeking, or even mitigating conflicts. Such tasks require strong inter-personal and other soft skills from IB staff, which are built over time as implementation progresses but should be supported by training in the beginning of the process. Below, more traditional tasks of IB related to SUD implementation are characterized.

In terms of strategy preparation, it can be challenging for SUD IBs to have access to sufficient high-quality data at local level necessary to perform analysis of the challenges of the urban area. This is particularly the case when it involves inter-municipal jurisdictions which may have a variety of data gathering approaches. In a few cases, national or regional authorities (e.g. in Czech Republic and Portugal) assisted local actors by creating data observatories - institutions that are responsible for collecting information at the level of urban development following useful indicators. This approach had the added benefit in that it also supported the monitoring system. Additionally, in many countries the challenge of insufficient data was addressed by involving local stakeholders, e.g. universities, non-government organizations and consultancy companies, which provided their knowledge and analytical expertise. This approach is in line with the new regulations connected to PO5, promoting the involvement of citizens and local actors in EU funds management.

There are also issues related to the capacity of municipal administrations, expected to be actively involved in SUD implementation as a part of the integrated approach to EU funds. In a few cases the recommended solution was to establish project partnerships among the municipalities, so that they need to collaborate when preparing their projects. The rationale behind this was that a formal partnership would require coordination of investments, which was especially important in functional urban areas. This solution has both positive and negative aspects. It demanded regular meetings of municipal representatives planning similar investments, and stimulated operational exchange of information, allowing the increase in the quality of prepared projects. On the other hand, it added administrative burden, as formal partnership demanded additional

procedures and paperwork.

In some cases the requirement of formal partnerships delayed funds absorption, as municipalities had to wait for the readiness of all municipalities for project preparation. This could create a feeling of frustration among the municipalities that were ready to apply and start implementation but that were held back by others. At the same time, the formal partnership did not guarantee the actual functional and strategic coordination and synergy effects of investments, as their day-to-day functioning had more of an informal approach.

With regards to inter-jurisdictional project implementation, there is a host of distinct risks that make such projects more difficult, such as: political instability and a changing of political alliances; cumbersome procedures for inter-jurisdictional planning and project implementation; difficulty to get agreement on co-financing rates and administrative rights of individual local administrations.

Lastly, there are risks of misinterpretation of SUD instruments by local authorities, especially in the context of incoherence between national law and newly implemented instruments. For these reasons, national authorities prepared specific national regulations and guidance to overcome these risks. On one hand, providing too detailed instructions for implementation may limit the benefits of adjusting the instruments to the local context, but on the other, too much flexibility in the context of low administrative capacity may create uncertainty and chaos, blocking the implementation process. Overall, providing a clear and balanced national framework is an important aspect of pre-programming preparations for SUD implementation.

#### **BOX 7: Recommendations on how to minimize insufficient administrative capacity risks**

In order to address potential administrative capacity issues of local actors and ensure efficient SUD implementation, the following steps can be taken:

- provide intense training for authorities to be delegated IB tasks (e.g. procedural, legal, communication, partnership brokering, etc.);
- establish a national network of IBs allowing peer-to-peer learning;
- invest Technical Assistance funding to support IB functioning of relevant number of staff;
- delegate important, but initially limited number of tasks to local IBs, which could be extended in the process of implementation;
- establish a national observatory of urban development, which would support local authorities in preparing SUD strategies by collecting local data and providing relevant expertise;
- do not force project partnerships, leaving the decision for beneficiaries and allowing adjustment of the project form to local context and needs;
- adjust SUD model to the national legal framework and guidelines to avoid inoperable mechanisms.

#### **Risk of selecting non-strategic inter-municipal projects**

Project selection is a key stage of the implementation process. Within the context of inter-municipal cooperation there can be a risk that selected projects are not supporting strategic development of the urban area as a whole. This is particular the case in functional urban areas. In order to ensure timely implementation, there can be drive towards selecting 'easy' projects rather than 'harder' strategic projects which take longer to develop and require a more intense partnership. Lessons from other member states show that there are several project selection

mechanisms that encourage strategic projects.

Cohesion Policy often uses the competitive mode, in which beneficiaries apply for funds in an open project call. This is often a preferred method of implementation as it:

- promotes transparency of the selection process,
- ensures equal access to funds for different kinds of beneficiaries (public, private, non-governmental), and
- speeds up absorption due to strict deadlines and increased competition.

Some countries, however, decided to use non-competitive mode, in which investments that are funded from SUD instruments are preselected by relevant authorities. This helps in the strategy realization as it:

- may adjust the investments to its crucial objectives,
- allows preparing complex, more time- and resource-consuming projects,
- promotes coordination and synergy effects between investments by stimulating information exchange about investment plans of particular municipalities,
- limits competition over funds between municipalities and provides more access to funding.

A non-competitive mode may appear as more likely to allow politicization of project selection if it gives direct power to politicians to decide the projects to be funded. However, research shows (e.g. Medve-Bálint, 2017; Bloom, Petrova, 2013) that in several Central-Eastern European countries politicization of EU funds happens despite competitive mode of project selection. Therefore, preselection may – on the contrary - change the existing power relations in the project selection process, making it formally dependent on local actors. Non-competitive project selection may also increase the political attractiveness of SUD instruments, as the funds would gain a perceived guarantee that raises the likelihood of fulfilling promises to voters. This potentially increases the importance of investments to be funded (the guarantee gives more time to prepare good-quality, complex investments, and incentivizes investing in documentation which normally might have been unused if the project was not successful in an open call), and coordination between them (no need to hide investment plans from other municipalities.).

Another relevant element of SUD implementation system are project selection criteria. In most countries (e.g. Poland) each urban area defined additional criteria assessing the coherence of a project with the SUD strategy. This was supposed to ensure that projects funded from the instrument contribute to the agreed strategic objectives and assess the integrated character of investments. The latter was usually defined through the territorial and thematic complementarity between projects (see next section). The SUD-specific criteria were assessed by the IBs – either their employees or independent experts employed by them. Particular urban areas created their own additional criteria, e.g. points for non-municipal projects assessed as relevant for SUD strategy by a FUA association, in order to guarantee coordination between municipal and non-governmental investments. Otherwise, the projects (competitive and preselected) were assessed following the same formal and quality criteria used for other Cohesion Policy project calls. In some Member States (e.g. Spain, Italy), integrated urban development strategies have been selected following national and regional calls-for-proposals and competitions.

**BOX 8: Recommendations of how to minimize non-strategic inter-municipal projects risks**

The project selection mode depends on the chosen implementation instrument and the targeted territories. It seems that there are significant benefits in using a non-competitive mode in functional urban areas, as their added value is coordination of investments among neighboring municipalities, which can be strengthened by preselected projects as in an open call some of the agreed investments might not be selected. At the same time, informal mechanisms ensuring functional and strategic coordination among projects should be put in place, so that the complementarity between them and synergy effects are they highest.

## CONCLUSION

In order to anchor successful inter-jurisdictional organizational models on the basis of which the ISUD strategies will nest, the following strategic requirements are recommended to shape the program design for the 2021-2027 Programming period:

**Clear and focused criteria for eligible territories and projects** – there is evidence that urban areas are at the core of regional and national economic growth. As such SUD targeted areas should be informed by national and regional level analysis to better understand their role in contributing to national economic growth. This should be complemented by local-level analysis to better understand the investment necessary to unlock nascent growth. Further, because urban challenges and solutions do not confine themselves to defined administrative and sectoral lines, there is a need to embed an integrated approach, especially in the design of fiscal instruments. National-level analysis to define eligible territories will be further enhanced by the on-going development of a National Urban Policy.

**Integrated territorial plans supported by a dedicated operational programme** - integrated territorial plans at the scale of the identified impact area (i.e. FUA, metropolitan, city, etc.) should be the basis on which investment decisions are made, taking into account the integrated nature of challenges to be addressed. These strategies and plans should also embed in them measures to improve absorption of funds as well as clear monitoring and evaluation mechanisms. This in turn should be supported by a move from only competitive resource allocation and provide for more funds being pre-allocated especially to complex, large scale inter-jurisdictional projects emanating from an evidence-based planning process. To this end, it is recommended that a dedicated operational programme should be considered. This will, amongst others, enable proper targeting of financial resources and more importantly, reduce the uncertainty and administrative burden faced by local administrations currently.

**Decentralization should be considered as evidence shows that well-capacitated local administrators have a much closer relationship with ultimate beneficiaries.** To this end consideration should be given to Regional Operational Programme supported by a variety of instruments and delivery mechanism such as ITI, CLLDs, IBs etc.

**Citizen engagement should be at the center of strategy development and implementation.**

This has the dual benefit of enhancing the quality of projects and their implementation and of building and strengthening civic society capacity, thus contributing to enhancement of broader human capacity. To enable this, citizen participation should be designed into strategy formulation and implementation by looking at various models to increase participation and making the necessary legal and financial adjustments to support this.

In order to mitigate contextual, implementation and coordination risks, mitigation measures are recommended, some of these are:

**Expanding the menu of eligible thematic areas**, in the 2014-2020 SUD implementation, Romania had significantly less eligible thematic areas, especially considering the financial allocations made. In the next programming period, this menu should be expanded to cater for a more varied project profile.

**Greater flexibility** – administrative burdens imposed by overly complex and centralized decision-making processes may have contributed to lackluster funds absorption. In the next programming period, there should be greater flexibility in matching eligible institutions to financial support in response to identified challenges. For instance, if the urban development challenge being addressed is declining CBDs, then eligible administrations can be urban districts.

**Capacity building should be a defining feature of SUD implementation** in the 2021-2027 Programming Period informed from lessons gleaned in the 2014-2020 period in Romania and other member states. The departure point for this should be reinforcing existing institutions (such as the Regional Agencies) that have proven their worth and clearly define their mandate and make dedicated resources available. This capacity building should extend to support implementation such as the development of urban observatories that collect and collate data, the creation of IB networks and delivery of technical training to support project execution.

## ANNEXES

## ANNEX 1. Strategic requirements Romania has to meet for the 2021-2027 Programming Period

| Enabling conditions<br>Specific objective<br>Romanian relevant<br>authority  | FULFILMENT CRITERIA FOR THE<br>ENABLING CONDITION<br>(COMPROMISE 13 FEBRUARY 2019)   | NOTES + OFFICERS (Ministry of<br>European Funds (MEF) and Line<br>Ministries)  |   |
|--|--|--|---|
| <p>Smart specialisation strategy(ies) will be supported by:</p> <p><b>C1. Up-to-date analysis of bottlenecks for innovation diffusion, including digitalisation</b><br/>C1 - Analysis of bottlenecks for innovation diffusion, including digitisation (ACOP project result - PR1 / A3.1 and PR2 / A5.1) - Quarter IV 2019</p> <p><b>C2. Existence of a competent regional/ national institution or body, responsible for the management of the smart specialisation strategy</b><br/>C2 - A ministerial order setting up a Smart Specialisation Coordination Committee (SSCC) composed of MRI, MEF, MRDPA, RDAs, MEc., Ministry of Business Environment, Commerce and Entrepreneurship (MBECE), Executive Unit for the Financing of Higher Education, Research, Development and Innovation (UEFISCDI), approved by Order of the Minister of the MRI - MRI Order no. 458/31.07.2019 - completed</p> <p><b>C3. Monitoring and evaluation tools to measure performance towards the objectives of the strategy</b><br/>C3 - Methodology and tools - ACOP project results - PR2 / A5.5, endorsed by (SSCC) - QUARTER II 2020</p> <p><b>C4. Effective functioning of entrepreneurial discovery process</b><br/>C4 - methodology of the entrepreneurial discovery process at national level (quarter II 2019) and Setting the Updating Schedule for NSSS (National Smart Specialisation Strategy) (quarter I 2020), ACOP project result - PR2 / A5.5</p> <p><b>C5. Actions necessary to improve national or regional research and innovation systems, if applicable</b><br/>C5 - Definition/setting of the main actions for the improvement of the national or regional research and innovation systems, in collaboration with the RDAs (ACOP project result - PR2 / A5.3) - QUARTER II 2020</p> <p><b>C6. Actions to manage industrial transition, if applicable</b><br/>C6 - Definition/setting of the main actions for a successful management of industrial transition (MEc - ACOP project result) - Quarter IV 2019</p> <p><b>C7. Measures for international collaboration</b><br/>Definition/setting of main actions to support international collaboration (ACOP project result - PR1, PR2/A5.3) Quarter IV 2019</p> | <p>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED MARCH 8, 2019</p> <p><b>Measures taken:</b></p> <p><b>Drafting of the Regional smart specialisation strategies 2021-2027 (RIS) – RDAs, QUARTER II 2020</b></p> <p><b>Drafting of the National smart specialisation strategy (NSSS) for the period 2021-2027 – MRI, QUARTER II 2020</b></p> <p><b>T A</b><br/>ACOP- beneficiary - MRI in partnership with UEFISCDI: Increasing the capacity of the RDI system to meet global challenges, strengthening the anticipatory capacity for evidence-based public policy making.</p> <p><b>ACOP- beneficiary MEc</b><br/>"Increasing the administrative capacity of the Ministry of Economy to monitor, assess and coordinate economic competitiveness-related public policies"</p> <p><b>SRSPP – beneficiary MRDPA-MAROP</b><br/>Support the Romanian MAROP and RDAs in the context of enabling condition dedicated to smart specialization (proposal under discussion)</p> <p>DWD officers: <b>Mirela Dobre, Aneta Stoica, Bogdana Toader</b></p> <p>Authority officers</p> <ul style="list-style-type: none"> <li>ACOP Project: Adrian Curaj General Director UEFISCDI</li> <li>Conditionality: Daniela GHEORGHIAN RDI Programme Policies Directorate</li> </ul> |  |   |
|  | <p><b>Good governance of national or regional smart specialisation strategy</b></p> <p><b>MINISTRY OF RESEARCH AND INNOVATION (MRI)</b></p> <p><b>MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC ADMINISTRATION (MRDPA)</b></p> <p><b>Regional Development Agencies (RDAs)</b></p> <p><b>European Regional Development Fund (ERDF)</b></p> <p><b>All the specific objectives within this policy objective</b><br/>(A smarter Europe by promoting innovative and smart economic transformation)</p>  | <p>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED APRIL 1, CURRENT YEAR</p> <p><b>Measures taken:</b></p> <p><b>The drafting of the National long-term renovation strategy to support renovation of the national stock of residential and non-residential buildings – MRDPA, QUARTER IV 2019</b></p> <p>Strategy for mobilising investments in the renovation of residential and commercial buildings existing at national level, both public and private (V2 in place) - revised as per Directive 2010/31/EU art 2a - AMENDED BY Reg. (EU) 2018/1999, including indicative milestones for 2030 and 2040, as well as targets for 2050</p> <p><b>T A</b><br/><b>ACOP- beneficiary: MRDPA</b> "Strengthening the strategic planning capacity of the Ministry of Regional Development and Public Administration for the renovation of the national stock of buildings from the perspective of energy efficiency and seismic risk" (RAS World Bank)</p> <p>DWD officers: <b>Adrian Barbu, Adrian Margarit</b><br/>Authority officers</p> <ul style="list-style-type: none"> <li>ACOP Project:</li> <li>Conditionality:</li> </ul> <p>Anca Ginavar, Director of the Technical Department<br/>Carmen Iliescu, Chief of the Building Regulation Office<br/>Ana Catruna, Counsellor</p> |   |
|  |  | <p><b>Strategic policy framework to support energy efficiency renovation of residential and non-residential buildings</b></p> <p><b>MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC ADMINISTRATION (MRDPA)</b></p> <p><b>ERDF and Cohesion Fund:</b><br/><b>2.1 Promoting energy efficiency measures</b></p> <p><b>C1. A national long-term renovation strategy to support renovation of the national stock of residential and non-residential buildings is adopted, in line with the requirements of the Directive 2010/31/EU on the energy performance of buildings, which:</b></p> <ol style="list-style-type: none"> <li>entails indicative milestones for 2030 and 2040, as well as targets for 2050</li> <li>provides an indicative outline of budgetary resources to support the implementation of the strategy</li> <li>defines effective mechanisms for promoting investments in building renovation</li> </ol> <p><b>C2. Energy efficiency improvement measures to achieve required energy savings</b><br/>Further clarifications from COM are necessary regarding the types of envisaged measures, as well as the procedure for reporting/combining the energy savings made</p>   | <p><b>18.06.2019 C (2019) 4423 final version RECOMMENDATION OF THE COMMISSION on Romania's integrated national energy and climate plan – to follow the report of the ME required through MEF letter no.759/23.07.2019</b></p> <p><b>At the level of the Ministry of Energy (ME), a Work Group (WG) has been set up to implement the Integrated National Energy and Climate Change Plan (PNIESC) – MFE observer</b></p> <p>DWD officers: <b>Adrian Margarit, Adrian Barbu</b><br/>Authority officers</p> <ul style="list-style-type: none"> <li>Conditionality: <b>Elena Popescu</b><br/>Director</li> </ul> |
|  |  | <p><b>Governance in the energy sector</b></p> <p><b>MINISTRY OF ENERGY (ME)</b></p> <p><b>ERDF and Cohesion Fund:</b><br/><b>2.1 Promoting energy efficiency measures</b></p> <p><b>2.2 Promoting renewable energy through investment in the generation capacity</b></p> <p>National Energy and Climate Plans are adopted that include:</p> <p><b>C1. All elements required by the template in Annex I of the Regulation on Governance of the Energy Union</b></p> <p><b>C2. An indicative outline of envisaged financing resources and mechanisms for the measures promoting low-carbon energy</b></p>  | <p><b>Achieved potential – to be analysed</b></p> <p>The Integrated National Energy and Climate Change Plan (PNIESC) has been transmitted to COM in Dec 2018; PNIESC must be validated by COM by Dec. 2019 (see (EU) Regulation 2018/1999). The drafting of the Integrated National Energy and Climate Change Plan (PNIESC) is based on Romania's Energy Strategy project 2019-2030, with an outlook to 2050.</p>   |
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| <p><b>Strategic policy framework to support energy efficiency renovation of residential and non-residential buildings</b></p> <p><b>MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC ADMINISTRATION (MRDPA)</b></p> <p><b>ERDF and Cohesion Fund:</b><br/><b>2.1 Promoting energy efficiency measures</b></p> <p><b>C1. A national long-term renovation strategy to support renovation of the national stock of residential and non-residential buildings is adopted, in line with the requirements of the Directive 2010/31/EU on the energy performance of buildings, which:</b></p> <ol style="list-style-type: none"> <li>entails indicative milestones for 2030 and 2040, as well as targets for 2050</li> <li>provides an indicative outline of budgetary resources to support the implementation of the strategy</li> <li>defines effective mechanisms for promoting investments in building renovation</li> </ol> <p><b>C2. Energy efficiency improvement measures to achieve required energy savings</b><br/>Further clarifications from COM are necessary regarding the types of envisaged measures, as well as the procedure for reporting/combining the energy savings made</p> | <p><b>2</b></p> <p>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED APRIL 1, CURRENT YEAR</p> <p><b>Measures taken:</b></p> <p><b>The drafting of the National long-term renovation strategy to support renovation of the national stock of residential and non-residential buildings – MRDPA, QUARTER IV 2019</b></p> <p>Strategy for mobilising investments in the renovation of residential and commercial buildings existing at national level, both public and private (V2 in place) - revised as per Directive 2010/31/EU art 2a - AMENDED BY Reg. (EU) 2018/1999, including indicative milestones for 2030 and 2040, as well as targets for 2050</p> <p><b>T A</b><br/><b>ACOP- beneficiary: MRDPA</b> "Strengthening the strategic planning capacity of the Ministry of Regional Development and Public Administration for the renovation of the national stock of buildings from the perspective of energy efficiency and seismic risk" (RAS World Bank)</p> <p>DWD officers: <b>Adrian Barbu, Adrian Margarit</b><br/>Authority officers</p> <ul style="list-style-type: none"> <li>ACOP Project:</li> <li>Conditionality:</li> </ul> <p>Anca Ginavar, Director of the Technical Department<br/>Carmen Iliescu, Chief of the Building Regulation Office<br/>Ana Catruna, Counsellor</p> |   |
| <p><b>Governance in the energy sector</b></p> <p><b>MINISTRY OF ENERGY (ME)</b></p> <p><b>ERDF and Cohesion Fund:</b><br/><b>2.1 Promoting energy efficiency measures</b></p> <p><b>2.2 Promoting renewable energy through investment in the generation capacity</b></p> <p>National Energy and Climate Plans are adopted that include:</p> <p><b>C1. All elements required by the template in Annex I of the Regulation on Governance of the Energy Union</b></p> <p><b>C2. An indicative outline of envisaged financing resources and mechanisms for the measures promoting low-carbon energy</b></p>  | <p><b>3</b></p> <p><b>Achieved potential – to be analysed</b></p> <p>The Integrated National Energy and Climate Change Plan (PNIESC) has been transmitted to COM in Dec 2018; PNIESC must be validated by COM by Dec. 2019 (see (EU) Regulation 2018/1999). The drafting of the Integrated National Energy and Climate Change Plan (PNIESC) is based on Romania's Energy Strategy project 2019-2030, with an outlook to 2050.</p> <p><b>18.06.2019 C (2019) 4423 final version RECOMMENDATION OF THE COMMISSION on Romania's integrated national energy and climate plan – to follow the report of the ME required through MEF letter no.759/23.07.2019</b></p> <p><b>At the level of the Ministry of Energy (ME), a Work Group (WG) has been set up to implement the Integrated National Energy and Climate Change Plan (PNIESC) – MFE observer</b></p> <p>DWD officers: <b>Adrian Margarit, Adrian Barbu</b><br/>Authority officers</p> <ul style="list-style-type: none"> <li>Conditionality: <b>Elena Popescu</b><br/>Director</li> </ul>  |   |

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| 4   | <p><b>Efficient promotion of the use of renewable energy in all sectors across the entire EU</b></p> <p><b>MINISTRY OF ENERGY (ME)</b></p> <p><b>MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC ADMINISTRATION (MRDPA)</b></p> <p><b>ERDF and Cohesion Fund:<br/>2.2 Promoting renewable energy through investments in the generation capacity</b></p> | <p><b>Analysis of the need of a MEMO / assumption of responsibilities</b></p> <ul style="list-style-type: none"> <li>The mandatory national renewable energy target for 2020 has been reached since 2014. The energy strategy 2019-2030 includes renewable energy objectives</li> <li>Measures to increase the share of renewable energy used in the heating and cooling sector will be set forth by the MRDPA in cooperation with ME</li> </ul> <p><b>- follow the report of the ME required through MEF letter no.759/23.07.2019</b></p> <p><b>T A</b></p> <p><b>ACOP- beneficiary ME</b> "Improvement of the administrative capacity of the ME to coordinate the process of aligning the national legislation with the European laws in the energy sector"</p> <p>DWD officers: <b>Adrian Barbu, Adrian Margarit</b></p> <p>Authority officers</p> <ul style="list-style-type: none"> <li>ACOP Project: Conditionality: <b>Elena Popescu</b> Director</li> </ul>  |
| 5   | <p><b>Efficient disaster risk management framework</b></p> <p><b>MINISTRY OF INTERNAL AFFAIRS (GENERAL INSPECTORATE FOR EMERGENCY SITUATIONS - GIES)</b></p> <p><b>MINISTRY OF THE ENVIRONMENT (MEn)</b></p> <p><b>ERDF and Cohesion Fund:<br/>2.4 Promoting climate change adaptation, risk prevention and disaster resilience</b></p>             | <p><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED MAY 2019</b></p> <p>Main measures taken:</p> <ul style="list-style-type: none"> <li>Drafting of the national disaster risk management plan, consistent with the existing climate adaptation strategies. MIA / GIES D: December 2021</li> <li>Updating of the National Climate Change Strategy for the period 2016-2020 and of the National Action Plan for the perspective of the year 2027, MEn</li> </ul> <p>D: July 2020</p> <p>For the drafting of the national disaster risk management plan, the Ministry of Internal Affairs / General Inspectorate for Emergency Situations cooperate with the relevant authorities (Ministry of Regional Development and Public Administration, Ministry of Waters and Forests, Ministry of Agriculture and Rural Development, Ministry of Transportation, Ministry of Economy, Ministry of Environment, Ministry of Health, National Commission for the Control of Nuclear Activities (CNCAN), National Sanitary Veterinary and Food Safety Authority (ANSVSA), the authorities responsible for the drafting of the documents and transmission of the contributions, in line with the responsibilities set forth through <b>Government Decision no. 557/2016 on the management of different types of risk.</b></p> |

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| 5   | <p><b>C2. a description of the disaster prevention, preparedness and response measures to address the identified key risks. The measures will be prioritized in proportion to the risks and their economic impact, the capacity gaps, the effectiveness and efficiency thereof, while considering possible alternatives</b></p> <p>Assessment integration and description of the prevention, preparedness and response measures for the following types of risk: landslides, earthquakes, floods, forest fires, drought, industrial accidents involving hazardous substances, nuclear and radiological accidents, transportation accidents involving hazardous substances, epidemics, zoonoses and epizootics. In case of catastrophes the main risks identified will be approached. GIES<br/>D: October 2021</p> <p><b>C3. information on budgetary and financing resources and mechanisms available for covering the operation and maintenance costs related to prevention, preparedness and response</b></p> <p>Integration report on financing mechanisms, policies, programmes, resources available for covering the prevention, preparedness and response actions, by types of risk., GIES November 2021</p>   | <p>The assessment of the 6 multi-risk scenarios will be performed within the project "Enhancing the disaster risk management" financed on the basis of a loan agreement concluded with the World Bank, within component 2 – Strengthening the institutional capacity to plan risk reduction investments.</p> <p><b>T A</b></p> <p>ACOP- beneficiary: MEn – "Strengthening the capacity of the central public authorities in the field of water management to implement the long- and mid-term National Flood Risk Management Strategy"</p> <p>DWD officers: <b>Alin Mihai, Roxana Lepadatu, Oana Zet, Mariana Svestun</b><br/>Authority officers</p> <ul style="list-style-type: none"> <li>ACOP Project:</li> <li>Conditionality: <b>Marian Daniel DRAGNE</b></li> </ul> <p>First Deputy of the General Inspector of GIES and <b>Colonel Cristian RADU</b>, Head of the National Operational Centre</p> |
| 6   | <p>For each of or in both sectors, the existence of a national investment plan is that includes:</p> <p><b>C1. an assessment of the current state of implementation of the Urban Wastewater Treatment Directive (UWWTD) 91/271/EEC and of the Drinking Water Directive (DWD) 98/83/EC</b></p> <p>A detailed initial analysis of the current rate of connection to the sewage and treatment systems in each agglomeration in each county, as well as of the current state of connection to the drinking water supply systems in each county has been conducted as per the Service Contract concluded between the Ministry of European Funds and the European Bank for Reconstruction and Development. The assessment of the current state of implementation of the Urban Wastewater Treatment Directive and of the Drinking Water Directive will be completed on the basis of the analysis conducted by EBRD. For the case of the wastewater, the action will be carried out by the World Bank as part of a technical assistance project (financed by ACOP), whose beneficiary is the Ministry of Waters and Forests. For the case of the drinking water, the action will be carried out by the Ministry of Health, the Ministry of Waters and Forests, the Ministry of Regional Development and Public Administration, on the basis of the analysis conducted by the European Bank for Reconstruction and Development.<br/>D: March 2020</p> | <p><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED AUGUST 8, 2019 (Memo no. 20/12968/TG/26.07.2019)</b></p> <p>DWD officers: <b>Mariana Svestun, Valentina Niculae, Roxana Lepadatu, Oana Zet</b><br/>Authority officers</p> <ul style="list-style-type: none"> <li>Conditionality: Gheorghe Constantin, Director</li> </ul>  |

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| 6   | <p><b>C2. The identification and planning of any public investments, including an indicative financial estimation</b></p> <p>a. required to achieve compliance with the UWWTD, including a prioritization from the perspective of the size of agglomerations and the environmental impact, with investments broken down for each wastewater agglomeration D: march 2020</p> <p>b. required to implement the DWD Directive (98/83/EC) on drinking water<br/>A first identification of all the investments necessary to achieve compliance with the Wastewater Directive and the Drinking Water Directive has been performed within the project of the Ministry of European Funds in cooperation with EBRD. The estimated investment requirement (on November 30, 2018) is 13.2 billion EUR for wastewater and 9 billion EUR for drinking water.<br/>The final identification and planning of all public investments and the final financial estimate for the compliance with the Wastewater Directive and the Drinking Water Directive will be performed within the project of MWF in cooperation with World Bank for wastewater and by MWF, MRDPA, MH for drinking water.</p> <p>c. required to match the needs stemming from the proposed recast [COM (2017)753 final], regarding in particular the revised quality parameters detailed in Annex I<br/>A new drinking water Directive is currently being negotiated at a European level. Consequently, this criterion will be completed after the conclusion of negotiations.</p> <p><b>C3. An estimate of the investments needed to renew the existing wastewater and water supply infrastructure, the networks included, based on their age and depreciation plans</b></p> <p>A first estimate of the investments needed to renew the existing infrastructure at the level of the regional operator has been performed through the project EBRD PISSA. Thus, the financial requirement to renew the infrastructure in this sector by 2035 amounts to 2.4 billion EUR (ISPA - 300 million EUR, EUR POS ENV - 700 million, EUR POIM 1.4 million). The final identification and planning of the public investments and the financial estimate for the renewal of the existing wastewater and water supply infrastructure, including the networks, based on their age and depreciation plans will be performed by MWF, MRDPA, MH.<br/>D: October 2019</p> |  |

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| 6   | <p><b>C4. An indication of the potential sources of public financing, when needed to complement user charges</b></p> <p>The financing arrangements for the water/ wastewater sector will be included in the Report on the strategic options for the water and wastewater sector, drafted by EBRD within the project developed by the Ministry of European Funds. D: October 2019<br/>Within the project of the MWF in cooperation with the World Bank, a Strategic Financing Plan will be drafted for the investments required to face the challenges under the wastewater Directive. Subsequently, this Plan will be approved by GD. D: MARCH 2020<br/>The strategic financing plan for the compliance with the requirements of the drinking water Directive will be elaborated by MWF, MRDPA, MH and it will be approved by GD. D: MARCH 2020</p>   |   |
| 7   | <p>The existence of waste management plan(s) in accordance with Article 28 of Directive 2008/98/EC as amended by Directive EU 2018/xxxx that cover the entire territory of the Member State and include:</p> <p><b>C1. an analysis of the current waste management situation in the geographical entity concerned, including the type, quantity and source of the generated waste and an evaluation of their future evolution considering the expected impacts of measures set out in the Waste Prevention Programme(s) developed in accordance with Article 29 of Directive 2008/98/EC as amended by Directive 2018/xx/EU</b></p> <p><b>C2. an assessment of existing waste collection schemes, including the material and territorial coverage of separate collection and the measures taken to improve its operation, as well as the need for new collection schemes</b></p> <p><b>C3. an investment gap assessment justifying the need for additional or upgraded waste infrastructure, with information on the sources of revenues available to cover the operation and maintenance costs</b></p> <p><b>C1, C2 and C3</b></p> <p>The National Waste Management Plan (PNGD) was approved by Government Decision no. 942/2017. The National Waste Management Plan covers the entire national territory and complies with Article 28 of Directive 2008/98/EC and its measures cover the period 2018-2025.<br/>For the period 2025-2027, the National Waste Management Plan will be updated on the basis of the technical assistance offered by the European Investment Bank within a project financed through LIOP, aiming at strengthening the institutional capacity of the Ministry of Environment in the field of waste management (to support implementation of the National Waste Management Plan).<br/>D: JUNE 2025 (During the discussions with COM, The Ministry of Environment claimed that the National Waste Management Plan must be updated by the end of 2020.)</p> | <p><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED MAY 23, 2019</b></p> <p>DWD officers: <b>Iulia Gugiu, Oana Zet, Roxana Lepadatu</b></p> <p>Authority officers</p> <ul style="list-style-type: none"> <li>ACOP Project:</li> <li>Conditionality: <b>Flavius ARDELEAN</b> – director</li> </ul> |



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| 7   | <p><b>C4. information on the location criteria for site identification and on the capacity of future waste treatment installations</b></p> <p>The National Waste Management Plan shows the new estimated investments at the level of the county/Bucharest.</p> <p>The methodological framework for the elaboration of county waste management plans was drafted (by Technical Assistance) and approved by Order of the Minister (no. 140 / 14.02.2019). The County Waste Management Plan (PJGD) will give details on the investments at a county level. D: OCTOBER 17, 2019</p> <p>The elaboration of the PJGD has the following status:</p> <ul style="list-style-type: none"> <li>• 2 counties in SEA procedure (Cluj and Prahova);</li> <li>• 9 counties in the elaboration phase (Bistrița Năsăud, Caraș Severin, Covasna, Dolj, Ilfov, Neamț, Sălaj, Sibiu, Vrancea);</li> <li>• 5 counties in the procurement phase for the elaboration (Bacău, Hunedoara, Iași, Satu Mare, Suceava);</li> <li>• 15 counties preparing the tender book for the procurement of the elaboration service for the County Waste Management Plan (Alba, Bihor, Botoșani, Brașov, Bușău, Călărași, Dâmbovița, Galați, Gorj, Ialomița, Mureș, Olt, Timiș, Vâlcea, Vaslui);</li> <li>• 9 counties where no procedure was initiated (Arad, Argeș, Brăila, Constanța, Giurgiu, Harghita, Maramureș, Teleorman, Tulcea);</li> <li>• Bucharest - The Waste Management Plan for Bucharest was elaborated before the approval of the National Waste Management Plan; therefore, it must be updated and it must undergo the SEA procedure.</li> </ul> <p>JASPERS will offer support and guidance for the elaboration of the County Waste Management Plan (on the basis of the Order-approved Methodology) for counties that will apply for financing through POIM. The first 3 County Waste Management Plans (Bistrița, Sibiu, Ilfov) have been transmitted and analysed by JASPERS and they all kept into account the new targets on the circular economy stated in the Methodology for the drafting of the County Waste Management Plan.</p> <p>Moreover, a new study will be conducted in 32 counties by November through PASSA BEI. It will allow identifying the infrastructure investments that are required to meet the objectives of the new Directive.</p> |   |

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| 8   | <p>A national or regional broadband plan is in place which includes:</p> <p><b>C1. an assessment of the investment gap that needs to be addressed to reach the EU Gigabit connectivity objectives, based on:</b></p> <ul style="list-style-type: none"> <li>• a recent mapping of the existing private and public infrastructure and quality of services using standard broadband mapping indicators</li> <li>• consultation on the planned investments</li> </ul> <p>D: DECEMBER 2019</p> <ul style="list-style-type: none"> <li>- ANCOM elaborates the mapping methodology (May 2019) and performs administrative mapping ("prerequisite level" approach agreed upon with the COM representatives); D: MAY 2019</li> <li>- public consultation to identify the market failures D: NOVEMBER 2019</li> </ul> <p><b>C2. the justification of planned public intervention on the basis of sustainable investment models that:</b></p> <ul style="list-style-type: none"> <li>• enhance affordability and access to open, quality and future-proof infrastructure and services</li> <li>• adjust the forms of financial assistance to the identified market failures</li> <li>• allow for a complementary use of different forms of financing from EU, national or regional sources</li> </ul> <p>MCIS has developed certain investment models and it identifies complementary financing sources (grants, state budget) and priority investments 2021-2027 T: OCTOBER 2020</p> <p><b>C3. measures to support demand and use of very high capacity networks, including actions to facilitate their roll-out, in particular through the effective implementation of the EU Broadband Cost-Reduction Directive</b></p> <p>MCIS sets forth the measures to support demand and use of the network and approves them by Order of the Minister or GD (depending on the measure implementation method)</p> <p>D: JUNE 2020</p> <p><b>C4. technical assistance mechanisms, including Broadband Competence Offices to reinforce the capacity of local stakeholders and advise project promoters</b></p> <p>MCIS decides on the possibility to have a Broadband Competence Office (BCO) following the analysis performed by the ACOP project D: JUNE 2020</p> <p><b>C5. a monitoring mechanism based on standard broadband mapping indicators</b></p> <p>MCIS sets forth the monitoring mechanism using the National Broadband Investment Plan; This Plan will be approved by GD D: NOVEMBER 2020</p> | <p><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED MAY 13 2019</b></p> <p><b>Main measures taken:</b></p> <p><b>Elaboration of the National Broadband Investment Plan 2021-2027</b></p> <p><b>TA</b></p> <p><b>ACOP project – beneficiary MCIS “Setting forth the reference framework for the broadband network deployment in Romania” - submitted – Dec.2018</b></p> <p>MCIS is implementing a grant scheme to develop the broadband NGA/NGN network and it cannot start an analysis leading to the fulfilment of the enabling condition criteria unless the grant awarding is completed:</p> <p><b>ACOP project – beneficiary MCIS “Integrated management system for an efficient information society” with a view to obtaining external expertise for the analysis of the opportunity or existence of one or more Broadband Competence Offices (BCO) and in the case of a positive result, to clearly setting forth the organisation and mandate of the BCO or of the BCO network. Letter no. 364/MVT/21.06.2019 to DG Regio transmitted updated information about the broadband mapping methodology that has been assumed by ANCOM for 2019. The updated information proposed by ANCOM, according to art. 22 of the European Code for Electronic Communication, which takes into consideration granularity at administrative number (prerequisite level) on the basis of the information provided by ANCP. No answer has been received to this letter so far (august).</b></p> <p>As for the enabling condition “National or regional broadband plan”, on July 3 2019, during a meeting with COM, MCIS mentioned that the investment deficit will be identified at the end of 2019 (on the basis of the information received from ANCOM), while the investment models will be completed during the first part of 2020will .</p> <ul style="list-style-type: none"> <li>• Seeing that the National Broadband Plan will be elaborated within an ESF-financed project as a public policy, it will include a series of <b>result indicators based on the ANCOM mapping</b>, more precisely broadband mapping indicators.</li> <li>• The MCIS solution to avoid difficulties such as those within the Ro-Net project, <b>is to “break” the project into several little projects</b> that are easier to manage and for which the construction permits will be issued easier.</li> <li>• MCIS also stated that the Ro-Net implementation duration was 1 year, while <b>for the national or regional broadband plan it will be different, meaning that it will last less.</b></li> </ul> <p>DWD officers: <b>Paula Tapalaga, Mirela Dobre, carmen Tumirica, Adrian Margarit</b></p> <p>Authority officers</p> <ul style="list-style-type: none"> <li>• ACOP Project:</li> <li>• Conditionality: <b>Mihaela Dumitrache</b> Director</li> </ul> |

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| <p data-bbox="133 856 350 957">Comprehensive<br/>transport planning<br/>at the appropriate<br/>level</p> <p data-bbox="133 1003 350 1077"><b>MINISTRY OF<br/>TRANSPORTATION<br/>(MT)</b></p> <p data-bbox="133 1102 350 1251"><b>MINISTRY OF<br/>REGIONAL<br/>DEVELOPMENT<br/>AND PUBLIC<br/>ADMINISTRATION<br/>(MRDPA)</b></p> <p data-bbox="133 1276 350 1350"><b>MINISTRY OF THE<br/>ENVIRONMENT<br/>(ME)</b></p> <p data-bbox="133 1375 350 1570"><b>ERDF and Cohesion<br/>Fund:<br/>3.2 Developing<br/>a sustainable,<br/>climate resilient,<br/>intelligent, secure<br/>and intermodal<br/>TEN-T network</b></p> | <p data-bbox="379 443 795 489">The existence of multimodal mapping of the existing and planned (until 2030) infrastructures that:</p> <p data-bbox="379 514 795 625"><b>C1. includes an economic justification of the planned investments, underpinned by a robust demand analysis and traffic modelling, which should take into account the anticipated impact of rail liberalisation</b></p> <p data-bbox="379 646 795 800">The Ministry of Transportation has elaborated the General Transport Master Plan (MPGT), approved by GD no. 666 / 2016, representing the plan of strategic development of the transportation sector for the following 15-20 years for all modes of transportation (roads, inland waterways, air, multimodal).</p> <p data-bbox="379 804 795 915">The projects have been classified on the basis of the information related to the internal rate of return of the projects, the study of the affiliation to the main/comprehensive TEN-T and the impact on the NATURA 2000 sites.</p> <p data-bbox="379 919 795 984"><b>The General Transport Master Plan will be revised in order to meet the requirements.</b><br/>Officer: MT D: QUARTER IV 2019</p> <p data-bbox="379 1010 795 1056"><b>C2. reflects the air quality plans, primarily taking into account the national decarbonisation plans</b></p> <p data-bbox="379 1060 795 1184">The Integrated National Energy and Climate Change Plan 2021-2030 has been notified to the EC in December 2018. The Operational Objective no. 9 - "Increasing energy efficiency" included measures for the transportation sector that will be implemented within the 2021-2030 period.</p> <p data-bbox="379 1188 795 1276">Deadline for completion: December 31, 2019. This will be approved by the Government through a legal act. The measures will be implemented by the relevant bodies.</p> <p data-bbox="379 1281 795 1304">Officer: ME, MEn, MT D: QUARTER II 2020</p> <p data-bbox="379 1329 795 1409"><b>C3. includes the investments in core TEN-T network corridors, such as defined by Regulation (EU) no. 1316/2013, in line with the respective TEN-T work plans</b></p> <p data-bbox="379 1413 795 1566">The main priority criterion of the scenarios analysed in PGT is the affiliation to the main/comprehensive TEN-T (30% of the weight) - as defined in the EU Regulation 1315/2013 and 1316/2013, followed by economic durability (70% of the weight). The criterion has been fulfilled. Officer: MT FULFILLED</p> <p data-bbox="379 1591 795 1682"><b>C4. ensures complementarity for any investments outside the core TEN-T, by ensuring sufficient connectivity of the regions and local communities to the core TEN-T and its nodes</b></p> <p data-bbox="379 1686 795 1774">The PGT contains the national transport model that covers the main and complex TEN-T, as well as the connections with TEN-T, ensuring integration of the transportation modes and their interoperability.</p> <p data-bbox="379 1778 795 1843">The regional connectivity will be ensured by connecting the primary network with the secondary and tertiary networks.</p> <p data-bbox="379 1848 795 1959">For the regional transport infrastructure, the MRDPA (supported by the Regional Development Agencies and the County Councils) analyses the connectivity with the secondary network and sends the results to the MT.<br/>Officer: MRDPA, MT D: QUARTER IV 2019</p> | <p data-bbox="854 1060 1240 1106"><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED MAY 14, 2019</b></p> <p data-bbox="854 1136 1240 1182">DWD officers: <b>Mariana Svestun, Adrian Margarit</b></p> <p data-bbox="854 1211 1240 1234">Authority officers</p> <ul data-bbox="854 1255 1240 1354" style="list-style-type: none"> <li>· ACOP Project:</li> <li>· Conditionality: <b>Ion Iordăchescu, State Secretary; Cătălin Costache, General Manager OIT</b></li> </ul> |

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| <p data-bbox="1715 1192 1724 1215">9</p>                                    | <p data-bbox="1944 443 2359 569"><b>C5. if applicable, reports the implementation of the ERTMS in accordance with the EU Commission implementation Regulation 2017/6 of January 5, 2017, related to the ERTMS implementation plan.</b></p> <p data-bbox="1944 573 2359 726">The investment objectives in the railway sector include the equipping with ERTMS 2. All projects aiming at modernising the railway infrastructure financed through POIM and CEF within the current programming period include the equipping with ERTMS 2 FULFILLED</p> <p data-bbox="1944 751 2359 877"><b>C6. promotes multimodality, by identifying the need for multimodal or transshipment terminals within the framework of freight and passenger transport, as well as the need for active modes of transport</b></p> <p data-bbox="1944 882 2359 1199">PGT covers all modes of transport: roads, railways, inland waterways, air, multimodal. MPGT has planned the public network of freight transport terminals in order to have non-discriminatory access to the logistics operators, integrators of railway-road services and railway-inland waterway services, by taking into account the current freight flows. The analysis considered: the connectivity with other modes, the geographical distribution of entry points in Romania for the transport of freight (harbours) and the population centres, the existing railway and road networks, the current and future traffic flows, the coverage area of freight trucks.<br/>The criterion has been FULFILLED. Officer: MT</p> <p data-bbox="1944 1245 2359 1325"><b>C7. includes measures aiming at promoting alternative fuels, in line with the relevant national policy frameworks</b></p> <p data-bbox="1944 1329 2359 1440">Promoting alternative fuels through the national strategy has involved energy-related institutions. ME, together with MT are analysing the measures needed to establish a national alternative fuel strategy.<br/>Officer: ME, MT D: QUARTER IV 2019</p> <p data-bbox="1944 1472 2359 1598"><b>C8. includes an assessment of road safety risks in line with the existing national road safety strategies, accompanied by a mapping of the affected roads and sections and a prioritisation of the corresponding investments</b></p> <p data-bbox="1944 1602 2359 1755">One of the horizontal objectives of the MPGT is road safety. Thus, the technical status of the national road network and the future trends of traffic flows are analysed, taking specific measures to reduce the road traffic accident rate by 50% by 2020 - allegedly at national level.</p> <p data-bbox="1944 1759 2359 1959">An assessment of road safety risks, in line with the existing national road safety strategies, was performed in 2016. It aimed at aggregating all the actions and priority actions proposed by the National Road Safety Strategy with the objectives and interventions proposed by PGT and POIM. A review of the road safety target by 2027, as well as the appropriate measures in the PGT.<br/>Officer: MT D: QUARTER IV 2019</p> |  |

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| 9   | <p><b>9C. provides information on budgetary and financing resources corresponding to the planned investments and required to cover the operation and maintenance costs of the existing and planned infrastructures</b></p> <p>Budgets are currently allocated to the transport infrastructure on an annual basis, in line with the current legislation. There are multi-annual budgets for the performance contracts, account being taken of the continuity of investments. The PGT investments are reviewed by taking into account the achieved progress.</p> <p>Officer: MT D: QUARTER IV 2019</p> |  |
| Strategic policy framework for active labour market policies  | <p>The existence of a strategic policy framework for the active labour market policies that reflects employment trends and includes:</p>   |  |
| MINISTRY OF LABOUR AND SOCIAL JUSTICE (MLSJ)  | <p><b>C1. arrangements to conduct jobseekers' profiling and the assessment of their needs, including entrepreneurial pathways</b></p> <p>The procedure used to establish the profile of unemployed persons registered with PES was adopted by the PES President, no. 11/2011.</p>  | <p><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED DECEMBER 18, 2018</b></p>  |
| European Regional Development Fund (ERDF)   | <p><b>C2. information on job vacancies and employment opportunities while taking into account the needs of the labour market</b></p> <p>The design and implementation of new services / tools focusing on labour mediation services, integrated into a job offer dedicated to the employers' needs will be achieved through a POCU project</p>   | <p><b>Measures taken:</b><br/><b>Drafting of the strategic employment guidelines after 2020 is based on the studies conducted under the Sectoral Research and Development Plan of MLSJ 2018-2020 D: DECEMBER 2019</b></p>  |
| 4.1. Enhancing the effectiveness of labour markets and the access to quality employment through the development of infrastructure.  | <p><b>C3. arrangements to ensure that its design, implementation, monitoring and review are conducted in close cooperation with the relevant stakeholders</b></p>  | <p><b>a) Social-economic analysis of employment 2014-2020 D: DECEMBER 2019</b></p> <p>R2.1. "Research report - Assessment of the degree of achievement of the objectives of the National employment strategy 2014-2020" and R.2.2. "Research Report - Assessment of the impact of the employment policies as of 2014 and perspectives until 2020 aiming at reaching the employment target set forth within the Europe 2020 Strategy" – completed July 2019</p> |
| ESF:<br>4.1.1. Improving access to employment of all jobseekers, including youth, and of inactive people and promoting self-employment, and the social economy;                                 | <p>The consultative process regarding labour market provisions involves both public institutions and social partners with responsibilities and expertise in the field of labour market (Permanently). Moreover, the PES-related documents/measures are discussed and approved by the board of directors. These documents/measures will also be submitted to public consultation.</p>   | <p><b>b) ROMANIA 2020, 2025 Agenda for Skills D: DECEMBER 2019</b></p> <p>R2.3. "Research report: Identification of employment policy adjustment measures and solutions (proposals to modify the currently implemented ones and the identification of new measures)" – July 2019</p>   |
| 4.1.2 Modernising labour market institutions and services to ensure timely and tailored assistance and support for demand and offer correlation, transitions and mobility on the labour market; | <p><b>C3. arrangements to ensure that its design, implementation, monitoring and review are conducted in close cooperation with the relevant stakeholders</b></p> <p>The consultative process regarding labour market provisions involves both public institutions and social partners with responsibilities and expertise in the field of labour market (Permanently). Moreover, the PES-related documents/measures are discussed and approved by the board of directors. These documents/measures will also be submitted to public consultation.</p>   | <p><b>- Elaboration of the national employment strategy after 2020 D: DECEMBER 2020</b></p> <p>DWD officers: <b>Irina Nichifor, Valentina Niculae, Monica Pana</b></p>   |
|   | <p><b>C4. arrangements to monitor, assess and review the active labour market policies</b></p> <p>Annual proposal of employment programmes and training plans for jobseekers to MLSJ.</p>  | <p>Authority officers</p> <ul style="list-style-type: none"> <li>ACOP Project:</li> <li>Conditionality: <b>Elena SOLOMONESC, State Secretary</b></li> </ul>  |

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| 10  | <p><b>C5. for youth employment interventions, evidence-based and targeted pathways towards unemployed young people who don't attend any education or training program, including outreach measures based on actual data and quality requirements that take into account criteria for apprenticeships and quality traineeships, even in the context of Youth Guarantee schemes implementation</b></p> <p>The legislative package (Law no. 76/2002 and GD no. 174/2002) has been modified to include NEETs as a vulnerable group. Moreover, the Apprenticeship Law and Law no. 335/2013 concerning the performance of internship by higher education graduates also apply to NEETs. Projects such as INTESPO (financed through POCU) aim at the identification, profiling and counselling of the NEETs, but also at the stimulation of employment among NEETs.</p> |  |
| National strategic framework for gender equality  | <p>The existence of a national strategic policy framework for gender equality that includes:</p>   |  |
| MINISTRY OF LABOUR AND SOCIAL JUSTICE (MLSJ)  | <p><b>C1. evidence-based identification of challenges to gender equality</b></p> <p>Development of a diagnosing analysis including a precise evidence-based identification of challenges related to gender equality D: SEPTEMBER 2019<br/>- The deliverables related to the activities within this Project have been transmitted to MLSJ in its capacity of Partner and to the Project Manager</p>   | <p><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED DECEMBER 18, 2018</b></p>  |
| National Agency for Equality of Chances between Women and Men   | <p><b>C2. measures to address gender disparities in employment, pay and pensions, and promote the work-life balance, through an improved access to early childhood education and care and other ways, while defining target-values</b></p>   | <p><b>Measures taken:</b><br/><b>Elaboration of the National Strategy for social inclusion and equality of chances after 2020 D: MARCH 2020 TA</b></p>   |
| European Regional Development Fund (ERDF)   | <p>Elaboration of an action plan that will also include measures to approach disparities between women and men D: FEBRUARY 2020</p>  | <p>ACOP– beneficiary: <b>MLSJ</b> in partnership with the National School of Political and Administrative Studies and the National Agency for Equality of Chances between Women and Men -<br/>Development of a national policy framework for social inclusion and equality of chances after 2020</p> |
| 4.1. Enhancing the effectiveness of labour markets and access to quality employment through the development of the infrastructure   | <p><b>C3. methods of monitoring, evaluation and review of the strategic policy framework and data collection methods</b></p> <p>The national strategic framework includes arrangements for the monitoring, evaluation and review of the strategy and data collection methods D: FEBRUARY 2020</p>  | <p>DWD officers: <b>Andreea Tudor, Adrian Barbu</b></p>  |
| ESF:<br>4.1.3 Promoting a better work/life balance including access to childcare, a healthy and well-adapted working environment where health risks are taken into account, the workers' adaptation to change and healthy and active aging; | <p><b>C4. arrangements to ensure that its design, implementation, monitoring and review are conducted in close cooperation with the bodies that promote equality, with the social partners and the relevant organisations of the civil society</b></p> <ul style="list-style-type: none"> <li>Organisation of regional workshops with social partners and relevant organisations of the civil society (within the above plan).</li> <li>-The national strategic framework includes measures to ensure involvement of the organisations of the civil society in the process of implementation, monitoring and review.</li> <li>- Public consultation and debate related to the Government Decision for purposes of approval of the strategic documents D: MARCH 2020</li> </ul>   | <p>Authority officers</p> <ul style="list-style-type: none"> <li>ACOP Project: (Stefania Andreeescu – MLSJ)</li> <li>Conditionality: <b>Cristina GEANĂ – inspector</b></li> <li>Contact person for ANES: <b>dir. Gianina Dimitrescu</b></li> </ul>   |

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| <p>Strategic policy framework for the system of education and training, at all levels</p> <p><b>MINISTRY OF NATIONAL EDUCATION (MNE)</b></p> <p>European Regional Development Fund (ERDF)</p> <p>4.2 Improving access to inclusive and quality services in education, training and lifelong learning by developing the infrastructure; ESF:</p> <p>4.1.4 Improving the quality, effectiveness and labour market relevance of the systems of education and training</p> <p>4.1.5 Promoting flexible upskilling and reskilling opportunities for all, even by facilitating career transitions and promoting professional mobility</p> <p>4.1.6 Promoting equal access, in particular that of the disadvantaged groups, to quality education and training, from early childhood education and care through general and vocational education and training and up to the tertiary level of education</p> | <p>The existence of a national and/or regional strategic policy framework for the system of education and training that includes:</p> <p><b>C1. evidence-based systems of anticipation and forecasting of the skills, as well as monitoring mechanisms and services</b> Strategic planning documents regarding the technical and vocational training at a regional, county and local level (on an annual basis). A mechanism of anticipation of the needs for certain skills and qualifications will be developed within a POCU-financed project.</p> <p><b>C1. wthe career progression of the graduates for quality and effective guidance offered to the learners of all ages</b></p> <p>C1a -there are 2 interconnected graduate tracking systems (Permanent). The tertiary graduate tracking mechanism is developed within the CAOP Project (March 2019). The VET graduate tracking mechanism is developed within the HCOP Project.</p> <p><b>C2. measures to ensure equal access to, participation in and completion of quality, relevant and inclusive education and training and the acquisition of key competences at all levels, including higher education</b> D: 2020</p> <p>Equal access is ensured by national social programmes implemented on an annual basis (Romanian Programme for School, School consumption, 200 Eur – Money for a warm meals in high schools, School transfer, Tickets for kindergarten education) and the National "Second Chance" Programme. The quality of education is ensured by means of training projects and programmes destined for the teachers.</p> <p>2 non-performing POCU projects will contribute to the quality of higher education, but also to the relevance of skills and competences on the labour market</p> <p><b>C3. coordination mechanism across all levels of education and training, including tertiary education, and a clear distribution of responsibilities between the relevant national and/or regional bodies</b></p> <p>A coordination mechanism is being set forth to cover all levels of education and professional training. (Letter MNE no.2152 / 2015) PERMANENT</p> <p><b>C4. arrangements for the monitoring, evaluation and review of the strategic policy framework</b></p> <p>The holistic framework of coordination of the implementation, monitoring and assessment of the national strategies is set forth by virtue of Letter of the MNE no.2152 / 2015 and it is developed by the technical working groups (Permanent). The technical working groups draft reports for each particular strategy. The integrated monitoring report is validated by a Monitoring Committee. The monitoring methodology is developed by the World Bank within the ACOP project.<br/>D: SEPTEMBER 2018</p> | <p><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED MAY 30, 2019</b></p> <p><b>Main measures taken:</b></p> <p>The MNE will update and extend the measures set forth in the national strategies by 2030. The strategic policy framework will be ensured by the following strategies:</p> <ul style="list-style-type: none"> <li>- National Strategy to reduce the early school leaving rate</li> <li>- National Strategy for education and vocational training</li> <li>- National Strategy for tertiary education</li> <li>- National Infrastructure Strategy 2019-2023<br/>D: DECEMBER 2020</li> </ul> <p>Implementation period January 2019 - December 2020</p> <p><b>TA</b></p> <p>ACOP project- beneficiary MNE: "The New Perspective in Education "- development of public policy education 2030</p> <p>DWD officers: <b>Alina Mirea, Carmen Tumurica</b></p> <p>Authority officers</p> <ul style="list-style-type: none"> <li>· ACOP Project:</li> <li>· Conditionality: <b>Merima PETROVICI</b>, Director</li> </ul> <p>Implementation Unit for Projects Financed by Structural Funds</p> |

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| 12  | <p><b>C5. measures to target low-skilled, low-qualified adults and persons with disadvantaged socio-economic backgrounds and upskilling pathways</b></p> <p>Each year, the MNE implements various measures for adults to allow them to complete their studies, including the "The second Chance" Programme. Moreover, in 2020 the instructions for the certification and assessment of the Community Centres for Lifelong Learning will be elaborated.</p> <p><b>C6. measures to support teachers, trainers and academic staff as regards appropriate learning methods, but also the assessment and validation of key competences</b></p> <p>The national strategy for education and training sets forth the measures required to extend mutual learning and good practice exchanges to ensure the preliminary conditions for the participation in a European inclusive labour market. The non-competitive POCU project "Systematic development of vocational and technical education in line with the social and economic development needs at a national, regional and local level" aims at improving the competences of people skilled to provide vocational training programs, starting with the initial vocational training and the on-going vocational training and at assessing learning outcomes acquired in formal, non-formal and informal contexts. D: 2020</p> <p>Moreover, another non-competitive project, "Relevant curriculum, open education for all – CRED" reviews the curriculum for primary and lower secondary education and provides training for 55000 teachers. The project includes measures to support the innovative and sustainable application of the new national curricula and enhanced the access of the children in primary and lower secondary education to quality learning experiences D: NOVEMBER 2021</p> <p><b>C7. measures to promote the mobility of learners and staff, but also the transnational collaboration of education and training providers, including through the recognition of learning outcomes and qualifications</b></p> <p>ERASMUS + - transnational mobility for higher education students, VET students, teachers. Beyond 2020, the programme will continue to finance the mobility of students attending secondary education and general education courses.</p> |  |

| Enabling conditions<br>Specific objective<br>Romanian relevant<br>authority  | <b>FULFILMENT CRITERIA FOR THE<br/>ENABLING CONDITION</b><br>(COMPROMISE 13 FEBRUARY 2019)  | <b>NOTES + OFFICERS</b> (Ministry of<br>European Funds (MEF) and Line<br>Ministries)   |
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| <p data-bbox="133 443 350 835"><b>National strategic policy framework for social inclusion and poverty reduction</b></p> <p data-bbox="133 856 350 961"><b>MINISTRY OF LABOUR AND SOCIAL JUSTICE (MLSJ)</b></p> <p data-bbox="133 982 350 1056"><b>European Regional Development Fund (ERDF)</b></p> <p data-bbox="133 1077 350 1381"><b>4.3 Increasing the socio-economic integration of marginalised communities, migrants and disadvantaged groups, through integrated measures that include housing and social services</b></p> <p data-bbox="133 1402 350 1434"><b>ESF:</b></p> <p data-bbox="133 1455 350 1707"><b>4.1.7 Promoting active inclusion for various purposes, including that of promoting equal opportunities and active participation, and improving employability;</b></p> | <p data-bbox="379 443 804 516">The existence of a national strategic policy framework for social inclusion and poverty reduction that includes:</p> <p data-bbox="379 537 804 674"><b>C1. evidence-based diagnosis of poverty and social exclusion including child poverty, homelessness, spatial and educational segregation, limited access to essential services and infrastructure, and the specific needs of vulnerable persons</b></p> <p data-bbox="379 674 804 863">Development of a diagnosing analysis including a precise evidence-based identification of the challenges related to social inclusion<br/><i>In August 2019 the SNSPA experts sent a first deliverable draft to MLSJ, which received several observations and supplementing suggestions. After revision, the deliverable will be submitted for discussions within the Inter-ministerial Working Group between August 26 and 30, 2019.</i><br/>Subsequent to the approval of its content by the IMWG, the MLSJ will send the material to the MEF. MLSJ is expected to observe the deadline assumed by memorandum for this material, namely<br/>D: SEPTEMBER 2019</p> <p data-bbox="379 999 804 1115"><b>C2. measures to prevent and combat segregation in all fields by various methods, including the provision of adequate income support, inclusive labour markets and access to quality services for vulnerable persons, migrants included</b></p> <ul data-bbox="379 1115 804 1325" style="list-style-type: none"> <li>- Elaboration of a national strategy for social inclusion and the reduction of poverty after 2020 (2021-2027)</li> <li>- Elaboration of an action plan (by the Quality of Life Research Institute and the Ministry of Labour and Social Justice) that includes measures to provide adequate income support, inclusive labour markets and access to quality services<br/>D: FEBRUARY 2020</li> </ul> <p data-bbox="379 1346 804 1388"><b>C3. measures to allow the shift from institutional to community-based care</b></p> <ul data-bbox="379 1388 804 1482" style="list-style-type: none"> <li>- Elaboration of an action plan that includes measures that should allow the shift from institutional to community-based care<br/>D: FEBRUARY 2020</li> </ul> <p data-bbox="379 1503 804 1619"><b>C4. arrangements for ensuring that its design, implementation, monitoring and review are conducted in close cooperation with the social partners and the relevant organisations of the civil society</b></p> <ul data-bbox="379 1619 804 1881" style="list-style-type: none"> <li>· Organisation of four regional workshops with the participation of social partners and the relevant organisations of the civil society (within the above-mentioned project).</li> <li>· The national strategic framework includes arrangements for ensuring the involvement, implementation, monitoring and review by organisations of the civil society.</li> <li>- Public consultation and debate related to the Government Decision to approve the strategic documents.<br/>D: MARCH 2020</li> </ul> <p data-bbox="379 1913 804 1961">MLSJ estimated (in Aug 2019) that all deadlines will be met</p> | <p data-bbox="854 863 1246 915"><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED DECEMBER 18, 2018</b></p> <p data-bbox="854 936 1246 968"><b>Measures taken:</b></p> <ul data-bbox="854 978 1246 1083" style="list-style-type: none"> <li>· <b>Elaboration of the National Strategy for social inclusion and equality of chances after 2020</b><br/>D: MARCH 2020</li> </ul> <p data-bbox="854 1104 1246 1136"><b>TA</b></p> <p data-bbox="854 1136 1246 1325">ACOP project – beneficiary: MLSJ elaboration of a national policy framework for social inclusion and equality of chances after 2020 - project Implemented by the Ministry of Labour and Social Justice in partnership with the National School of Political and Administrative Studies and the National Agency for Equality of Chances between Women and Men</p> <p data-bbox="854 1346 1246 1377">DWD officers: <b>Andreea Tudor</b></p> <p data-bbox="854 1398 1246 1430">Authority officers</p> <ul data-bbox="854 1440 1246 1545" style="list-style-type: none"> <li>· ACOP Project: (appointed by MLSJ-) <b>Stefania Andreescu</b></li> <li>· Conditionality: <b>Elena SOLOMONESC, State Secretary</b></li> </ul> |

| Enabling conditions<br>Specific objective<br>Romanian relevant<br>authority   | <b>FULFILMENT CRITERIA FOR THE<br/>ENABLING CONDITION</b><br>(COMPROMISE 13 FEBRUARY 2019)  | <b>NOTES + OFFICERS</b> (Ministry of<br>European Funds (MEF) and Line<br>Ministries)  |
|---|---|---|
| <p data-bbox="1691 1003 1908 1077"><b>National Roma Integration Strategy</b></p> <p data-bbox="1691 1098 1908 1150"><b>National Agency for the Roma (ANR)</b></p> <p data-bbox="1691 1192 1908 1381"><b>ESF:<br/>4.1.8 Promoting socio-economic integration of marginalised communities such as the Roma;</b></p> | <p data-bbox="1938 443 2362 558">The existence of a National Roma Integration Strategy (NRIS) that includes the following:<br/>In order to fulfil the existence criterion for a National Roma Integration Strategy (NRIS), the following measures will be taken:</p> <ul data-bbox="1938 558 2362 1167" style="list-style-type: none"> <li>· Organisation of meetings of the Advisory Committee ANR - ANR-</li> <li>· Bilateral consultations with the central and local public authorities</li> <li>· Public events to identify / debate priorities - (ANR / MEF through the technical assistance project financed under Axis 7 of the Human Capital Operational Axis) 2019</li> <li>· Design of first project NRIS, ANR D: QUARTER I 2019</li> <li>· Consultation of the responsible ministries / authorities for the first NRIS project D: QUARTER I 2019</li> <li>· Action plans developed by the responsible ministries / authorities, ANR, responsible authorities<br/>D: QUARTER I 2019</li> <li>· revision / adjustment T: QUARTER II 2019</li> <li>· Completion and approval of NRIS by Government Ordinance - measures to accelerate Roma integration, to prevent and eliminate segregation, taking into account the gender dimension and situation of young Roma, and to set baseline and measurable milestones and targets<br/>Dedicated chapter within NRIS, based on the action plans of the responsible ministries / authorities, ANR D: QUARTER II 2019</li> </ul> <p data-bbox="1938 1188 2362 1293"><b>C1. measures to accelerate Roma integration, to prevent and eliminate segregation, taking into account the gender dimension and situation of young Roma and to sets baseline and measurable milestones and targets</b></p> <p data-bbox="1938 1293 2362 1388">Elaboration of a dedicated chapter within NRIS, based on the measure plans assumed by the responsible ministries / authorities. - ANR. - ANR D: QUARTER II 2019</p> <p data-bbox="1938 1409 2362 1503"><b>C2. arrangements for the monitoring, evaluation and review of the Roma integration measures</b><br/>Elaboration of a dedicated chapter within NRIS related to:</p> <ul data-bbox="1938 1514 2362 1598" style="list-style-type: none"> <li>· the monitoring and evaluation system;</li> <li>· the strategy review system – ANR<br/>D: QUARTER II 2019</li> </ul> <p data-bbox="1938 1619 2362 1734"><b>C3. arrangements for the mainstreaming of Roma inclusion at regional and local level</b><br/>Definition within NRIS of the arrangements for the mainstreaming of Roma inclusion at regional and local level<br/>D: QUARTER II 2019</p> <p data-bbox="1938 1766 2362 1902"><b>C4. arrangements for ensuring that its design, implementation, monitoring and review are conducted in a close cooperation with the Roma civil society and all the other relevant stakeholders, including those at the regional and local levels</b></p> <p data-bbox="1938 1902 2362 1961">Consultation with the relevant stakeholders through the ANR Advisory Committee and through various public events about NRIS D: QUARTER II 2019</p> | <p data-bbox="2412 716 2804 768"><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED MARCH 21, 2019</b></p> <p data-bbox="2412 768 2804 936"><b>On August 19, this year, the National Roma Contact Point organized the meeting of the Inter-ministerial Committee for the monitoring and evaluation of the Strategy of the Romanian Government for the inclusion of the Romanian citizens belonging to the Roma minority.</b></p> <p data-bbox="2412 936 2804 1010"><b>The progress registered by ANR to define the Roma Inclusion Strategy after 2020 was presented.</b></p> <p data-bbox="2412 1010 2804 1104"><b>The next meeting of the Committee will take place in October 2019 and it will submit the first version of the strategic document for debate</b></p> <p data-bbox="2412 1115 2804 1335">The grant application for TA POCU entitled <b>Continuing to strengthen the capacity of the National Roma Contact Point - Stage 2</b> was submitted, aiming at organising various events meant to improve the social inclusion policies for Romanian citizens who belong to the Roma minority in the following fields: accommodation, children's rights, employment, education, anti-discrimination</p> <p data-bbox="2412 1356 2804 1388"><b>Measures taken:</b></p> <ul data-bbox="2412 1398 2804 1451" style="list-style-type: none"> <li>· <b>Elaboration of the National Roma Integration Strategy (NRIS)</b></li> </ul> <p data-bbox="2412 1482 2804 1514">DWD officers: <b>Adrian Barbu, Alin Mihai</b></p> <p data-bbox="2412 1535 2804 1566">Authority officers</p> <ul data-bbox="2412 1577 2804 1629" style="list-style-type: none"> <li>· ACOP Project:</li> <li>· Conditionality: <b>Mariana Buceanu</b></li> </ul> <p data-bbox="2412 1671 2804 1703"><b>Public Policy Department Counsellor</b></p> |

| Enabling conditions<br>Specific objective<br>Romanian relevant<br>authority  | <b>FULFILMENT CRITERIA FOR THE<br/>ENABLING CONDITION</b><br>(COMPROMISE 13 FEBRUARY 2019)   | <b>NOTES + OFFICERS</b> (Ministry of<br>European Funds (MEF) and Line<br>Ministries)  |
|--|--|---|
| <p data-bbox="133 793 371 867"><b>Strategic policy framework for health</b></p> <p data-bbox="133 894 371 947"><b>Ministry of Health (MH)</b></p> <p data-bbox="133 974 371 1047"><b>European Regional Development Fund (ERDF)</b></p> <p data-bbox="133 1075 371 1245"><b>4.4 Ensuring equal access to healthcare by developing the infrastructure, including access to primary care</b></p> <p data-bbox="133 1272 371 1619"><b>ESF:<br/>4.1.9 Enhancing the equal and timely access to quality, sustainable and affordable services; improving accessibility, effectiveness and resilience of healthcare systems; improving access to long-term care services</b></p> | <p data-bbox="371 583 845 636">The existence of a national or regional strategic policy framework for health that contains:</p> <p data-bbox="371 636 845 730"><b>C1. a mapping of the health and long-term care needs, including reference to the medical staff, for the purpose of ensuring sustainable and coordinated measures</b></p> <p data-bbox="371 730 845 804">Elaboration of five regional master plans (South-East, South-Muntenia, West, Centre, Bucharest-Ilfov) - MH, D: MAY 2021</p> <p data-bbox="371 804 845 856">- Development of the Healthcare Professionals Register, MH D: QUARTER III-IV 2022</p> <p data-bbox="371 884 845 1031"><b>C2. measures to ensure the efficiency, sustainability, accessibility and affordability to health and long-term care services, including a specific focus on individuals who have been excluded from the health and long-term care systems</b></p> <p data-bbox="371 1031 845 1178">Development of some testing / screening methodologies for noncommunicable or communicable diseases representing public health problems (e.g., breast cancer, cervical cancer, colorectal cancer, hepatitis B and C, tuberculosis, pregnancy and children, etc.) D: QUARTER IV 2020</p> <p data-bbox="371 1178 845 1251">- Completion of the plans developed for the main morbidity causes (The National Cancer Plan, The Hepatitis Plan) - MH, D: QUARTER I 2021</p> <p data-bbox="371 1251 845 1325">- Implementation of the integrated tuberculosis prevention services and patient-centred care - MH, D: QUARTER II 2021</p> <p data-bbox="371 1325 845 1419">- Completion of the health examination prevalence survey among the population, according to the European methodology - MS, D: QUARTER III-IV 2022</p> <p data-bbox="371 1419 845 1493">- Development of the disease registers by pathologies and their interconnection to the electronic patient file- MH D: QUARTER IV 2022</p> <p data-bbox="371 1520 845 1614"><b>C3. measures to promote community-based services, including prevention and primary care, home-care and community-based services</b></p> <p data-bbox="371 1614 845 1761">Development of integrated community-based services, including investments for the modernization, extension, equipping of the Integrated Community Centres (CCI) -MH / INSP (National Public Health Institute), D: QUARTER IV 2021</p> <p data-bbox="371 1761 845 1835">- Implementation of telemedicine services in the Integrated Community Centres - MH D: QUARTER IV 2021</p> | <p data-bbox="845 793 1261 846"><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED DEC 18 2018</b></p> <p data-bbox="845 873 1261 894"><b>Measures taken:</b></p> <ul data-bbox="845 915 1261 1167" style="list-style-type: none"> <li>• <b>Interim assessment of the implementation of the National Health Strategy 2014-2020 - MH, D: QUARTER IV 2019</b></li> <li>• <b>Assessment of the implementation of the National Health Strategy 2014-2020 - MH, D: March 2020</b></li> <li>• <b>Elaboration of the National Health Strategy (SNS) 2021-2027 – MH T: November 2020</b></li> </ul> <p data-bbox="845 1188 1261 1209"><b>TA</b></p> <p data-bbox="845 1209 1261 1335">A POCA project was submitted within the call for IP 14 (the suggested deadlines will be met provided that the financing contract is signed in July this year)</p> <p data-bbox="845 1356 1261 1409">DWD officers: <b>Alin Mihai, Iulia Gugiu, Valentina Niculae, Andreea Tudor</b></p> <p data-bbox="845 1430 1261 1451">Authority officers</p> <ul data-bbox="845 1472 1261 1577" style="list-style-type: none"> <li>• ACOP Project:</li> <li>• Conditionality: <b>Florentina FURTUNESCU</b> National Public Health Institute</li> </ul> <p data-bbox="845 1598 1261 1619"><b>Monica ISĂILĂ</b> – Public Policy Unit</p> |

| Enabling conditions<br>Specific objective<br>Romanian relevant<br>authority   | <b>FULFILMENT CRITERIA FOR THE<br/>ENABLING CONDITION</b><br>(COMPROMISE 13 FEBRUARY 2019)   | <b>NOTES + OFFICERS</b> (Ministry of<br>European Funds (MEF) and Line<br>Ministries)   |
|---|--|--|
| <p data-bbox="1685 1094 1923 1220"><b>Effective mechanisms of monitoring of the public procurement market</b></p> <p data-bbox="1685 1247 1923 1320"><b>National Agency for Public Procurement (ANAP)</b></p> | <p data-bbox="1923 489 2398 562"><b>The existence of some monitoring mechanisms that cover all procedures under the national public procurement legislation and that include:</b></p> <p data-bbox="1923 562 2398 720"><b>1. Arrangements to ensure the compilation of effective, reliable and exhaustive data and indicators facilitating the reporting obligations under Articles 83 and 84 of Directive 2014/24/EU and Articles 99 and 100 of Directive 2014/25/EU. The data and indicators cover at least the following elements:</b></p> <p data-bbox="1923 720 2398 846">a. The quality and intensity of the competition: the names of the winning bidders, as well as those of the initial bidders, the number of initial bidders, the number of selected bidders, the contractual price</p> <p data-bbox="1923 846 2398 940">The Quality and intensity of the competition: the names of winning bidders, as well as those of the initial bidders, the number of initial bidders, the number of selected bidders, the contractual price</p> <ul data-bbox="1923 951 2398 1749" style="list-style-type: none"> <li>• It is necessary to clarify what you understand by "names of winning bidders". Do you mention the name of the winning bidder for each procedure, the names of the bidders for each procedure / lot or the names of the winners in the case of a framework agreement concluded with several economic operators?</li> <li>• What do you understand by "number of selected bidders"? Is it the bidder selected in the case of procedures that have a selection phase (such as, for example, the restricted procedure or the competitive procedure with a negotiation or the competitive dialogue)? Moreover, by "selected bidders" must we understand the admissible bid within an open procedure?</li> <li>• It should be clarified whether the "contractual" value refers to the price awarded to the initial contract (as a result of the completion of the award procedure) or to the final price at the end of the contract (considering any change in the price during the implementation period in accordance with Article 72, Directive 2014/24 / EC and Article 89, Directive 2017/25 / EC). What is the contractual value in the case of framework agreements, considering that the total value of the signed contracts may be different from the value of the framework agreement?</li> </ul> <p data-bbox="1923 1770 2398 1854"><b>b. Information on the final price after completion and on the participation of SMEs as direct bidders, if the national systems provide such information</b></p> <p data-bbox="1923 1854 2398 1927">Information on the final price after completion and on the participation of SMEs as direct bidders, if the national systems provide such information;</p> | <p data-bbox="2398 867 2855 940"><b>Fulfilled</b> - The measures already implemented within the current programming period meet the criteria.</p> <p data-bbox="2398 940 2855 993">National Self-Assessment transmitted by ANAP - no. 8025/28 June</p> <p data-bbox="2398 1014 2855 1119"><b>Clarifications are necessary in order to define the monitoring mechanism within the ACOP project, implemented with the World Bank support.</b></p> <p data-bbox="2398 1140 2855 1161"><b>TA</b></p> <p data-bbox="2398 1161 2855 1266">Supporting the implementation of the National Public Procurement Strategy by strengthening the administrative capacity of ANAP and of the contracting authorities</p> <p data-bbox="2398 1287 2855 1308">DWD officers: DCSM - Beatrice Nanis</p> <p data-bbox="2398 1329 2855 1350">ACOP officers:</p> <p data-bbox="2398 1371 2855 1392">Authority officers</p> <ul data-bbox="2398 1413 2855 1486" style="list-style-type: none"> <li>• ACOP Project:</li> <li>• Conditionality: <b>Raluca Marțian</b></li> </ul> <p data-bbox="2398 1497 2855 1549">Chief of the department - Public Policies and System Coordination Dept.</p> |

| Enabling conditions<br>Specific objective<br>Romanian relevant<br>authority | <b>FULFILMENT CRITERIA FOR THE<br/>ENABLING CONDITION</b><br>(COMPROMISE 13 FEBRUARY 2019)  | <b>NOTES + OFFICERS</b> (Ministry of<br>European Funds (MEF) and Line<br>Ministries)  |
|---|---|---|
| 16  | <p>1. What do you understand by "final price after completion"?</p> <ul style="list-style-type: none"> <li>a) price of the winning bid;</li> <li>b) price of the signed contract;</li> <li>c) price of the contract after execution.</li> </ul> <p>2. If only certain member states provide relevant information, the situation in different countries cannot be compared and we will not have a comprehensive image within the EU.</p>   |   |
| 17  | <p>Managing authorities have the tools and capacity to verify compliance with State aid rules:</p> <p><b>C1. For undertakings in difficulty and undertakings under a recovery requirement.</b><br/>Currently, MA verifies whether a potential beneficiary (undertaking) is in difficulty or not, applying a methodology to verify the classification as a "undertaking in difficulty", as defined in the European Union state aid rules applicable to projects funded by ESI funds (part of the internal procedures at the MA level).<br/>For undertakings under a recovery requirement: - The State Aid Register (RAS) allows the ex-ante verification of the beneficiary's eligibility for state aid / de minimis aid; the IT system provides information on the state aid / de minimis aid received by a beneficiary, as well as information on the illegal aid to be recovered (the "Deggendorf" obligation).</p> <p><b>C2. Access to expert advice and guidance on State aid matters, provided by local or national experts from the local or national State aid authorities.</b><br/>According to paragraph (2), art. 6 of EGO no. 77/2014 on the national state aid procedures for the amendment and supplement of the Competition Law no. 21/1996, the Competition Council (CC) provides state-level specialized state aid assistance to the authorities, other providers and state aid beneficiaries in order to ensure the fulfilment of the obligations assumed by Romania in this field, as a European Union member state, including the obligations in the process of elaboration of rules or administrative documents that set forth measures such as the state aid / the de minimis aid.</p> | <p><b>Fulfilled</b> - The measures already implemented within the current programming period meet the criteria.<br/>CC completed the actions undertaken (C2) - CC letter no.7798/05.07.2019<br/>DWD officers: <b>Mirela Dobre, Valentina Niculae</b><br/><br/>Authority officers<br/>· Conditionality: <b>Mihai Dragoi, Director of State Aid</b></p> |

| Enabling conditions<br>Specific objective<br>Romanian relevant<br>authority | <b>FULFILMENT CRITERIA FOR THE<br/>ENABLING CONDITION</b><br>(COMPROMISE 13 FEBRUARY 2019)  | <b>NOTES + OFFICERS</b> (Ministry of<br>European Funds (MEF) and Line<br>Ministries)   |
|---|---|--|
| 18  | <p>The Managing Authorities have:</p> <p><b>C1. The tools and capacity to verify the compliance with the Charter.</b><br/>Arrangements to ensure verification of the compliance of the funded operations with the Charter of Fundamental Rights.<br/>The Ministry of European Funds will elaborate a draft guide to ensure verification of the compliance of the operations with the Charter:<br/>Deadline: Quarter IV 2019</p> <p>How should the verification of compliance be conducted? This cannot be significantly implemented within a project.<br/>How can a checklist be made to check whether an operational program complies with the Charter or not?<br/>What if the reference framework contains all the Charter rights?<br/>Will the operational texts of the draft regulations that set up EU funds be included (2021-2027) in powerful and consistent clauses on fundamental rights (with certain guidelines for the member states)?</p> <p><b>C2. Reporting arrangements addressed to the monitoring committee on the compliance of relevant cases with the Charter</b><br/>Methods of reporting of the compliance of funded operations with the Charter to the monitoring committee<br/>What are the arrangements at the level of the project/operation to ensure compliance? Some examples might help understand the meaning of this.<br/>How to create a tool capable of highlighting the "relevant cases" in terms of status compliance?<br/>Do the Managing Authorities need a separate guide for the Charter?</p> | <p>Romania considers that the application of this enabling condition has no added value for the cohesion policy and its outcomes. Moreover, it contravenes the simplification principles.<br/>From a legal point of view the Charter of Fundamental Rights is already compulsory for all member states. This condition generates a disproportionate administrative burden, if it has to be assessed for each operation.</p> <p>DWD officers: <b>Andreea Tudor</b><br/><br/>Authority officers: <b>Vice-president Sandu Tatiana</b></p> |

| Enabling conditions<br>Specific objective<br>Romanian relevant<br>authority   | FULFILMENT CRITERIA FOR THE<br>ENABLING CONDITION<br>(COMPROMISE 13 FEBRUARY 2019)   | NOTES + OFFICERS (Ministry of<br>European Funds (MEF) and Line<br>Ministries)   |
|---|--|---|
| <p><b>Implementation and enforcement of the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)</b></p> | <p>The existence of a national framework for the implementation of the UNCRPD that includes:</p> <p><b>C1. Objectives with measurable goals, a data collection and monitoring mechanism.</b></p> <p>Elaboration of a functional monitoring mechanism for the implementation of the 2021-2027 Strategy. The activity includes:</p> <ul style="list-style-type: none"> <li>- the drafting of a complete work plan related to data collection; D: MARCH 2021</li> <li>- data collection and the drafting of the first Monitoring Report on the 2021-2027 strategy. D: JUNE 2021</li> <li>- the setting up of an Inter-ministerial Committee to ensure the implementation of the Convention (ICCI), under the coordination of ANPD. D: AUGUST 2019</li> </ul>  | <p><b>The action plan is completed and approved by the Ministry of European Funds and by the Ministry of Labour and Social Justice (MLSJ), to which ANPD subordinates</b></p> <p><b>MEMO – APPROVED IN THE GOVERNMENT MEETING DATED MAY 14 2019</b></p> <p><b>Measures taken:</b></p> <p><b>Elaboration of the “National Strategy on the Rights of Persons with Disabilities 2021-2027” and of the Operational Plan to ensure implementation of the UN Convention on the Rights of Persons with Disabilities (CRPD) with specific objectives / targets and measurable indicators.</b></p> <p><b>This document will be drafted by the World Bank within the “Consolidation of the coordination mechanism for the implementation of the UN Convention on the Rights of Persons with Disabilities” project, which is cofinanced from the European Social Fund by ACOP”, whose beneficiary is MLSJ - ANPD.</b></p> <p>D: JULY 2020<br/>The Project includes:</p> <ul style="list-style-type: none"> <li>- the setting of a set of key indicators for the implementation of the UN CRPD; 2019</li> <li>- the elaboration of the Evaluation report on the implementation of the “A Barrier-free society for persons with disabilities” 2016-2020 National Strategy; 2019 – <i>The WB specialists are currently working on this evaluation. In July, I had a personal discussion that lasted approx. 3 hours with a WB expert on this topic</i></li> <li>- quantitative data collection and calculation of key indicators; 2020</li> <li>- diagnosing of the situation of the persons with disabilities in Romania to support the new 2021-2027 National Strategy for Persons with Disabilities; 2020</li> <li>- organisation and development of a consultation session related to the project of the 2021-2027 Strategy and the Operational Plan. QUARTER III 2020</li> </ul> |
| <p><b>MINISTRY OF LABOUR AND SOCIAL JUSTICE (MLSJ)</b></p>  | <p><b>C2. Arrangements to ensure that the accessibility related policy, legislation and standards are properly reflected in the preparation and implementation of the programmes.</b></p>  | <p><b>TA</b></p> <p>As of January 2019, ANPD has been implementing the “Consolidation of the coordination mechanism for the implementation of the UN Convention on the Rights of Persons with Disabilities” project, cofinanced from the European Social Fund through the “Administrative Capacity” Operational Programme.</p>  |
| <p><b>National Authority for Persons with Disabilities (ANPD)</b></p> <p><b>Ministry of European Funds</b></p>                    | <p>Elaboration of a horizontal handbook by the Ministry of European Funds to ensure that the legislation and standards are properly reflected in the preparation and implementation of the programmes. <b>The Handbook is on the anvil. A first draft of this document will be sent to the management by the end of the week (August 19-23, 2019). A meeting with the EC representatives will take place in Bucharest on this topic, on August 21, this year, in order for the considered approach to be agreed upon.</b></p> <p>(For the period 2014-2020, for purposes of implementation of the horizontal topics within the programme, MEF has drafted the Handbook on the integration of the horizontal topics into the projects financed by ESIF - the first part of this Handbook is dedicated to the “Equality of chances”)</p> | <p>MEF officers: <b>Marie Jeanne Ghigea</b></p> <p>Authority officers</p> <ul style="list-style-type: none"> <li>- ACOP Project:</li> <li>- Conditionality: <b>Daniela PÂRVU</b> Legal advisor</li> </ul>   |

## ANNEX 2. Cohesion Policy 2021-2027 Simplification Measures

| NO.  | SIMPLIFICATION  | DESCRIPTION  | LEGAL REFERENCE (ARTICLE)   |
|--|---|--|---|
| I. Legal framework – A shorter, unified legal framework providing certainty from the start |   |  |   |
| 1  | <b>Single rulebook for 7 shared management funds</b>                          | For the first time, 7 shared management funds are covered in a single framework. This simple, yet comprehensive rulebook provides aligned implementation rules for all.  | CPR   |
| 2  | <b>User-friendly CPR</b>  | Legislative structure: the structure of the CPR is changed to make it easier to understand.  | CPR and its annexes   |
| 3  | <b>A common CF and ERDF regulation, The merging of 3 funds to create ESF+</b> | Simpler, shorter and just one regulation (rather than two).<br><br>The merger of ESF, FEAD and YEI will result in increased visibility and readability of EU action in the employment and social areas. It will also facilitate combination of social inclusion and activation measures, whilst ensuring that simpler rules for addressing material deprivation are maintained.  | ERDF/CF ESF+  |
| 4  | <b>(Almost) all rules in one place, at one time</b>                           | The number of empowerments is significantly reduced. Empowerments regulate operational details in implementing or delegated regulations, but are only elaborated after the entry into force of the CPR. This change therefore increases legal certainty and reduces potential delay.<br><br>There were more than 50 empowerments in 2014-2020; we have 9 for 2021-2027 (not counting Commission implementing decisions). | DA - Articles 63(10), 73(4), 88(4), 89 (4), 107 and IA - Articles 37(6) 38(5), 63(11), 66(4), 98(4), 103(2), 104(4) |
| 5  | <b>More certainty regarding transition - clarity on phasing</b>               | Explicit provisions are introduced for phasing of operations between programme periods.<br><br>These provisions give new legal certainty and predictability to Managing Authorities and Member States. The result: it is simpler and less risky to start projects towards the end of the period.   | Art. 111 CPR  |
| 6  | <b>Common templates available upfront</b>                                     | The annexes contain templates commonly used by the funds. This will help speed up implementation as all elements relevant for programming and start of implementation are known upfront.   | Annexes II, V-VII, XIV-XX CPR   |
| 7  | <b>Key provisions, shorter and simpler text</b>                               | The number of words in the regulation is reduced by almost 50%. Simpler, clearer wording is used throughout.   | CPR, ERDF/CF, ESF+  |



| NO.   | SIMPLIFICATION   | DESCRIPTION   | LEGAL REFERENCE (ARTICLE)               |
|---|--|---|---|
| <b>II. Policy framework – A streamlined framework for easier programming</b>            |  |   |   |
| 8   | <b>Shorter menu, more flexibility</b>                              | 11 thematic objectives in 2014-2020 are consolidated into 5 policy objectives. Broader policy objectives are simpler for reporting and allow Member States to be more flexible in shifting funds within a priority.<br><br>Reduced number of specific objectives too.   | Art. 4 CPR Art.2 ERDF/CF<br>Art. 4 ESF+ |
| 9   | <b>Administrative capacity integrated with sectoral objectives</b> | Investments in administrative capacity can now be delivered under each policy objective instead of needing a separate policy objective (cf. TO11 in 2014-2020).   | Art.2 ERDF/CF                           |
| 10  | <b>Simpler rules for thematic concentration</b>                    | Thematic concentration will now be calculated at the national level, giving Member States more flexibility and choices at the regional level. ERDF thematic concentration takes account of levels of development. ESF+ thematic concentration requirements in the areas covered by relevant CSRs, youth and addressing material deprivation are adjusted to Member States' needs.                   | Art.3 ERDF/CF Art. 7 ESF+               |
| 11  | <b>Simpler wording for policy objectives</b>                       | Policy objectives (and specific objectives) set out objectives instead of a long description of elements, means and details of possible actions.  | Art. 4 CPR Art.2 ERDF/CF<br>Art. 4 ESF+ |
| <b>III. Conditions – Fewer, strategic requirements to increase policy effectiveness</b> |  |   |   |
| 12  | <b>Fewer enabling conditions</b>                                   | 20 conditions instead of almost 40 in 2014-2020.<br><br>Conditions are tightly focused on the policy areas with the most impact on the effectiveness of cohesion policy. They do not cover existing legal obligations. Moreover, they do not cover areas where other means (such as programming priorities, project eligibility criteria or administrative capacity measures) are more appropriate. | Annexes III, IV CPR                     |
| 13  | <b>Fewer and clearer fulfilment criteria</b>                       | Criteria are fewer, clearer, more tangible and easier to measure.   | Annexes III, IV CPR                     |
| 14  | <b>Automatic applicability</b>                                     | There is no need for assessing whether an enabling condition is applicable or not – if the corresponding specific objective is chosen, it applies.  | Art. 11 CPR                             |
| 15  | <b>Obligation for action plans discontinued</b>                    | Conditions are set from the beginning of the programming period. There is no obligation for defining and submitting action plans if conditions are not fulfilled at the beginning of the programme – the conditions are themselves the basis for action. This should shift focus to implementation rather than reporting and decrease the administrative burden.                                    | Art. 11 CPR                             |
| 16  | <b>No verification of additionality</b>                            | This technical exercise consisted of detailed calculations and corresponding guidance. It involved considerable resources on both the Member States' and the Commission's side and is now discontinued.   | No provision                            |

| NO.  | SIMPLIFICATION   | DESCRIPTION   | LEGAL REFERENCE (ARTICLE)            |
|--|--|---|--------------------------------------|
| <b>V. Faster and more strategic programming – For a quick and simple start to implementation</b> |  |   |                                      |
| 17   | <b>One less layer in the process</b>   | No more Common Strategic Framework – one less layer in the programming exercise.  | No provision                         |
| 18   | <b>One strategic document per Member State to guide the negotiations</b>                 | The Partnership Agreement (PA) is a single strategic document covering 7 shared management funds at national level and setting out coordination arrangements between these and other EU instruments. Fewer details, less description, more structured data.   | Art. 8 CPR                           |
| 19   | <b>No more changes of the PA after initial adoption</b>                                  | The PA will steer programme negotiations at the beginning but will not be amended after this. In the 2014-20 period, all programme changes had to be reflected in a changed PA – an administrative burden for programme authorities.  | Art. 9 CPR                           |
| 20   | <b>Clarity from the moment of adoption of the Commission proposal</b>                    | Templates for PA and programmes, types of intervention, climate change earmarking, indicators are all annexed to the proposals. This gives more clarity and time to prepare programmes in a format ready for submission.  | Annexes I, II CPR and I and II ERDF  |
| 21   | <b>Less text, more focus in the PA</b>   | Only key information is required in the PA – and in structured form.  | Art. 8 CPR                           |
| 22   | <b>No overlaps between PA and programmes</b>   | No overlaps between the content of PA and programmes (for example, enabling conditions or analysis to be provided only in programmes, not in the PA).   | Art. 8, 17 CPR and Annexes II, V, VI |
| 23   | <b>Two processes, one submission</b>   | PA can be submitted together with relevant annual National Reform Programme (if timing is appropriate).   | Art. 7(3) CPR                        |
| 24   | <b>Reduced document burden</b>   | The PA can be included within the first programme submitted.  | Art. 7(4) CPR                        |
| 25   | <b>Shorter, better structured programmes</b>   | The text of programmes will be "lighter", focusing on the achievement of objectives and allocations per fund. Information is required only one time in practical context – lengthy repetitive descriptions can be avoided.  | Art. 17 CPR and Annexes V and VI     |
| 26   | <b>Streamlined intervention logic</b>  | The intervention logic will be focused on broad policy objectives and specific objectives. All indicators and types of intervention are at one level – specific objective only (not spread between priorities and specific objectives as in the past).  | Art. 17 CPR                          |
| 27   | <b>No Commission decision for non-substantial financial transfers within a programme</b> | There is greater flexibility in making smaller financial adjustments to a programme – transferring up to 5% of a priority's financial allocation within the same Fund and programme (with an overall ceiling of 3% of programme allocation) does not require programme modification.  | Art. 19(5) CPR                       |
| 28   | <b>Minor changes and corrections do not require a Commission decision</b>                | Changes to programme authorities and clerical and editorial changes can now be made directly by Member States.  | Art. 19(6) CPR                       |
| 29   | <b>No separate procedure for adjustment</b>  | Combining the technical adjustment process with the performance review in 2025.   | Art. 14(2) CPR                       |
| 30   | <b>Encouraging the use of simplified cost options from the start</b>                     | Special templates attached to the programme model in CPR which can (as an option) make discussion of SCOs part of the programming. This should also result in easier and wider use of these options. There is no need for a separate decision as it is incorporated in the programming decision. The use of SCOs could reduce the total administrative costs by some 25%. | Art. 88 CPR<br>Annex V CPR           |
| 31   | <b>Encouraging the use of financing not linked to costs</b>                              | Special templates attached to the programme model in CPR which facilitate the use of financing not linked to costs. This should also result in easier and wider use of this option.   | Art. 89 CPR<br>Annex V CPR           |

| NO.  | SIMPLIFICATION  | DESCRIPTION  | LEGAL REFERENCE (ARTICLE)                       |
|--|---|--|---|
| <b>V. Territorial tools – Simpler design tailored to local situations</b>  |   |  |   |
| 32   | <b>A dedicated policy objective – building on the 2014-2020 tools</b>           | Existing programming and implementation structures can be continued, including the Community-led Local Development (CLLD) and Integrated Territorial Investments (ITIs) established in 2014-2020.<br><br>Choosing a single dedicated policy objective means fewer specific objectives and simplicity in using indicators. Territorial tools used under PO5 can combine activities financed under all other policy objectives – enabling a genuinely multi-sectorial integrated approach tailored to the local context. | Art. 4(1)(e), 22-27 CPR<br><br>Art. 8-9 ERDF/CF |
| 33   | <b>Clarity on requirements, simpler wording</b>                                 | Much shorter provisions on CLLD and ITI. Key requirements are identified in the regulations, national territorial tools are recognized.  | Art. 22-28 CPR<br><br>Art. 8-9 ERDF/CF          |
| 34   | <b>Building on national tools that work</b>                                     | For the first time, existing territorial tools in the Member States can be used and count towards the 6% target for sustainable urban development.   | Art. 22(c)CPR                                   |
| 35   | <b>Same rules for all territorial tools</b>                                     | Common approach to all territorial tools, covering different territories with a defined minimum set of requirements for territorial strategies.  | Art. 22-23 CPR                                  |
| 36   | <b>Clarity on status of local authorities</b>                                   | Simpler rules on the status of local authorities, clarification of when "intermediate body" status is needed.  | Art. 23(4) CPR                                  |
| 37   | <b>Clear goal for sustainable urban development with more flexibility</b>       | Earmarking counts all interventions under all territorial tools focused on urban areas.  | Art. 23 CPR and Art. 9 ERDF                     |
| 38   | <b>Multiple funds - one set of rules for CLLDs</b>                              | When using a CLLD, it is now possible to nominate a "lead" fund and apply only the rules of that fund.   | Art.25(4-6) CPR                                 |
| 39   | <b>A coherent approach for the cities</b>                                       | A single instrument, the European Urban Initiative, will replace several different instruments and initiatives in the area of urban policy.  | Art. 10 ERDF/CF                                 |
| 40   | <b>Simpler structure for meeting the 6% target</b>                              | CLLDs, ITIs and amounts programmed under PO5 all count towards the target.   | Art. 22 CPR and Art. 9 ERDF                     |
| <b>VI. Simpler implementation – Faster and simpler delivery of results</b> |   |  |   |
| 41   | <b>No specific rules and procedure for major projects</b>                       | The major project process is discontinued: Commission approval will not be necessary for any particular projects.  | No provisions                                   |
| 42   | <b>No specific rules for revenue generating projects beyond State aid rules</b> | Specific rules on revenue generating investments are no longer part of the legal framework (although of course, Member States should comply with State aid rules). This measure is expected to reduce total administrative costs by some 1%.   | No provisions                                   |

| NO. | SIMPLIFICATION  | DESCRIPTION   | LEGAL REFERENCE (ARTICLE)      |
|-----|---|---|--------------------------------|
| 43  | <b>Extended use of simplified cost options ("SCOs")</b>                             | Instead of reimbursing actual expenditure based on invoices, payment will increasingly be based on flat-rate reimbursement, unit costs or lump sums.<br><br>SCOs are further encouraged by simplifying rules and calculation methods, providing more off-the-shelf options and making them compulsory for operations of small amounts.<br><br>SCOs not only reduce bureaucracy linked to verifications, they also reduce the risk of errors.  | Art. 48-51 CPR                 |
| 44  | <b>A new option: financing not linked to costs / moving away from invoices</b>      | Payments from the Commission to the Member State or region conditional on the achievement of pre-agreed results/outputs or completion of policy actions or processes. This option is the continuation of the «payments based on conditions» introduced in the Omnibus. It represents a radical simplification in implementation as it changes the focus from costs, reimbursement and checks linked to individual projects to tracking deliverables and results for the projects, a group of projects or schemes.   | Art. 46 CPR                    |
| 45  | <b>Technical assistance reimbursed in line with implementation progress</b>         | Technical assistance will be reimbursed in proportion to progress in implementation, using a flat-rate. In the case of the ERDF and Cohesion Fund, reimbursement from the Commission will be topped up by a flat rate of 2.5% to cover technical assistance, and in the case of the ESF+ it will be 4% (5% for the material deprivation programme).<br><br>In addition, Member States or regions may undertake additional technical assistance actions in order to further reinforce capacity of the national, regional and local authorities as well as beneficiaries. | Art. 31 CPR<br><br>Art. 32 CPR |
| 46  | <b>VAT eligibility</b>  | Clearer, simpler rules on VAT eligibility – full eligibility for projects below EUR 5 million, no eligibility above. No grey areas of recoverability/deductibility.   | Art. 58(1) CPR                 |
| 47  | <b>Expenditure and projects outside the Member State</b>                            | Projects may be implemented outside the Member State – and outside the Union – provided they contribute to the objectives of the programme.   | Art. 57(4) CPR                 |
| 48  | <b>Expenditure calculations where projects cover different categories of region</b> | For ERDF, a simplified, pro rata approach to the use of funding is proposed to help implementation and administration of projects in different categories of region. This will particularly help projects which cover an entire Member State.<br><br>For ESF+ the condition is that operations are for the benefit of the programme. Member States are thus free to allocate the expenditure entirely to one of the categories of region in a priority or they can use a pro rata, if the programme covers more than one category of region.                            | Art. 57(3) CPR                 |
| 49  | <b>Straightforward transfer system among Funds and instruments</b>                  | A flexible, simple transfer mechanism to enable effective support where it is required. Complex issues arising from combination of funding may be avoided – a single set of rules apply (those of the receiving fund or instrument).  | Art. 21 CPR                    |
| 50  | <b>"Seal of Excellence" concept: applied integration of EU instruments</b>          | Projects which, due to lack of available funding under a centrally managed instrument, cannot be supported (notably Horizon Europe, LIFE+ or ERASMUS+), may be picked up by the managing authority and funded under the same conditions (including the same State aid regime) as the projects supported by the corresponding Union instrument. For such projects, there is no need to organise another call for proposals or a selection process.   | Art. 67(5) CPR                 |

| NO.  | SIMPLIFICATION   | DESCRIPTION   | LEGAL REFERENCE (ARTICLE) |
|--|--|---|---------------------------|
| VII. Management, control and audit – Simpler and proportionate system with high reliance on national systems |  |   |                           |
| 51   | <b>Designation procedure discontinued</b>                    | Simplified «designation» of authorities. For post-2020, systems would largely be «rolled over» to the next programming period, without requirement for programmes to undergo a new designation process.<br><br>Assurance would still be obtained by early systems audits. Rollover is expected to contribute to a speedier start of the next programming period.  | Art. 72(1) CPR            |
| 52   | <b>Reducing the number of verifications</b>                  | A more proportionate approach to management checks by making management verifications risk-based, instead of covering 100% of operations.<br><br>This is an important reduction of the control burden, reducing total administrative costs by 2-3% for cohesion policy funds.   | Art. 68(2) CPR            |
| 53   | <b>A more proportionate approach to audits</b>               | Simpler audit requirements and fewer burdens for programmes with good track record and proper functioning of the management and control systems. The selection of «low-risk» programmes is based on objective criteria.<br><br>The number of audits covering territorial cooperation programmes will be drastically reduced, by introducing a common audit sample for ETC programmes (to be drawn by the Commission). | Art. 77-79 CPR            |
| 54   | <b>Single audit arrangement</b>                              | The Commission will audit only the audit authority if its opinion is reliable and the Member State is part of the collaboration with the European Public Prosecutor's Office.<br><br>ERDF and Cohesion Fund projects below EUR 400.000 eligible cost and ESF projects below EUR 300.000 will be audited once only prior to completion. Other projects only once per accounting year.                                  | Art. 74 CPR               |
| 55   | <b>Simplified acceptance of accounts</b>                     | Expenditure in the accounts is cleared by Member State audit authorities. No obligation to submit "zero accounts" when no payment claims are submitted in a given accounting year.  | Art. 92-96 CPR            |
| 56   | <b>Simpler template for accounts and payment application</b> | Less information is required for accounts and payment applications.   | Annexes XIX-XX CPR        |
| 57   | <b>Clear document retention period for beneficiaries</b>     | A simpler and clearer rule about the starting point and length of document retention. Documents will need to be kept over a five-year period starting from the end of the year where the managing authority makes the last payment to the beneficiary.  | Art. 76 CPR               |

| NO.  | SIMPLIFICATION  | DESCRIPTION   | LEGAL REFERENCE (ARTICLE) |
|--|---|---|---------------------------|
| VIII. Financial instruments (FIs) – simpler and less detailed provisions |   |   |                           |
| 58   | <b>FIs better integrated into programming process</b>                           | Provisions on financial instruments are better integrated into the programming and implementation process from the outset.  | across CPR                |
| 59   | <b>Better integrated ex-ante assessment containing fewer elements</b>           | The number of elements covered in an ex-ante assessment has been reduced to make the focus more strategic. Existing ex-ante assessments may be reviewed and updated leading to a quicker launch of the FI. The assessment of market failures, investment needs and complementarity with other forms of support are part of the needs analysis in the programmes.  | Art. 17(3), 52(3) CPR     |
| 60   | <b>Contribution to InvestEU – combining EU resources under one set of rules</b> | Managing authorities may decide at PA stage to contribute to InvestEU and have their FIs implemented through the four policy windows thus benefiting from an EU-level budgetary guarantee mechanism: increased leverage, better complementarity, increased coverage of risks, higher economies of scale, lower administrative burden, simplified accountability framework. Applicable rules are those of InvestEU – no more complexity arising from multiple rulebooks. | Art. 10 CPR               |
| 61   | <b>More flexible combination of grants with financial instruments</b>           | Grant aid can often be a key enabling factor for an FI investment. In 2014-20, this required two separate operations. Now it will be possible to combine grants and FIs as a single operation following the rules of an FI operation.<br><br>Bodies providing FIs will also be allowed to provide grants (both investment grants and grants to support the preparation of investments)  | Art. 52(5) CPR            |
| 62   | <b>Simpler rules on management costs and fees</b>                               | Rules on management costs and fees have been simplified while keeping them performance based to encourage efficient management.   | Art. 62(3) CPR            |
| 63   | <b>Streamlined payment applications</b>   | The rules on payments have been considerably simplified while maintaining the all-important link between payments to financial instruments and the corresponding disbursements to final recipients.   | Art. 85-86 CPR            |
| 64   | <b>Clearer rules on fund recycling</b>  | The rules on re-use of returning money have been made simpler and clearer. This enables a smoother flow and transition from one programming period to the next.   | Art. 56 CPR               |
| 65   | <b>One reporting system for all forms of finance</b>                            | Various reporting streams will be integrated, and there will no longer be specific reporting on individual FIs. FIs are just one delivery tool among others to reach programme objectives, and so can be part of general reporting and monitoring.  | Art. 37 CPR               |
| 66   | <b>A simplified assurance system for grants and FIs</b>                         | The simplified overall audit system integrates grant and FI operations, as well as giving increased clarity on FI audits.   | Art.75 CPR                |

| NO.  | SIMPLIFICATION  | DESCRIPTION   | LEGAL REFERENCE (ARTICLE)                                      |
|--|---|---|--|
| <b>IX. Monitoring and evaluation – More frequent but lighter reporting, streamlined provisions</b>         |   |   |  |
| 67   | <b>No obligation to conduct an ex ante evaluation</b>                 | The <i>ex ante</i> evaluation of future programmes is an option instead of being an obligation.   | No provision   |
| 68   | <b>Real time reporting instead of annual reports</b>                  | Frequent electronic data transmission of the most up-to-date information and data will feed into the Open Data Platform.<br>The administrative burden linked to monitoring and reporting will be radically reduced, while the policy dialogue between the key partners – the Commission, the Member States and the monitoring committee – will be better structured, more transparent and focused on resolving any implementation issues. Annual implementation reports and progress reports are discontinued.                              | Art. 37 CPR<br>Art. 35 and 36 CPR                              |
| 69   | <b>Single set of indicators; higher coverage by common indicators</b> | For the future all indicators used in the programmes will be part of the performance framework. The common output and result indicators proposed will cover a high share of programme interventions – no obligation to have programme specific indicators.<br>For ESF+ : reduced number of indicators for general ESF+ support, use of registers when data is available in registers, use of informed estimates by beneficiaries for certain indicators, reporting on results indicators which are relevant for the operation.              | Art. 12-13 CPR<br>Art. 7 ERDF<br>Art. 15 ESF+ and Annex I ESF+ |
| 70   | <b>Elimination of performance reserve</b>                             | This removes the rigidity and complexity linked to the management of 6% of the allocations, set aside within the financial tables.  | No provision   |
| <b>X. Interreg – A single integrated regulatory framework tailored to the specific cooperation context</b> |   |   |  |
| 71   | <b>More user-friendly, comprehensive legislative act</b>              | Whole articles/chapters have been transferred from the CPR to the ETC Regulation. This makes the Interreg legislation more comprehensive and the elements easier to follow.   | ETC (Interreg) Regulation                                      |
| 72   | <b>A more proportionate approach to audits for Interreg</b>           | Given the generally lower error rates found for ETC programmes, the number of audits covering territorial cooperation programmes will be drastically reduced, by introducing a common audit sample for Interreg programmes. A number of Interreg programmes will therefore see their audit work considerably reduced.   | Art. 48(1)<br>ETC (Interreg) regulation                        |
| 73   | <b>Incorporation of the co-operation outside the EU</b>               | Co-operation with countries other than EU Member States is fully integrated into the five components of the Interreg regulation, thus providing a comprehensive framework for cooperation at internal and external borders.   | ETC (Interreg) Regulation                                      |
| 74   | <b>Streamlining maritime and cross-border funds</b>                   | Transnational and maritime cooperation are integrated into component 2 and support the corresponding macro-regional strategy. The Interreg Regulation provides great flexibility with regard on how to organise bilateral maritime cross-border cooperation inside a larger maritime cooperation programme by not imposing rules on setting-up a sub-programme, on setting-up a specific Steering Committee, on defining a cooperation sub-area, on the requirements for cross-border partnerships (from only two participating countries). | Art. 3(2) ETC  |

| NO. | SIMPLIFICATION   | DESCRIPTION  | LEGAL REFERENCE (ARTICLE)                       |
|-----|--|--|---|
| 75  | <b>Interreg – a single brand</b>   | A simple name with a single brand for all strands and initiatives to promote cooperation in Europe.  | Art. 1 Interreg and throughout                  |
| 76  | <b>Interreg eligibility rules in one place</b>                               | Interreg-specific eligibility rules have been transferred from a separate Delegated Act into the ETC Regulation and are therefore clarified upfront.   | Art. 36-43 ETC                                  |
| 77  | <b>Deletion of expenditure limit for spending outside the programme area</b> | The deletion of expenditure limits for spending outside the programme area removes an important rigidity from the system and promotes simpler and more flexible cooperation arrangements.  | Art. 57(4) CPR and Article 22(1) ETC (Interreg) |
| 78  | <b>Small project fund</b>  | Simple implementation arrangements for selecting smaller projects as long as the overall volume of the small project fund does not exceed EUR 20 million or 15% of the programme. There is no requirement to become an intermediate body for this purpose and legal certainty has increased. Projects under the SPF are defined as "small projects", the actors implementing them are "final recipients" and not beneficiaries, thus reducing their administrative burden. Obligatory use of SCO's is further reducing the administrative and control burden for the final recipients. | Art. 24 ETC                                     |
| 79  | <b>Simplified Review</b>   | The review of ETC (Interreg) programmes can be conducted at a time that best fits – no obligation to be annual nor to be organised in the form of a meeting.   | Art. 30 ETC (Interreg)                          |
| 80  | <b>European Cross-Border Mechanism</b>                                       | The ECBM enables Member States to agree on a single set of standards/rules used for projects implemented in more than one Member State (ie rules of one Member State may be applied in the other related to the joint project).  | ECBM  |

### ANNEX 3.

## SUD Responsibilities allocated to Urban Authorities, in EU Member Countries, for the 2014-2020 Programming Period

| CITY                       | Responsibilities for urban authorities in relation to project selection  | Other responsibilities delegated to urban authority   | Responsibilities retained at regional/managing authority   |
|----------------------------|--|---|--|
| <b>Aurillac (SUD)</b>      | Assessing projects' strategic coherence and contribution to the ITI.   | Collecting applications and providing assistance in project development.  | Assessing project compliance with legally applicable frameworks (e.g. state aid rules, etc.). Strategic assessment of projects based on the expected achievement of the indicators' target values. Taking the funding decision through its selection committee.  |
| <b>Agul (regional ITI)</b> | n/a  | n/a   | MA at national level, chairing commission that coordinates and elaborates annual reports of the different OPs' contribution to ITI. Regional governments are OP IBs responsible for managing their own strands of the regional OPs. ITI is implemented at the regional level. Each regional programme has its own calls and regional authorities responsible for selecting operations and reporting on the contribution of the selected projects to ITI. |
| <b>Barcelona (SUD)</b>     | Barcelona City Council is ITI IB and is responsible for the selection of operations. It is also responsible for the preparation of draft proposals of project selection criteria, in coordination with the managing authority.     | The City Council is responsible for drafting the SUD strategy.  | MA at national level launches the call for SUD strategies and selects them. Supervises the eligibility of operations.  |
| <b>Berlin (SUD)</b>        | Project selection with consultation from experts at district and local levels. Includes assessment of financial viability and compliance with rules.   | Formulates competitive calls, in co-operation with actors at district and levels and others, based on the development concepts.   | Defining long-term strategic development of the ITI. Organises advisory boards to discuss impact of emerging development trends, evaluation approaches etc.  |
| <b>Brno (SUD)</b>          | A steering committee assesses the compliance of proposed projects with the strategy, and an intermediate body at the city level formally approves projects. Projects requiring ESF funding are assessed by the relevant MA.        | The provision of information to beneficiaries, the assessment of project compliance with the IS BMA, the setting of appraisal criteria, the preparation and launch of calls and monitoring and evaluative duties. | Responsible for the central monitoring system that must be used by the ITI.  |
| <b>Brussels (SUD)</b>      | The UA and MA are the same body. Projects are assessed by an evaluation committee, consisting of 8 government representatives and 8 external experts and a consultant. The government of the capital region approves the projects. | As the MA and UA are the same body, all responsibilities are carried out by the MA.   | As the MA and UA are the same body all responsibilities are carried out by the MA.   |

| CITY                          | Responsibilities for urban authorities in relation to project selection  | Other responsibilities delegated to urban authority   | Responsibilities retained at regional/managing authority   |
|-------------------------------|--|---|--|
| <b>Candlos (regional ITI)</b> | n/a  | Cornwall Council and other bodies play a significant contributory role. Some share functions include the development of project calls and provision of information to potential beneficiaries.  | England ERDF OP MA (the Department for Communities and Local Government, DCLG) and the England ESF OP MA (DWP) nominally retain all responsibilities for project selection, implementation and monitoring.   |
| <b>Cascais (SUD)</b>          | UA responsible for selecting applications, verifying their compliance with the established eligibility criteria, and applying the approved selection criteria. | Organizing project calls (in accordance with the annual plan), providing information to beneficiaries, and elaborating a document evaluating the quality of operations and justifying their relevance for the achievement of the strategy's objectives.   | Defines overall framework for implementation. Responsible for final control of eligibility of operations before approval, final approval, verification of eligibility of expenses during execution, and the establishment of monitoring and control mechanisms.  |
| <b>CFC Pole (SUD)</b>         | UA performs an eligibility check and a strategic assessment based on an evaluation matrix. Issues an opinion to the region (managing authority)                | Set out list of selection criteria, advertising and assisting applicants, monitoring the strategy.  | Compliance check of projects forwarded by UA and makes a final decision. Co-responsible for advertising funding opportunities under the ERDF-SUD framework and for providing applicants with information and assistance in project engineering.  |
| <b>Chomutov (SUD)</b>         | Assesses coherence of projects with ITI strategy, assesses formal compliance and has a share in meritocratic assessment (for ERDF only).                       | Setting of appraisal criteria, provision of information to beneficiaries, launch of calls.  | For ERDF, MA has final approval of selection and can do final factual appraisal. For ESF and CF, proposals are appraised directly by MA or OP IB if relevant.  |
| <b>Cork (SUD)</b>             | Projects prioritized and selected based on a scoring system and discussed by a selection committee.  | Development of project proposals and selection process, in consultation with MA.  | Gives final approval.  |
| <b>Danube (regional ITI)</b>  | n/a  | Prioritization of the projects included in the strategy; support to potential beneficiaries to prepare funding applications; support to beneficiaries to implement/manage the projects, through management consultancy related to the implementation of public procurement procedures; and monitoring and periodic reporting to the MA on the implementation of projects. | Procedures for selecting, funding and implementing projects are autonomously and separately established by each relevant MA of the OPs participating in the funding of the ITI: projects belonging to the strategy, after having been prioritized by the local level, need to apply to specific ITI- oriented calls issued and managed fully by these MAs. |

| CITY                               | Responsibilities for urban authorities in relation to project selection  | Other responsibilities delegated to urban authority   | Responsibilities retained at regional/managing authority   |
|------------------------------------|--|---|--|
| <b>Debrecen (SUD)</b>              | The city assesses all applications on the basis of the territorial selection criteria defined in the Integrated Territorial Programme, measuring the contribution of the project to the general aims of the SUD.   | Monitors and reports on progress with the delivery of the ITP and at the same time prepares and manages individual projects.  | The MA (or OP IB) is in charge of admission and eligibility criteria checks, and it also appraises the application against coherence with the OP and compliance with the regulations. The MA launches calls and collects applications, signs grant contracts and undertakes financial management checks.   |
| <b>Egnatia Odos (regional ITI)</b> | n/a  | n/a   | MA has control with a specific support structure for dedicated technical capacity, including all aspects of project generation and selection.  |
| <b>Elblag (non-SUD urban ITI)</b>  | City office shares assessment of coherence with ITI strategy 50/50 with MA, recommends project calls to MA.  | Recommends the schedule of project calls to the MA and conducts the monitoring of the strategy.   | MA shares 50/50 assessment of coherence with ITI strategy, 100% formal compliance and assessment of merit and final approval.  |
| <b>FI Six cities (SUD)</b>         | The joint management group is responsible for prioritizing the ERDF projects, and proposing them to the regional council.  | Promoting, supporting and animating of projects; deciding selection criteria for projects; calls for project proposals; monitoring the implementation of the strategy and the projects. | Formal approval of projects.   |
| <b>Katowice (SUD)</b>              | Shares input into quality assessment 50/50 with MA, focusing on coherence of projects with SUD strategy.   | Project generation, mobilisation of potential beneficiaries.  | Selection criteria set by the MA in cooperation with the local authorities in a dedicated working group. Organizes project calls, formal assessment, eligibility check, shared input into meritocratic assessment with UA, dealing with specific themes, sectoral issues.  |
| <b>Kaunas (SUD)</b>                | City Municipal Administration responsible for tasks relating to the selection of operations, based on consultations with OP IBs in related fields.   | Monitoring and coordinating the implementation of projects.   | Final documentation check and approval by national-level bodies in charge of OP management.  |
| <b>Liepaja (SUD)</b>               | UA establishes the municipal commission, which performs selection and approval. Submits to the MA: a decree or decision on establishing the municipal commission; all documentation on which the decision-making is based; a conclusion on selection approved by the municipal commission. Final approval by municipal commission. | Designs selection criteria taking into account OP objectives. Responsible for implementation, monitoring and evaluation.  | MA approves internal procedures for project selection and monitors it through participation in the Municipal Commission as an observer. All ITI project applications are submitted to the MA for verification before the final approval by the Municipal Commission. MA can perform on-the-spot checks. No project applications can be approved without MA verification. |

| CITY                          | Responsibilities for urban authorities in relation to project selection  | Other responsibilities delegated to urban authority  | Responsibilities retained at regional/managing authority  |
|-------------------------------|--|--|---|
| <b>Lille (SUD)</b>            | Project appraisals involve the relevant thematic services of the metropolis and are performed in the light of both the domestic city contract and the OP. Inter-Municipal Committee pre-selects projects to be submitted to the MA. The final step consists of confirmation of the MA's decision by the Inter-Municipal Committee. | The urban authority sets up common calendars, common advertising of funding.   | Second appraisal by the region (MA), again including both the city contract and the OP.   |
| <b>Limburg (regional ITI)</b> | n/a  | ITI Steering Group (national, provincial, city authorities, socio-economic partners) assesses applications according to coherence with ITI strategy, quality and financial plan.   | Projects assessed by MA in terms of coherence with OP, quality, financial plan, regulatory compliance. MA makes final selection decision. |
| <b>London (SUD)</b>           | Responsible for the selection of operations that will be supported through the strategy, with ultimate executive responsibility at the regional level residing with the mayor.   | The GLA holds significant management responsibilities and oversees the implementation, management and delivery of the London ITI. It reports upwards to the MAs at national level. | Overall coordination of strategies at national level.   |
| <b>Lublin (SUD)</b>           | Gathers documentation and prepares the pre-contracts of non-competitive projects, which are the only implementation mode in the Lublin ITI.  | Monitoring of projects.  | Final approval of projects.   |
| <b>Malaga (SUD)</b>           | Responsible for selection of operations, selects the operations contributing to the strategy.  | Drafting of the strategy and preparation of a draft proposal of the operations' selection criteria, in coordination with the MA.   | Role in development of selection criteria. Assesses the eligibility of operations.  |
| <b>Maribor (SUD)</b>          | The Association of Urban Municipalities of Slovenia is responsible for selecting projects (through its expert committee).  | Responsible for issuing calls. Co-responsibility for monitoring (together with central ministries).  | The MA takes the final decision on support.   |
| <b>Nicosia (SUD)</b>          | Projects selected by the local authorities/urban development bodies involved on the basis of an agreement with the MA.   | Planning, organization, control, management and oversight of SUD progress.   | Responsible for the approval of strategies and action plans, providing standards and guidance.  |

| CITY                            | Responsibilities for urban authorities in relation to project selection  | Other responsibilities delegated to urban authority  | Responsibilities retained at regional/managing authority   |
|---------------------------------|--|--|--|
| Nitra (SUD)                     | Responsible for assessment of the project proposals.   | Organizes project calls, monitoring and reporting.   | Coordination and methodological guidance of the preparation and implementation of the strategy. Establishment of a Partnership Council for drafting and approving strategies.  |
| Nordhausen (SUD)                | The municipal town administration is responsible for the implementation of the strategy. A formal agreement has been drafted between individual municipalities and the OP IB which governs the process of project eligibility and approval. The agreement formally sets out that the municipal town administration is responsible for project selection and subsequent implementation. | Responsible for subsequent implementation and monitoring.  | Thüringer Ministry for Infrastructure and Agriculture (Ministerium für Infrastruktur und Landwirtschaft, TMIL) (the IB responsible for the sustainable urban development component of the ERDF OP). Responsibility for assessment of project eligibility, approval and payment for ERDF-funded projects. |
| Ostalbkreis (ITI like approach) | n/a  | Ostalb district government is responsible for the alignment of project development with the strategic aims of the Baden-Württemberg ERDF OP. | MA requested and approved an alignment of selected ERDF-funded projects with its ERDF OP and a feasibility study of projects. Over the period, it advised on and approved decisions concerning the coupling of funding mechanisms in the ITI-like strategy.  |
| Patras (SUD)                    | Municipality responsible for the selection of operations, although specific operations have already been defined in the ROP document.  | Submission of strategy to MA for approval. The municipality has responsibility up until the final delivery of the project.                   | MA responsible for issuing the calls for projects, eligibility check and final approval, monitoring, evaluation.   |

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