

Analysis of Implementing an Operational Programme Financed from Structural Instruments. Case Study – Romania

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Abstract

In order to ensure an efficient usage of structural instruments, Romania has the obligation to monitor, evaluate and control the execution of expenditure under Structural Instruments, and it also has to inform and make public the information on financial assistance and on the implementation system. In this respect, we have proposed to achieve, through this scientific approach, a scan on the issues related to the implementation of the Operational Programme of Technical Assistance, a programme which ensures the whole process of structural instruments implementation for all operational programmes in our country.

Keywords: structural instruments, implementation, operational programmes, priority axis, indicators, technical assistance.

INTRODUCTION

According to experts, Structural and Cohesion Funds are among the only tools for Romania's development for the next period and the only real support to recover the obvious gaps of development, especially in the context of the crisis, of the foreign investment amid cuts or in the context of the conditions imposed by the IFM agreement. The stake of community funds until the year 2013 has substantially changed its dimension especially in the context of crisis effects, since our country cannot afford inactivity when it comes to one of the greatest advantages of belonging to the European Union (Boştinaru, 2013).

Out of the seven Operational Programmes applicable to Romania, we have chosen to study the Operational Programme of Technical Assistance (OPTA) since it aims to ensure the implementation of Structural Instruments in Romania in accordance with the rules and principles of programming, partnership, financial management, evaluation, monitoring and control, based on the responsibilities established by the European Commission.

The overall objective of the Operational Programme of Technical Assistance is to contribute to the implementation and the effective, efficient and transparent absorption of Structural Instruments and also to provide the necessary support for the coordination of these funds (<http://www.poa.ro>, 2013).

The Operational Programme of Technical Assistance has two *specific objectives*:

- It provides adequate support and tools for an effective and efficient coordination and implementation of Structural Instruments during 2007-2013 and it also establishes the preparation for the next programming period of 2014-2020;
- It ensures coordinate dissemination at national level of the general messages about Structural Instruments and regarding the implementation of the Action Plan in accordance with the National Strategy of Communication.

These objectives aim to reflect the global capacity of European Funds absorption and the efficient use of interventions of Structural Instruments. In order to fulfill the objectives, this programme should ensure the necessary support for the coordination and implementation of Structural Instruments and this way a reliable management and monitoring system is achieved together with an appropriate communication to the public on the opportunities and interventions offered with EU support. The attainment of the above presented objectives is divided into *three priority axes* (<http://www.fonduriue.ro>, 2013):

- ▮ **Priority axis 1** – *Support for the implementation of structural instruments and programmes coordination;*
- ▮ **Priority axis 2** – *Further development and support for the performance of the Unique System of Information Management;*

▮ **Priority axis 3 – Dissemination of information and promotion of structural instruments.**

The financial plan of OPTA for the entire period of programming , on priority axes, is presented in table 1.

Table 1 Financial Plan of OPTA for the Programming Period of 2007-2013
- euro -

| Priority Axes | Total Financing | Community Funding | National Public Funding | Co-financing Rate |
|---------------|-----------------|-------------------|-------------------------|-------------------|
| 1 | 103,490,869 | 82,792,695 | 20,698,174 | 80% |
| 2 | 66,737,849 | 55,390,279 | 13,347,570 | 80% |
| 3 | 42,568,520 | 34,054,816 | 8,513,704 | 80% |
| TOTAL | 212,797,238 | 170,237,790 | 42,559,448 | 80% |

Source: Adapted OPTA

The priority axes and interventions of OPTA are fully financed from the European Regional Development Fund (ERDF).

The total budget envisaged for 2007-2013 is of 212.8 mil. Euro, of which 170.24 mil. Euro (80%) community support and 42.56 mil. Euro (20%) from public sources.

The first two priority axes represent the support granted via this programme, with the objective of ensuring a management system that will operate in a coordinated manner, according to common standards and procedures, with qualified staff and a corresponding information system.

The third priority axis supports the increase of public awareness on structural instruments and contributes to the dissemination of information to the potential beneficiaries, thus having positive effects on the capacity of absorption.

These interventions cover both the development of standards, methodologies, knowledge, priority abilities of the staff and the development and implementation of information management which involves a low level of expenses (The Institute for Public Policy – Policy News, 2013).

The Operational Programme of Technical Assistance provides support especially to the system of managing structural instruments, carries out studies, methodological guidelines, shares best practices applicable to all programmes, it also supports the functioning of some structures with coordinating attributes, certification, payment, audit and training of the staff from the management system. It also encourages the absorption of structural instruments in general, both through advertising and communication activities, as well as through a basic training of those who can access structural instruments and of those beneficiaries of assistance.

The objectives, results and activities of OPTA can be achieved only through a close and constant collaboration with other management authorities on the use of technical assistance. This cooperation is accomplished through dialogue within a Committee for the coordination of technical assistance. The Committee meets on a quarterly basis to analyse the use of technical assistance, to review the actions to be performed in the next period and the possible problems occurred, to find solutions to these ones, as well as to propose improving the management system of technical assistance in general.

The beginning of technical assistance implementation in Romania was one full of challenges, which arose mainly from the need to observe both the Community regulations and the Romanian legislation in terms of public finance and public administration. The innovative character of some activities encountered problems such as the lack of definition for certain types of expenditure and actions in the Romanian legislation. Another problem was the rigid interpretation of the principle of annuality for budgetary expenses (Lefter, 2006). Nevertheless, there has been important progress, and the effects of certain moves made will be sharply noticed in the following period.

It should be noted that it is the first of the operational programmes to have obtained accreditation for the management and financial control system from the European Commission. The best lesson learned during the first period of the OPTA implementation was that teamwork is extremely important in overcoming problems, and that close contact with the beneficiaries is essential for implementing the program (the Romanian Government, the Ministry of European Funds, 2013).

The Operational Programme of Technical Assistance is managed by the Technical Support Department of the Authority for the Coordination of Structural Instruments (ACSI) located in the Ministry of European Affairs.

The Department of Technical Assistance is responsible of achieving the following *attributes*:

▮ *Implementation of technical assistance expenditure;*

- ▮ *It prepares the operational programme in coordination with the technical assistance priority axes within other operational programmes;*
- ▮ *It manages funding requests for the evaluation and selection of the projects;*
- ▮ *It manages projects contracts;*
- ▮ *It provides audit trail and ex-ante financial control;*
- ▮ *It sends expenditure declarations to the Authority for Certification and Payment.*

Specifically, in 2008, a series of public procurement procedures started, procedures within the framework of certain projects financed via OPTA and whose activities actually started in the period April-May, 2009. These projects would involve:

- A study on the identification of priority directions of reform of the post 2013 cohesion policy from Romania's perspective;
- The improvement of the system of indicators for monitoring and evaluating structural instruments;
- The creation of technical assistance facility to support specific actions of documentation drafting (especially studies, methodologies, plans) and exchange of best practices with respect to access and implementation of structural instruments to address several operational programmes simultaneously (<http://www.fonduriue.ro> DCI_POAT);
- The completion of evaluation at the level of the National Strategic Reference Framework and OPTA;
- The training of the staff belonging to the structural instruments management system;
- Consulting and assistance for the operation of the Authority for the Coordination of Structural Instruments (ACSI) and of the Authority for Certification and Payment (ACP);
- Continuous development and maintenance of the SMIS (the Unique System of Information Management – a centralized information system which allows monitoring the projects financed via Structural and Cohesion Funds);
- The training of the SMIS users;
- Carrying out advertising campaigns on the subject of structural instruments.

In Romania, within the „Convergence” Objective, seven operational programs were drawn up: the Sectoral Operational Programme of Transport, the Sectoral Operational Programme of Environment, the Sectoral Operational Programme for Human Resources Development, the Regional Operational Programme, the Sectoral Operational Programme for Economic Competitiveness Increase, the Operational Programme for Administrative Capacity Development and the Operational Programme of Technical Assistance.

The financial allocation for the period of 2007-2013 for the „Convergence” objective is worth a total of 19.2 billion euro.

The programmes with the highest financial allocation are: the Sectoral Operational Programme of Transport – 4.56 billion euro, the Sectoral Operational Programme of Environment – 4.51 billion euro and the Regional Operational Programme - 3.72 billion euro. At the opposite pole, we find the Operational Programme for Administrative Capacity Development and the Operational Programme of Technical Assistance with 208 million euro and respectively, 170 million euro.

IMPLEMENTATION STATUS OF TECHNICAL ASSISTANCE IN ROMANIA

In order to ensure the most efficient use of structural instruments, according to the Community acquis and to the relevant Community policies, every member state has the obligation to monitor, evaluate and control the expenditure of structural instruments, as well as to inform and promote the financial assistance and the implementation system. To this end, the OPTA complements the priority axes of technical assistance of the operational programmes and represents a tool for the coordination of the cohesion policy, thus ensuring a coherent and consistent overall approach.

The Operational Programme of Technical Assistance has been prepared by the Authority for Coordination of Structural Instruments of the Ministry of Public Finance in cooperation with other ministries as Management Authorities for the other operational programmes.

The objectives, the priority axes and the major intervention domains proposed are of horizontal nature and they have been delimited from the rest of the operational programmes based on the principles of complementarity, subsidiarity and logical coherence, with an increased attention paid to the guidelines which substantiate the system of structural instruments implementation.

The priority axes of technical assistance within every operational programme will provide specific assistance to the process of preparing the projects, of monitoring, evaluating and controlling, as well as to the communication activities which are meant to ensure proper advertising, according to the specificity of each programme. This

specific assistance will complement the horizontal assistance tools which correspond to the common needs of all structures and actors involved in the management and implementation of structural instruments, it will complement the development of a Unique System of Information Management capable to provide transparent information on funds absorption, and it will also complement horizontal activities in order to raise public awareness on the role of community support and to ensure an overall understanding of the intervention of structural instruments. These three general areas of intervention include the preparation and implementation of a horizontal operational programme of technical assistance.

The Framework Document for the Implementation of the Operational Programme of Technical Assistance presents a description of the major areas of intervention stipulated in the priority axes of this operational programme, as well as *aspects regarding implementation: principles of application, eligibility and approval of projects; the type of request for project proposals; the monitoring indicators; the list of beneficiaries and of the target groups; the procedure for modifying the Framework Document of the OPTA Implementation.*

At the same time, the Framework Document of the OPTA Implementation specifies the list of guide operations for each priority axis/ major intervention area, the eligible activities, the eligible expenditure and the detailed financial plan for 2007 – 2013, as well as a series of aspects regarding the OPTA implementation.

The technical assistance within the „Convergence” Objective is about 906 million euros for the period of 2007 – 2013, both for the Operational Programme of Technical Assistance and for the priority axes of technical assistance of the other programmes. Of this allocation, about 690 million euro represent the community contribution, a percentage of 3.6% of the total amount allocated via structural instruments in Romania.

The delimitation between the Operational Programme of Technical Assistance (OPTA) and the priority axes of the other operational programmes has been achieved considering that the axes should ensure the necessary support for implementing the operational programme they belong to, while the OPTA should represent a horizontal tool of assistance which covers both the needs of the system for the coordination of structural instruments and the common support needs of the management and implementation system of these funds. (<http://www.fonduri.ue.ro>, Newsletter No. 7, 2013).

In order to achieve the best conditions to ensure a proper capacity of European funds absorption and to be as clear and operational as possible, the Operational Programme of Technical Assistance has been structured into three priority axes and has aimed to accomplish the following indicators as shown in the tables 2,3 and 4.

Table 2 Priority axis 1: Support for the implementation of structural instruments and the coordination of programmes

| Indicator | Unit | Basic Value | Base Year | Source | Target (2015) |
|---|--|-------------|-----------|--------|---------------|
| Immediate achievement indicators | | | | | |
| Surveys, analyses, studies, elaborate methodological, informational and technical materials | No. | 43 | 2006 | ACSI | 135 |
| Trained persons | No. | 1500 | 2005 | ACSI | 14000 |
| Events focussed on experience sharing regarding funds' implementation and meetings of the committees and of the relevant working groups | No. | 25 | 2006 | ACSI | 52 |
| Indicators of results | | | | | |
| The effectiveness of training based on the participants' evaluation | % | - | - | ACSI | 80 |
| The quality of documents prepared for the National Coordinating Committee and subcommittees | Evaluation by the members of CNC (rating scale from 1-5) | - | - | ACSI | 4 |
| The activities of ACSI, ACP, AA appreciated by management authorities | Rating scale: 1-5 | - | - | ACSI | 4 |

Source: Adapted: the Institute for Public Policy – Policy News, the 5th edition, October 2013

Table 3 Priority axis 2: Further development and support for the functioning of the Unique System of Information Management

| Indicator | Unit | Basic value | Base Year | Source | Target (2015) |
|--|-------------|-------------|-----------|--------------------------------|---------------|
| Immediate achievement indicators | | | | | |
| Improved versions of SMIS | No. | 1 | 2006 | Central unit | 7 |
| Guides of elaborate and disseminated procedures | No. | - | - | SMIS central unit | 29 |
| Structures fitted with equipments | No. | - | - | SMIS, AM and OPTA central unit | 50 |
| Indicators of results | | | | | |
| The degree of satisfaction for SMIS users | % | - | - | SMIS central unit | 80 |
| Period of unplanned downtime of SMIS | Hours/month | - | - | SMIS central unit | Lower than 15 |
| SMIS users have TI&C adequate conditions for the use of SMIS | % | - | - | SMIS | 100 |
| Network availability | % | - | - | SMIS | ≥99 |
| Percentage of package loss | % | - | - | SMIS | ≤1 |

Source: Adapted: the Institute for Public Policy– Policy News, the 5th edition October 2013

Table 4 Priority axis 3: The dissemination of information and the promotion of Structural Instruments

| Indicator | Unit | Basic value | Base year | Source | Target (2015) |
|--|------|-------------|-----------|--------|---------------|
| Immediate achievement indicators | | | | | |
| Publications, brochures and flyers | No. | 19,000 | 2006 | ACSI | 1,000,000 |
| Supported events (conferences, seminars, workshops) which promote the interventions via the Structural Instruments | No. | 10 | 2006 | ACSI | 70 |
| Campaigns | No. | 1 | 2006 | ACSI | 14 |
| Opinion polls | No. | 1 | - | ACSI | 7 |
| Number of visits to the web page | No. | - | 2006 | ACSI | 1,000,000 |
| Number of requests received by the Information Centre | No. | - | 2006 | ACSI | 40,000 |
| Indicators of results | | | | | |
| The level of awareness regarding structural instruments | % | 5 | 2006 | ACSI | 15 |

Source: Adapted: The Institute for Public Policy– Policy News, the 5th edition, October 2013

After the Operational Programme of Technical Assistance, the largest amounts have been allocated to the priority axes of assistance of the Sectoral Operational Programme Environment (SOP E) and of the Sectoral Operational Programme Human Resources Development (SOP HRD).

The exception is the Operational Programme for Economic Competitiveness Development (OP ECD) which has included, in the second major area of intervention, apart from the communication and information activities, the evaluation of the programme and purchasing of equipments for a good functioning of the Management Authority and of the intermediate bodies, other than those required for SMIS, financed by the OPTA (<http://www.fonduriue.ro>, Brochure_no.07, 2013). In addition, the training for the potential beneficiaries of the respective operational programme has been separately included into the first major area of intervention of the priority axis of technical assistance of three operational programmes (the Sectoral Operational Programme Transport – SOP T, SOP E and the Operational Programme Administrative Capacity Development – OP ACD) and it has also been included into the second major area of intervention of the priority axis of technical assistance of the other programmes (the Regional Operational Programme – ROP, the OP ECD and the SOP HRD).

As compared to the community funds allocated during 2007-2009, the submitted projects represent between 25% and 55%, except for the SOP T and the SOP HRD, for which the percentage was extremely low, 3.3% and 1% respectively. The approved projects represent between 16% and 55%, except for the SOP T and SOP HRD. The difference between the percentage of approved and of received projects is mainly due to the projects under evaluation, whereas the rate of rejected projects is small, approximately 6% - 5 projects rejected out of the 86 received.

Due to the necessary period for signing contracts/financing decisions, some projects being recently approved, the rate of the contracted projects is situated somewhere between 0% and 7%, except for the ROP and the SOP Environment, where the level of contracting rises to 27% and to 55% respectively.

At the end of 2009, the progress of implementing the Operational Programme of Technical Assistance was very low. Although the institutional structure for the programme management is functional, the majority of interventions performed via the OPTA has either not been released yet or has been stopped. Looking at things from the perspective of immediate achievement indicators, the performance of the programme at the end of 2009 was below expectations, except for a few meetings of coordination at all levels and except for the supplied training sessions. There were lots of immediate achievement indicators for which no performance monitoring could be operated because the activities had either been postponed or had been under implementation.

Both internal order factors, such as staff-related crisis or tasks overloading, and the external ones, such as issues related to public procurements, the legislation of public finance, the capacity of the beneficiaries and the approving procedures, all these did not allow a better implementation of the OPTA. The majority of these factors has been partially included in the programming phase.

At the end of 2009, the OPTA had not contributed essentially to supporting the horizontal issues, especially in areas of interest such as public procurement and state aid. This represents a significant vulnerability, considering that public procurement is important not only for the implementation of the OPTA, but for other OP's implementation, too. All MAs and OIs are awaiting solutions from ACSI regarding the development of an effective public procurement system. The issue of state aid also involves a transversal support, however the beneficiaries consider it as a less acute need (Constantin & Radu 2009).

Based on the key objectives of NSRF 2007-2013, namely to strengthen the strategic objective of the economic and social cohesion policies of Romania, as well as to establish proper connections with the European Union policy, the OPTA indirectly contributes to the achievement of the cohesion policy through the assistance granted to the effective implementation of the Structural Instruments interventions.

Increasing the capacity of the public and of the central authorities in the management and control of the SI is a priority identified in the NSRF. This priority is addressed in the framework programme and is likely to have a positive impact on creating jobs and on stimulating the economic growth, thus contributing to achieving the goals from the Agenda of Lisboa.

The OPTA supports multilevel participatory coordination which encompasses a great number of entities involved in the implementation of the SI. This provides the necessary conditions for an effective, efficient and transparent implementation of the SI, as well as the resources for a constant monitoring, for coordination, good practices exchange and improvement of the overall impact of the technical assistance within the OPTA and of the axes of technical assistance of other operational programmes.

In mid-2011, the payments under the Operational Programmes were worth only 13.7% of the total value allocated for the programming period of 2007-2013. The evaluation report entitled „A Formative Assessment of the Structural Instruments in Romania” underlines the fact that „the actual rhythm of payment performance represents a major risk from the point of view of structural funds' absorption”.

On September the 30th, 2013 the number of submitted projects under the OPTA was 150, of the approved projects was 123, of the contracts/financial decisions was 116, while the payments to the beneficiaries were of 155.67 million lei. With regards to the absorption stage of the Operational Programme of Technical Assistance at the above mentioned date, the situation is as follows: allocations during 2007-2013 – 170,237,790 euro;

payments to beneficiaries in the account of the EU contribution – 749,116,838 euro; reimbursed amounts by the Union Community – 33,301,322 euro; the EU contribution payments in relation with the EU allocations for 2007-2013 – 20.24%; sums reimbursed by the EC in relation with the EU allocations for 2007-2013 – 19.50%. The absorption rate of the structural instruments for the 7 operational programmes was calculated according to the following two indicators: the EU contribution payments in relation to the EU allocations 2007-2013 – 30.64%; sums reimbursed from the EC in relation to the EU allocations 2007-2013 – 20.12%.

Although in October 2013, the absorption rate was of 24.56% growing 3.36% as compared to September 2013, the absorption rate of the structural instruments for all operational programmes in our country is far below the level of the other EU member states (Oprescu & Constantin & Ilie & Pîslaru, Studii de Impact III, p. 9).

Consequently, the implementation of the Operational Programmes related to the „Convergence” Objective is delayed as against the initial estimates and in comparison with the other Member States. The analyses and evaluations in all these years are surprisingly current and recurrent. From this perspective, the findings are simple: the indifference, the corruption and the incompetence at the highest level have put their mark on the absorption capacity of the structural and cohesion funds. The systemic problems themselves have also contributed to the disastrous situation Romania confronts with. If the first category of vulnerabilities remains in the scope of the judicial system and even in the electoral system ultimately, for the second category, political decisions are necessary, decisions to be made in the broadest consensus after discussions with all the actors involved.

CONCLUSIONS

By analysing the issues approached, we can state that the Operational Programme of Technical Assistance is well-designed and it has adequate mechanisms that ensure coherence in relation with both other operational programmes and with relevant European and national policies. The instruments and the coherent principles guide the implementation of technical assistance as a whole.

Performance is variable and there are significant differences among the technical assistance activities undertaken by each coordination structure. The Department for technical assistance, through coordination mechanism, provides a platform of issue dissemination and adequate solutions' identification in order to solve this and obtain an improvement of the technical assistance implementation. It takes a pro-active involvement of the Management Authority of the OPTA in terms of the relationship with the actual or potential beneficiaries, in order to develop the projects for an effective and efficient absorption of the OPTA resources.

The effective implementation of the specific projects of the OPTA has been affected by the approval and signing procedures which last excessively long, especially when it comes to beneficiaries. The ability to develop contract-based systems must be improved in order to implement projects through a better prioritization and targeting. It is necessary to increase effectiveness in projects' approval and to limit delays in implementing all of the OPTA projects at the level of all stages of implementation.

Up to now, the attention devoted to the subject of effectiveness has been limited for good reasons. An early system should pay attention especially to the achievement of good results at first and only when several cycles have been completed, can the efficiency analysis be conducted. This means that it is now time for the managers of evaluation to start addressing the aspect of system efficiency. The present study has identified specific factors which affect the efficiency at the level of the entire System of Structural Instruments Evaluation. The ones responsible for assessment should further analyse within the respective units, first by establishing some efficiency indicators, then, by analysing the factors which decrease or support efficiency, and later on by identifying corrective operational measures.

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