

Managing Authority
Ministry of Regional Development and Public Administration
Romania

*Joint Operational Programme Romania – Republic
of Moldova 2014-2020*

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Abbreviations

AA	–	Audit Authority
CBC	–	Cross Border Cooperation
CC	–	County Council
CCP	–	Control Contact Point
DG DEVCO	–	Europe Aid Development and Cooperation
EaP	–	Eastern Partnership
EC	–	European Commission
ENI	–	European Neighbourhood Instrument
ENPI	–	European Neighbourhood and Partnership Instrument
EP	–	European Parliament
EU	–	European Union
FDI	–	Foreign Direct Investment
GIZ	–	German Society for International Cooperation
JOP	–	Joint Operational Programme
JOP RO-UA-MD	–	Joint Operational Programme Romania – Ukraine - Republic of Moldova 2007-2013
JPC	–	Joint Programming Committee
JTC	–	Joint Technical Secretariat
HCOP	–	Human Capital Operational Programme
IR	–	Implementing Regulation
LIPs	–	Large Infrastructure Projects
KEEP	–	Knowledge and Expertise in European Programmes
MA	–	Managing Authority
MC	–	Municipal Council
MD	–	Republic of Moldova
MEF	–	Ministry of European Funds, Romania
M&E	–	Monitoring and Evaluation
MFA	–	Ministry of Foreign Affairs
MRDPA	–	Ministry of Regional Development and Public Administration
NGO	–	Non Governmental Organisation
NPRD	–	The National Programme for Rural Development
NE	–	North-East
NRP	–	National Reform Program
NUTS	–	Nomenclature of Territorial Units for Statistics
OP	–	Operational Programme
OPAC	–	Operational Programme Administrative Capacity
OPLI	–	Operational Programme Large Infrastructure
OPC	–	Operational Programme Competitiveness
ODA	–	Official Development Assistance
PA	–	Partnership Agreement
RA	–	Regional Authority
RDA	–	Regional Development Agencies
R&D	–	Research and Development
RO	–	Romania
ROP	–	Regional Operational Programme
SIDA	–	Swedish International Development Cooperation Agency
SME	–	Small and Medium Enterprises
SWOT	–	Strengths, Weaknesses, Opportunities, Threats analysis
TBD	–	To be determined
TWG	–	Thematic working groups
TA	–	Technical Assistance
TO	–	Thematic Objectives
UA	–	Ukraine
USAID	–	United States Agency for International Development

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1. Introduction

Cross border cooperation at the external borders of the European Union (EU) continues to represent a top priority for the European Union during the 2014-2020 programming period. In this framework, the cross border cooperation between Romania and Republic of Moldova will strengthen and enhance the development potential of the two states especially by applying the instruments and principles of the new European Neighbourhood Instrument (ENI).

The ENI CBC aims to create “an area of shared prosperity and good neighbourliness between EU Member States and their neighbours”. To this purpose, the ENI has three strategic objectives:

- (A) Promote economic and social development in regions on both sides of common borders;
- (B) Address common challenges in environment, public health, safety and security;
- (C) Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.

The Joint Operational Programme Romania – Republic of Moldova 2014-2020 will contribute to all ENI strategic objectives while focusing its strategic intervention on four thematic objectives:

1. Support to education, research, technological development and innovation (Strategic objective: A)
2. Promotion of local culture and preservation of historical heritage (Strategic objective: A)
3. Improvement of accessibility to the regions, development of transport and communication networks and systems (Strategic objective: C)
4. Common challenges in the field of safety and security (Strategic objective: B)

The contribution of the European Union to the Programme is of 81 million Euro, while the participant countries must ensure a co-financing of at least 8.1 million euro. In the general framework created by the Programming document for the EU Support to ENI Cross-Border Cooperation 2014 - 2020 (henceforth Programming document), *EU Regulation 232/2014 establishing a European Neighbourhood Instrument and of the Commission Regulation no 897/2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation 232/2014*, the programme partners have cooperated in order to identify the needs of the programme area and have selected the thematic objectives and priorities that are most relevant to the programme area.

Within this context, the partner countries nominated the Ministry of Regional Development and Public Administration from Romania as Managing Authority and have established the Joint Programming Committee (JPC) as decisional body within the programming process. The JPC included representatives of the central (Ministries of Foreign Affairs, Ministry of Regional Development and Public Administration Romania, State Chancellery, Republic of Moldova) and regional level from the two countries (county/raion representatives, Regional Development Agencies). Additionally, two working groups were created, one for the identification of Large Infrastructure Projects and one for the Management and Control structures.

The methodology for the elaboration of the Romania-Republic of Moldova Joint Operational Programme included stakeholder consultations, socio economic analysis, SWOT and multi-criteria analysis as well as a review of the lessons learnt from the Romania-Ukraine-Republic of Moldova Joint Operational Programme 2007 - 2013.

The main steps of the development of the Romania – Republic of Moldova Programme were:

- Territorial analysis
- Socio-economic and SWOT analyses
- Preliminary consultations: interviews, focus groups, online survey
- Coherence analysis and multi-criteria analysis
- Public consultations on the first draft of JOP
- Elaboration of SEA Report

- Public consultation on SEA
- Public consultation on the final draft of JOP

Socio-economic and SWOT analyses

The socio-economic and SWOT analyses were drafted considering the most important features of the eligible area and their likely positive or negative impact. The main areas covered were:

- 1) Geography;
- 2) Demography;
- 3) Economy and Labour Market;
- 4) Transport and Infrastructure (including public utilities and ICT);
- 5) Environment and Energy;
- 6) Health, Social, Safety and Security;
- 7) Education, Culture, Society;
- 8) Public Administration and Governance.

As a result of the socio-economic and SWOT analysis, *the thematic objective TO 5 (Support to local & regional good governance) was ruled out*¹.

Preliminary consultations: interviews, focus groups, online survey

Firstly, the preliminary consultations with the Programme stakeholders included interviews with local, regional and national authorities and focus-groups with civil society organizations, universities, Commerce, Industry & Agricultural Chambers and other relevant stakeholders.

The purpose of the consultations was to identify the main needs in the eligible area and to collect the views of the local stakeholders in regards to the activities that would create the most added values for the cross border area. The preliminary consultation included 15 regional/local level authorities/institutions and a total number of 29 representatives were interviewed.

Secondly, 4 focus groups were organized in Romania and 3 in Republic of Moldova involving the representatives of local and central administration as well as the civil society. The focus groups were used to gather information regarding issues encountered in the implementation of the trilateral programme and to identify the funding priorities for the 2014-2020 programming period.

Thirdly, an **on-line survey** was sent to potential eligible applicants' from the programme area. The survey was done using a web-based research tool and was submitted via e-mail to 655 potential respondents from the eligible area of the Romania-Ukraine-Republic of Moldova JOP (*respondents were asked to select their own country, region and the programme they express their opinions on*). The response rate was of 8%, with a total of 84 answers received.

Overall results of preliminary consultations indicated the main preferences of the stakeholders in the eligible area in regards to the thematic objectives to be financed as follows:

- TO1. Business and SME development;
- TO2. Support to education, research, technological development and innovation;
- TO 3. Promotion of local culture and preservation of historical heritage
- TO4. Promotion of social inclusion and fight against poverty
- TO5. Support to local & regional good governance
- TO7. Improvement of accessibility to the regions, development of transport and communication networks and systems
- TO8. Common challenges in the field of safety and security.

¹ *In line with the Programming document, each operational programme will focus on a maximum 4 thematic objectives from a total of 11 TOs. The Programming document can be consulted on the following link: <http://www.ro-ua-md.net/romania-republica-moldova/legal-framework/>*

Past experience analysis

A review of the lessons learnt from the previous programming period was done in order to gather information for the strategy development. The main findings followed the typical life stages of a project: generation (including identification of partners), application, evaluation, contracting and implementation and provided valuable inputs for the implementation section.

Coherence and multi-criteria analysis

According to ENI programming regulations for 2014-2020 period, the programmes must deliver real cross-border added value and not cover elements which are already funded or could more suitably be funded from other ENI or EU programmes. In order to narrow down the thematic objectives to be addressed by the Romania-Republic of Moldova Programme to those that can create the most added value for the region and that are not financed through other funding mechanisms coherence analysis was undertaken.

Based on the ENI CBC Programming document 2014-2020, the coherence analysis followed three types of criteria:

- Convergence with European, National and Regional Strategies;
- Potential financing overlaps (in order to be avoided);
- Effectiveness & Complementarity (of the thematic objectives with the other programmes and strategies).

As a result of the consistency analysis with other programmes and strategies it was considered that *thematic objectives 4 and 5 are already covered through other funding mechanisms* and it was decided to exclude them from the list of TOs to be considered for the Romania-Republic of Moldova Programme. Moreover, the Thematic Objective 9 has been introduced as a need to be covered by the Programme.

Multi criteria analysis

In order to ensure the consistency of the selected thematic objectives with the realities of the region and with the financial allocation of the programme, a multi-criteria analysis was elaborated. Each thematic objective was scored against 5 criteria by an expert panel. These were:

- Cross border impact
- Capacities for project management
- Relevance for overall financial allocation
- Coherence with strategies and programmes
- Current regional context

As a result of the multi criteria analysis the highest ranking thematic objectives were:

OT 2: Support to education, research, technological development and innovation

OT 3: Promotion of local culture and preservation of historical heritage

OT 7: Improvement of accessibility to the regions, development of transport and communication networks and systems

OT 8: Common challenges in the field of safety and security

OT10: Promotion of border management, and border security

Public consultations on the first draft JOP

Three workshops with Programme stakeholders were organised both in Romania (Iași and Galați cities) and in Republic of Moldova (Chișinău) on the first draft of the Programme, totalizing 116 participants. Also, on-line consultations were carried out on the first draft of the Programme and the relevant inputs from the stakeholders were integrated into the final version of the Programme. Participants from all the Romanian counties from the eligible area and from entire territory of the Republic of Moldova were invited.

This round of consultations focused on indicative activities, type of beneficiaries, indicative financial allocation, as well as the main elements of the management and control system and of the implementation of the program (management bodies and their functions and competencies, selection procedures, type of projects, indicative no. of the calls for proposals and the programme time line).

Works of the Joint Programming Committee and working groups

In the programming process the main decision making body has been the Joint Programming Committee (JPC) that has been set up especially for the development of the operational programme. In the period of 2013 – 2014, three meetings have been organized (18th of June 2013, 19th of March 2014 and 23rd of October 2014) and several written consultation procedures were conducted. The main decisions were related to the approval of JPC rules of procedures, appointment of the Ministry of Regional Development and Public Administration as Managing Authority, the CBC Regional Office Iasi as Joint Technical Secretariat, Audit Authority from Romania as Programme Audit Authority, approval of the terms of reference for contracting the consultant for the development of the Operational Programme, approval of programming methodology and corresponding documents.

The results of the selection of thematic objectives were presented to the JPC during the meeting held in Bucharest in October 2014. During the same meeting the JPC approved the first three thematic objectives whereas the fourth TO has been approved through written procedure. Also, through the same procedure, the major social, economic and cultural centres have been approved.

The fourth meeting of the JPC took place in March 2015. The main decisions taken during the meeting were related to the revision of the indicative activities, approval of the financial allocation and setting English and Romanian languages as the official languages of the programme.

Joint Working Groups

In line with article 41 of the Commission Implementing Regulation no 897/2014, the Joint Programming Committee has decided to award large infrastructure projects without a call for proposals. In this respect, a joint Working Group (WG) for large infrastructure projects was designated with the role to identify, select and prioritize the list of LIPs. The joint WG included representatives nominated by the central and regional institutions from the following fields of interest: energy, transport, environment, internal affairs (emergency situations/ border police) and customs. The responsibility of designation the LIP WG members belonged to each participant country.

At national level, a strong and participatory consultation process was carried out with the relevant institutions with a significant role in the previous outlined fields of interests. The consultation objectives were firstly to identify suitable and feasible project ideas and secondly, to obtain the proper input from the relevant stakeholders as regards the national support toward the identified projects.

The project selection itself was based on a working procedure approved by the JPC. More specifically, the stakeholders have submitted project proposals through the use of a template designed to underline the LIP essential criteria and conditions and these were analysed by the joint Working Group with the support of the Managing Authority.

Projects were discussed and prioritized at the level of the joint Working Group through the means of two meetings (12 May and 18 September 2014).

The Joint Programming Committee approved the list of the proposed Large Infrastructure Projects (including the reserve list) to be selected through direct award procedure following the 4th JPC meeting from 13th of March 2015 in accordance with the subsequent written consultations from the period of May – June 2015. The final list can be consulted in Annex II.

A common JWG for Management and Control was established for both the Romania-Republic of Moldova JOP and for the Romania- Ukraine as well as for the Black Sea Basin Programme. In order to define the management and control systems of the three programmes, the JWG had three meetings during the programming period. Some of the main decisions taken were related to the role and tasks of control contact point, as well as to the general tasks that will be fulfilled by all the structures involved in the management and control of the programmes.

2. Description of the programme area

The programme area consists of Core regions listed in the chapter 2.1. below and major social, economic and cultural centres as presented in chapter 2.2. In addition to the programme area, a flexibility rule has been introduced, as described in chapter 2.3 below.

2.1. Core regions

The core area of the Romania-Republic of Moldova Joint Operational Programme 2014-2020 was established through the Programming document and it covers:

Romania – 4 counties – Botoşani, Iaşi, Vaslui and Galaţi

Republic of Moldova² – the whole country

The territory represents the Romanian-Moldova border region, which in the 2007-2013 period was part of the Romania-Ukraine-Republic of Moldova ENPI CBC programme.

The Programme core eligible area covers a total area of 54,092 km², out of which 20,246 km² represent the Romanian territory (divided between the 4 counties: Botoşani 4,986 km², Iaşi 5,476 km², Vaslui 5,318 km², Galaţi 4,466 km²), and 3,3846 km² represent the Moldovan territory. In the Romania's case, the four counties from the core eligible area represent 8.5% of the country territory. Due to the rural character of the core eligible area, the human settlements network is formed out of a limited number of cities, out of which only five have more than 100,000 inhabitants: Iaşi, Galaţi, Botoşani, Chişinău, Bender, Bălţi and Tiraspol municipalities. The border shared by the two states corresponds with the one of the European Union, as the Romanian North-East and South-East development regions are the outermost Eastern regions of the EU. The current status of this border plays an important role in developing the cross-border infrastructure of the Romanian-Republic of Moldova frontier, especially considering that this is in its entirety a river border (i.e. Prut River).

Romania-Republic of Moldova border

The border total length of the eligible is of 681.4 km (by Romanian measurements, 684.3 km by Moldovan measurements). The two countries share 8 land border crossing points, accessible by car and train:

- *Albiţa - Leuşeni (auto)*
- *Galaţi - Giurgiuleşti (auto & rail)*
- *Sculeni - Sculeni (auto)*
- *Stînca - Costeşti (auto)*
- *Iaşi - Ungheni (rail)*
- *Rădăuţi Prut - Lipcani (auto)*
- *Oancea - Cahul (auto)*
- *Fălcui - Stoianovca (rail) (not operational).*

² The organizations from Transnistria are eligible if these are registered in Republic of Moldova.



Map 1- Cross border points at Romania-Republic of Moldova frontier

The core eligible area has a total of 5,676,181 inhabitants, out of which 37.3% reside on the Romanian side of the border, while 62.7% on the Moldovan. A large part of the population lives in high-density urban centres, as for instance Iași, Galați, and Chișinău municipalities; these urban centres have become gravitational for both population and economic flows. Furthermore, 56.75% of the population in the core eligible area lives in rural areas and 43.25% in urban areas, fact which emphasizes the accentuated rural nature of the core eligible area.

The population in the core eligible area is relatively young, 40.8% of the population being up 30 years of age. Even so, the population is in decline; a drop of the natural increase takes place in the rural areas. Another major problem in the area is the outward migration trend. Even though large urban centres manage to attract a large portion of the internal and external immigration, outward migration is still significant.

The health infrastructure is limited in development especially in the rural areas. At national level the health infrastructure is similar in proportion. Significant differences are visible in the Romanian counties, where Iași County is positioned above the national averages - a position that can be attributed to the important role of Iași Municipality as a regional centre.

The changes in the **structure of the population** affect the development of the **labour market**. The active population in the area represents 36% of the total population. Out of the active population 93.89% are in employment and 6.11% are unemployed. There is a constant decrease in unemployment, especially for the Republic of Moldova; in addition, the high unemployment rates in the urban areas, identified in the previous programme are starting to decrease.

The largest employed population in area works in the **agricultural sector**. This population represents 31.84% of the total employed active population, making it the dominating sector. Territorial differences are significant, as on the Romanian side 39.90% of employment is in agricultural sector while on the Moldovan side only 26.45%. Other significant sectors by number of

employed population are: *public administration, education, health and social work, constructions and commerce, hotels, restaurants.*

The **structure of the unemployed population** is significantly different from one side of the border to the other. On the Romanian side, 78.34% of the unemployed population has only a primary, secondary or vocational education. In contrast, on the Moldovan side, the largest number of unemployed has a high-school, or post high-school degree. There are significant differences in terms of exigencies and requirements of the labour market, to which the two populations of the area are still unable to properly adapt. In addition, the rate of early school leaving is relatively high in the area, especially in the Republic of Moldova, where in 2012 at the secondary professional and vocational education levels a rate of 24.5% was registered.

The **average gross monthly earnings** in the area are some of the lowest in both Romania and at EU level. In 2012, the four Romanian counties reached an average of only € 383, while Republic of Moldova € 218. The agricultural sector is the largest sector in terms of employed population; however, earnings in this sector are some of the lowest, registering values below the averages.

The core eligible area of the programme has one of the lowest **development levels** in comparison with the other neighbouring countries and regions. The low level of competitiveness is a major issue for the core eligible area. The causes are the predominance of agriculture as the main economic activity and the lack of a truly diverse economy, the low level of investments in Research & Development, low accessibility due to the poor quality of the transport infrastructure and the underdeveloped public utilities infrastructure.

The core eligible area is characterized by a constantly deteriorating **transport infrastructure** and the lack of **investments**. The area is largely inaccessible by air, only two major international airports functioning. Naval transport is undeveloped, in spite of the large number of rivers and the presence of the Danube River in the South. The road and rail infrastructures are the most problematic and at the same time the most used. The road network is fairly dense; however, its quality varies according to the level of road importance. National and European roads are constantly modernized and serviced, while local roads suffer from lack of investments and the overly bureaucratic process of accessing state funding. The rail network raises a technical issue, as the two countries' rail networks are built using different gauges making the border transfer time consuming and problematic.

The **state of the public utilities and services infrastructure** serving the urban and rural localities in the area raises a number of problems. There are several localities that are not connected to the drinking water supply, the sewage systems or the gas network. In addition, these infrastructures are old and cannot insure the required quality standards, most of them being developed before 1989. Internet access is a problem in the area, as the North-East region in Romania has one of the lowest numbers of subscribers. The rural localities are poorly connected to the internet infrastructure, making the urban centres the main consumers of internet.

In the case of the Republic of Moldova, a major issue is the reduced **energy independence** degree, as the country is in its majority an energy importer. By comparison, Romania has an energy independence degree of 77.7%.

The core eligible area suffers from a number of **ecological issues**, resulted from the pre-1989 aggressive industrialization process, but on an overall note the area is within international pollution limits. The major problems in the area stem from four main sources. First, industrial emissions and waste resulted from both functioning and closed industrial sites have negative impact on the air, soil and waters. Second, the poor management of waste, especially in rural areas has a direct effect on the environment, as in these areas there is a lack of proper facilities for waste treatment and purging. Third, the use of chemical fertilizers and the inadequate storage of agricultural waste have a direct impact on the soil and underwater quality. Fourth, urban centres have an important impact on the air and environment in general, as these are the major producers of CO₂ and greenhouse gases. The core eligible area benefits from over 1,300 natural protected areas of national and international importance and numerous historic sites.

2.2. Major social, economic and cultural centres

The programme decided to make use of the art. 8 (3) of the *Regulation no 232/2014 of the European Parliament and of the council establishing a European Neighbourhood Instrument* provisions, and included 4 major social, economic and cultural centres in the programme area: Bucharest, Suceava, Bacău and Piatra Neamţ.

Rationale for selecting the major social, economic and cultural centre:

In line with article 41 of Commission Regulation 897 from 2014, the joint programming structures decided to include in the programme a list of large infrastructure projects proposed for selection without a call for proposals, whose actions have specific characteristics that require a particular type of body which enjoys a *de jure or de facto monopoly and /or the project relates to actions that require a particular body based on its technical competence*, high degree of specialization or administrative power.

In this context, the need to include Bucharest city in the programme area as major social, economic and cultural centre was identified, as most of the relevant institutions for LIPs are located in the capital city. Bucharest may only be involved as major centre in the large infrastructure projects.

Furthermore, the programming structures decided to include, as major social economic and cultural centres the cities of Bacău, Suceava and Piatra Neamţ, due to their potential contribution to the achievement of the programme objectives:

Bacău Municipality is located in Bacău County, in the East of Romania and in the Southern area of the North-East Development Region.

Bacău Municipality has a population of 144,307 inhabitants (2011) which makes it the 15th largest urban centre in the country. In terms of importance, Bacău Municipality is a city of national interest, and an Urban Development Pole of regional interest.

In case of Bacău Municipality the major strength identified is the potential for education and research. There are two major higher educational units located in Bacău Municipality with various graduate and postgraduate domains. The two universities focus on scientific research and technological transfer - "Vasile Alecsandri" University - and the knowledge economy - "George Bacovia" University. Out of the two, "Vasile Alecsandri" University has 6 certified research centres. Also, both universities have long standing relationships with similar institutions at both national and EU level and benefit from international recognition as contributors to their fields. In addition to the two universities, there are also two research and development stations located in Bacău Municipality.

Bacău is the 3rd largest employer in research and development at the level of the North-East Development Region, after Iaşi and Galaţi counties. Also, at the same level, Bacău County is the 4th in terms of direct expenses in the field of research and development.

Conclusion: *Bacău* city would bring a substantial added value for the core eligible area as it is an important university centre with relevant results in the field of education and it has been nominated as Urban Development Pole of regional interest. Moreover, its participation within the programme would strongly contribute to the achievement of the CBC impact in the core region, as the municipality can play an important role in the capitalization of investments in the field of education accessibility, to the principles of innovative urban development. Therefore, its inclusion as major centre is essential to achieving the programme's objective 2 in a sustainable way.

Consequently, organizations located in the city of Bacău may participate as partners (not lead partners) in projects implemented under the thematic objective 2 Support to education, research, technological development and innovation of the programme.

Piatra Neamţ Municipality is located in Neamţ County, in the North-East of Romania, in the centre of the North-East Development Region, and to the West of the core eligible area. The City of Neamţ has a total population of 85,055 inhabitants, making it the 24th largest city in Romania.

In the case of Piatra Neamț Municipality, among the most important fields in terms of cooperation are culture and heritage. Piatra Neamț is a long standing city in the North-Eastern part of Romania that shares the political and historical background of the core regions. Several branches of major universities from Iași and Bucharest are located in Piatra Neamț Municipality. Moreover, its direct educational link to both Bucharest and the core eligible area (i.e. Iași University) give the municipality a potentially important cooperation role in the field of education at local and regional levels.

In addition to the varied natural resources in the area, there are several important historical, architectural, and religious sites, which are included in the national patrimony and attract large numbers of national and international tourists. Due to this important heritage Piatra Neamț Municipality and its surroundings is listed as part of the popular tour of the monasteries in the area.

Conclusion: Piatra Neamț municipality would have a strong impact upon the core eligible area as it hosts branches of universities from Iași and Bucharest as well as important cultural institutions. Furthermore, its participation within the programme would strongly contribute to the achievement of the CBC impact in the core region, as the institutions located within the municipality have an strong and extended experience of cooperation with central, regional and local entities from Republic of Moldova and therefore Piatra Neamț inclusion as major centre is essential to achieving the programme objectives 2 and 3 in a sustainable way.

Consequently, organizations located in the City of Piatra Neamț may participate as partners (not lead partners) in projects implemented under the thematic objectives 2 Support to education, research, technological development and innovation of the programme and 3 Promotion of local culture and preservation of historical heritage.

Suceava Municipality is located in Suceava County, in the North of Romania, in the Northern area of the North-East Development Region, and to the West of the core eligible area. Suceava Municipality is located near the Romanian-Ukrainian border.

Suceava Municipality is one of the oldest cities in Romania and was the capital city of the historical Moldova. In 2011 Suceava Municipality population was 92,121 inhabitants. The Municipality is Suceava Counties' capital and a rank II city of county level importance in balancing the development of the counties' human settlement network.

Suceava Municipality's potential revolves around education, research, culture, and heritage (the education-research sector being more developed compared to other major centres proposed). Suceava Municipality has one higher education unit that concentrates a large number of students. In 2013 its student population reached 6,830 students, representing almost 7.5% of its total population. Partly, Suceava University's popularity is due to its varied fields of education and research and its social and economic position within the area.

There are 13 research & development and excellence centres located in Suceava Municipality. Suceava County is the 2nd biggest employer in research and development in the North-East Development Region and it is the second county at regional level in terms of direct expenses in the sector of research and development.

Culturally, Suceava Municipality and its surroundings represent one of the most important historic sites in the Northern Romania with both national and regional links. The city is specifically important as it is one of the oldest cities in the area and the country and has a specific historic importance for the historical Moldovan region of Romania. As a result, the city and county have a large number of historic, architectural, and attractions. Along Piatra Neamț Municipality, Suceava Municipality is also included in the monasteries tour of the area. The relief is also varied and the area offers a large number of natural attractions.

In conclusion, Suceava Municipality is an important addition to the eligible are of the programme, as it offers a long standing educational tradition and offers varied opportunities for developing educational and research programmes. The cultural commonalities of the whole North-East

Development Region and the historic ties that its main cities have make Suceava Municipality a needed addition, which offers the region the opportunity of developing coherent cultural and heritage based projects.

In this context, the Suceava city participation within the programme would strongly contribute to the achievement of the CBC impact in the core region, as the municipality is a member in cross border cooperation organizations (such as Upper Prut Euro-region) through which relevant common projects were implemented hence the inclusion of Suceava municipality as major centre is essential to achieving the programme objectives 2 and 3 in a sustainable way.

Consequently, organizations located in the City of Suceava may participate as partners (not lead partners) in projects implemented under the thematic objectives 2 Support to education, research, technological development and innovation of the programme and 3 Promotion of local culture and preservation of historical heritage.

Conditions for participation in programme of the major centres

Bucharest

The corresponding financial allocation for the project partners and or activities carried out by organisations located in **Bucharest** is limited by the allocation set at programme level for large infrastructure projects. Their participation is limited to the:

- ✓ **Thematic objective 7:** Improvement of accessibility to the regions, development of transport and communication networks and systems
- ✓ **Thematic objective 8:** Common challenges in the field of safety and security

Bacău, Piatra Neamţ and Suceava

The corresponding financial allocation for the project partners and or activities carried out by organisations located in Bacău, Piatra Neamţ and Suceava is limited to a total of 10% of the programme budget.

The organisations located in these cities may only participate in projects as partners, but not as lead beneficiaries, and they can only address the following thematic objectives:

Bacău: Thematic objective 2: Support to education, research, technological development and innovation

Piatra Neamţ and Suceava: Thematic objective 2: Support to education, research, technological development and innovation; Thematic objective 3: Promotion of local culture and preservation of historical heritage

Table 1 - Summary of conditions for eligibility of major, economic and cultural centres

Major centres	Common conditions	Specific conditions
Bucharest	N/A	Organization involved in Large Infrastructure Projects Thematic Objective 7 & 8
Bacău city	-within the limit of 10% of Programme budget, - participation only as partners, but not as Lead Partners	Thematic Objective 2
Piatra Neamț city		Thematic Objectives 2 & 3
Suceava City		Thematic Objectives 2 & 3

2.3. Flexibility Rule

A **flexibility rule** set in accordance to point (b) of article 39(2), and article 45(4) of Commission Regulation 897/2014 **may** be used outside the programme area (meaning outside core regions and major social, economic and cultural centres).

A total of 10 % of the EU contribution to the Programme may be used for activities outside the programme area and/or by beneficiaries located outside the programme area as follows:

A. Conditions to be met by Beneficiaries located outside the programme area:

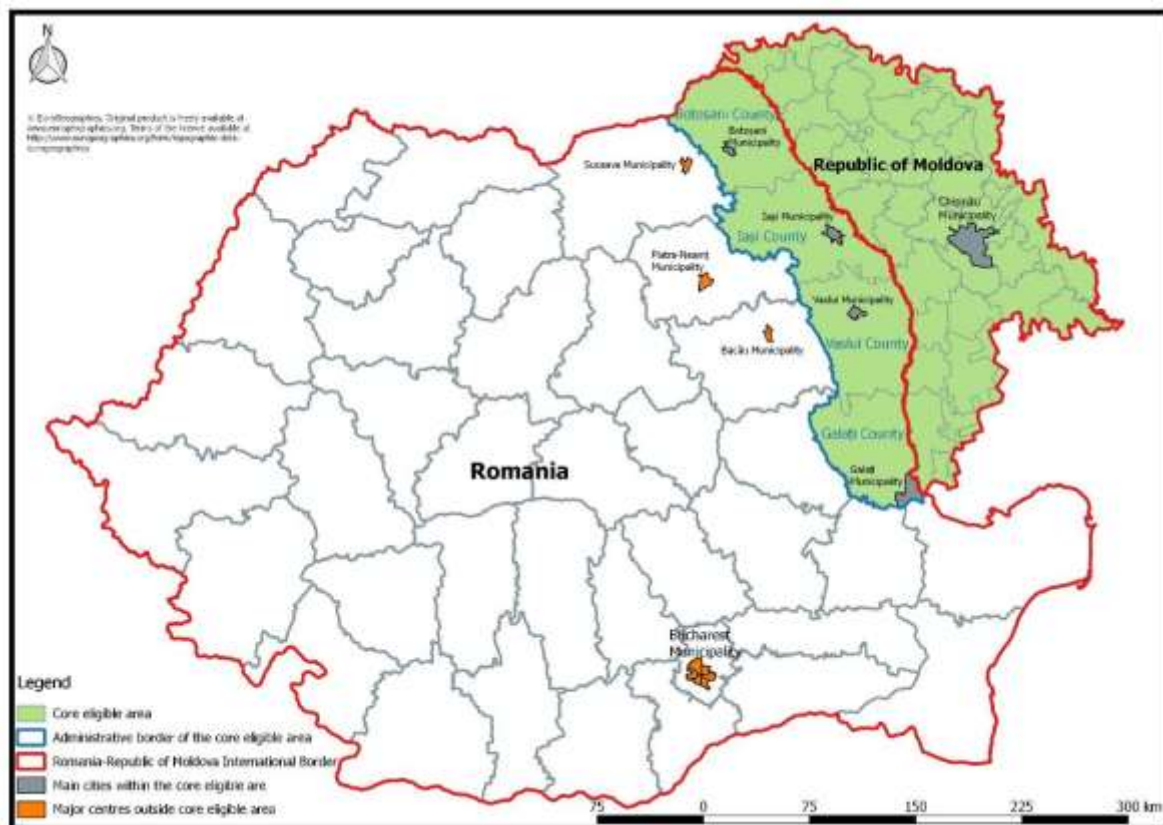
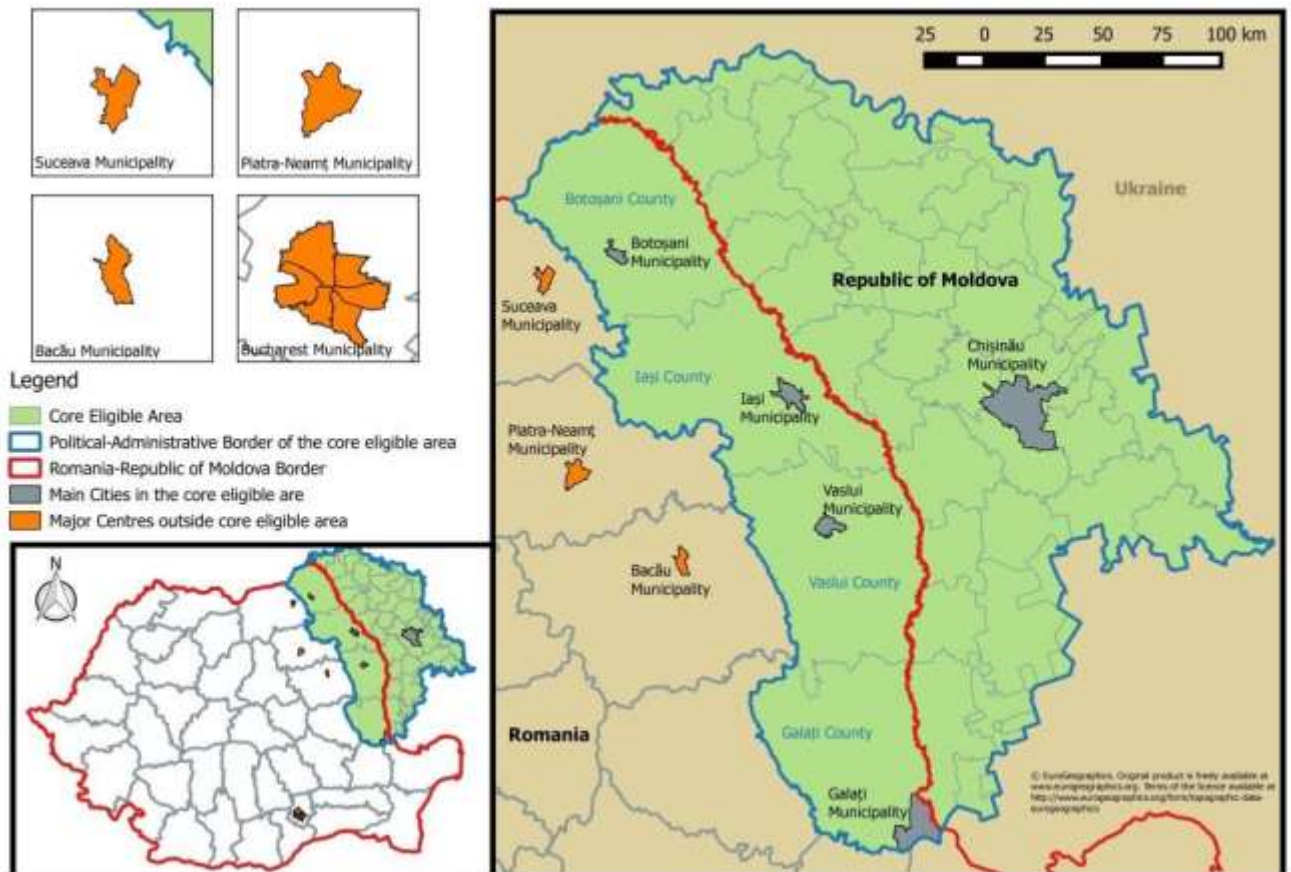
- a) They must be Romanian;
- b) They cannot participate in projects other than Large Infrastructure Projects selected by direct award
- c) They cannot act as lead beneficiaries;
- d) Their participation in project is required by the nature and by the objectives of the project and is necessary for its effective implementation;
- e) They comply with the eligibility criteria defined for each selection procedure.

B. Conditions to be met by project activities partially implemented outside the programme area:

- a) They must be implemented by beneficiaries from the programme area or by LIP beneficiaries partners located outside the programme area
- b) They may be implemented outside the programme area insofar they are necessary for achieving the programme objectives
- c) They are in the benefit of the programme area.

In order to be selected, a project should justify any use of funds outside the programme area.

2.4. Map of the program area



3. Programme's strategy

3.1. Strategy description

The Joint Operational Programme Romania-Republic of Moldova 2014-2020 contributes to the achievement of the overall ENI objective of *"progress towards an area of shared prosperity and good neighbourliness between Member states and their neighbours"*.

The intervention strategy is based on a joint view regarding the development of the Programme area and a common development vision for the following years in the sectors decided upon to be supported by the Programme. The proposed strategic approach focuses on those specific aspects of common policies relevant to cross border cooperation.

According to the Programming document for EU support to ENI Cross-Border Cooperation (2014-2020), the Programme has to address at least one of the three pre-defined strategic objectives and to concentrate interventions of no more than four thematic objectives. The following strategic objectives were defined:

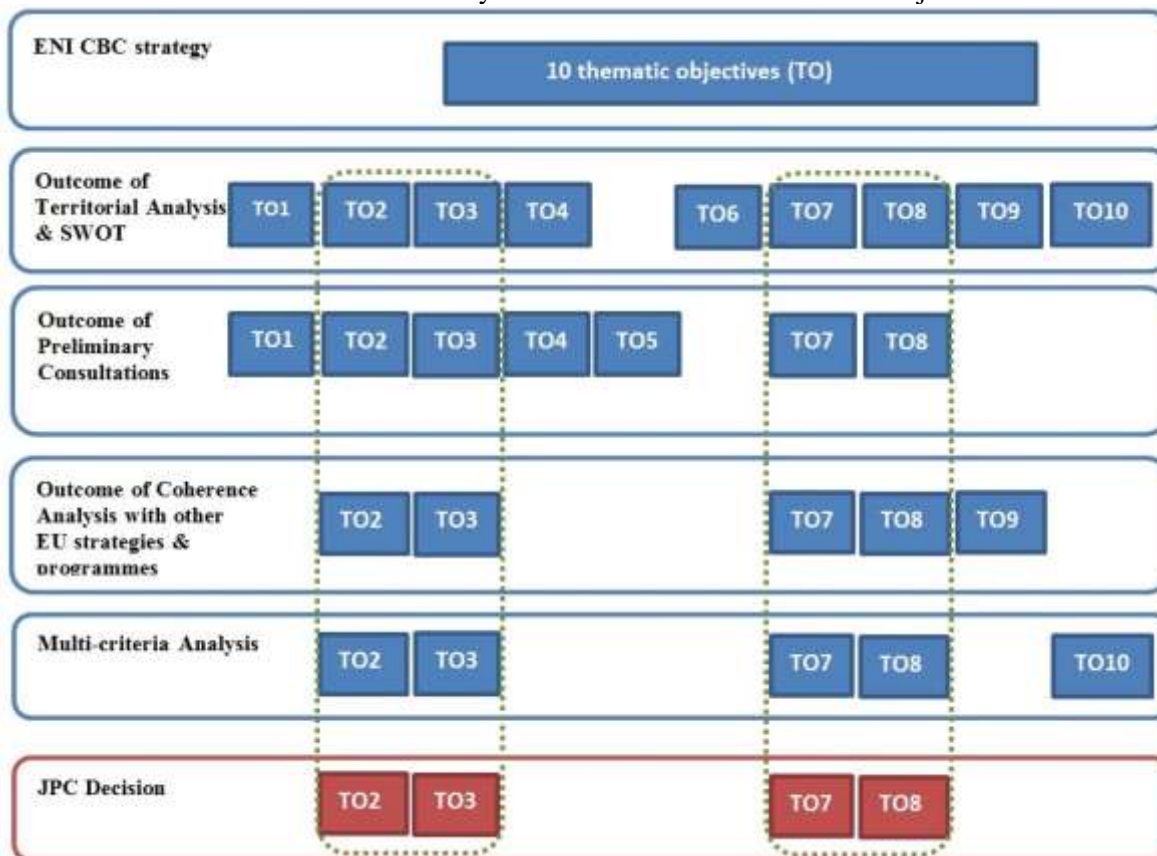
- A. Promote economic and social development in regions on both sides of common borders;
- B. Address common challenges in environment, public health, safety and security;
- C. Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.

To define the 2014-2020 Romania-Republic of Moldova CBC programme strategy a series of analysis were conducted, including a SWOT analysis, multi-criteria and coherence analysis together with extensive stakeholder's consultation and review of the results obtained under the previous programme.

The SWOT analyses additionally included a (1) *Quantitative Analysis* in order to assess the number of SWOT items which have any kind of influence/impact over the ENI CBC strategic objectives (SO) and their assigned thematic objectives and (2) *Qualitative Analysis* – for assessing the impact of SWOT items on Strategic Objectives / Thematic Objective. This assessment evaluated the intensity/importance of the impact of SWOT items on ENI CBC strategic and thematic objectives. Based on this SWOT analysis, the relative importance and weights of the Strengths, Weaknesses, Opportunities and Threats, the most effective strategy for the Programme was defined as the Weakness-Opportunity type strategies - overcome weaknesses to pursue opportunities.

The other analyses and the preliminary consultations of the potential beneficiaries that were conducted were designed to provide structured information on the Programme area and the proposed strategy. The following table is presenting the outcome of the various analyses with respect to the specific thematic objectives proposed to be included in the programme:

Table 2 – Outcome of analyses for the selection of Thematic Objectives



By correlating the results of the multiple analyses, four thematic areas were identified as priorities for development: (1) education and research and innovation, (2) culture and historical heritage, (3) transport and communications and (4) sectors contributing to safety and security in the region as health, prevention of natural and man-made disasters/emergency situations and police cooperation. Consequently, the following four thematic objectives are proposed:

TO2 - Support to education, research, technological development & innovation;

TO3 - Promotion of local culture and preservation of historical heritage

TO7 - Improvement of accessibility to the regions, development of transport and communication networks and systems;

TO8 - Common challenges in the field of safety and security;

The table below is summarizing the strategic objectives, their corresponding thematic objectives as well as the specific objective and priority of the programme:

Table 3 – Summary of strategic objectives, thematic objectives, programme objectives, priorities

Strategic Objectives	Thematic Objectives	Programme Objective	Priority
			➔
A. Promote economic and social development in regions on both sides of common borders	TO 2 - Support to education, research, technological development & innovation;	<i>Develop education and support research and innovation at the level of Programme area by facilitating the cooperation at local, regional and central level</i>	Priority 1.1 – Institutional cooperation in the educational field for increasing access to education and quality of education Priority 1.2 – Promotion and support for research and innovation

Strategic Objectives	Thematic Objectives	Programme Objective	Priority
	TO 3.Promotion of local culture and preservation of historical heritage	<i>Preservation of the cultural and historical heritage in the eligible area, support the developing of local culture, specific cultural identities and the cultural dialog</i>	Priority 2.1 – Preservation and promotion of the cultural and historical heritage
B. Address common challenges in environment, public health, safety and security	OT 8.Common challenges in the field of safety and security	<i>Addressing common challenges in concerning the access to health, management of natural and anthropic risks and emergency situations, cross-border security through joint projects</i>	Priority 4.1 - Support to the development of health services and access to health
			Priority 4.2 – Support to joint activities for the prevention of natural and man-made disasters as well as joint action during emergency situations
			Priority 4.3 Prevention and fight against organized crime and police cooperation
C. Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.	OT 7.Improvement of accessibility to the regions, development of transport and communication networks and systems	<i>Improve public transport services, infrastructure and ITC cooperation and networking</i>	Priority 3.1 –Development of cross border transport infrastructure and ICT Infrastructure

The general objective of the Romania-Republic of Moldova Joint Operational Programme is to enhance the economic development and to improve the quality of life of the people in the Programme area through joint investments in education, economic development, culture, cross border infrastructure and health while ensuring the safety and security of the citizens in the two countries.

Thematic objectives and priorities

The process of identifying the specific needs of the border area to be addressed through the Romania –Republic of Moldova Programme was concluded with the selection of 4 specific thematic objectives:

- ✓ **Thematic objective 2:** Support to education, research, technological development and innovation (ENI Strategic objective: A)
- ✓ **Thematic objective 3:** Promotion of local culture and preservation of historical heritage (ENI Strategic objective: A)
- ✓ **Thematic objective 7:** Improvement of accessibility to the regions, development of transport and communication networks and systems (ENI Strategic objective: C)
- ✓ **Thematic objective 8:** Common challenges in the field of safety and security (ENI Strategic objective: B)

These thematic objectives will be addressed through specific priorities, implemented through cross border activities as presented below.

TO2. SUPPORT TO EDUCATION, RESEARCH, TECHNOLOGICAL DEVELOPMENT & INNOVATION

Objective 1: Develop education and support research and innovation at the level of Programme area by facilitating the cooperation at local, regional and central level

Justification for the definition of Priority 1.1:

The education sector development is one of the areas strongly supported as a key area for intervention by the conclusions of analyses such as the territorial and SWOT analysis. Among the arguments for intervention within the programme area, one can outline the early school leaving identified as an alarming phenomenon; moreover, a significant number of students leave the core eligible area to continue their studies in other parts of Romania or other EU member-states, impacting on the long run the socio-economic development of the region.

As the well-educated individuals represent one of the key resources for future economic development of the programme area, consistent investment in education will i) reduce the effect of the early school leaving ii) ensure proper retention of the student population is critical for medium-term development of the region.

The current capacities that the three major university centres (Iași, Galați, Chișinău and Bălți) possess may be utilized to their full potential to address the main issues outlined above and to ensure proper cooperation to increase the quality, attractiveness and accessibility of their education programs.

Also, the identified priority and the subsequent activities answer to the urgent needs of poor accessibility to educational infrastructure in rural areas.

At the same time, both i) the preliminary consultations organized in the preparatory phase of the program and ii) the analysis of the results of the calls for proposals and projects carried out in the framework of the JOP ROUAMD 2007-2013 indicated the strong interest of the potential beneficiaries in educational projects.

As a result, following the identified needs and the interest, the *priority 1.1* was designed to support projects ensuring wide access (and more people to people activities) within the Programme, targeting a wide range of beneficiaries from central and local level.

Priority 1.1 – Institutional cooperation in the educational field for increasing access to education and quality of education

Indicative activities

- Joint planning and joint development of educational plans, policies and strategies;
- Exchanges of experience, teacher exchanges, transfer of good practices, development of joint training centres for increasing the effectiveness of education through the diversification of professional training programs for employees in the education system in areas such as:
 - school development, school management, developing the relation between schools and communities;
 - developing and applying innovative educational methods, for increasing teaching skills to facilitate and motivate students to perform;
- Developing joint/ common programs of entrepreneurship education, programs that stimulate creativity, innovation and active citizenship;
- Improving the educational quality and participation through rehabilitation/modernization/ extension/ endowment of infrastructure of the educational infrastructure and equipment procurement;
- Development and implementation of partnerships between educational institutions to:

- prevent and correct early school leaving phenomenon through integrated programs (including awareness campaigns) for prevention of school dropout, encourage school attendance and reintegration of those who have left school early;
- developing after school programs and extra-curricular activities;
- Development and implementation of cross programmes and actions for enhancing/improving/ facilitation of job qualifications and competencies³.

Indicative Beneficiaries for Priority 1.1

- National/ regional/ local public administration and other public institutions
- Education institutions;
- NGOs / professional teachers associations/ other relevant associations
- Health organizations acting to prevent and cope with alcohol and drug abuse⁴

Justification for the definition of Priority 1.2:

Innovations are commonly described as successful production, assimilation and exploitation of novelty in the economic and social spheres. The Programme vision is that research and innovations provides the needed support to a balanced and sustainable development of the eligible area and the preliminary consultations have shown a strong support from regional authorities for in favour of such activities.

However, the current status within the field unfolds a low level of investments in Research & Development combined with an underuse of R&D outputs within the industrial and technological activities. Furthermore, only 0.045% of employed population is hired in high added value activities as R&D, Innovation the ratio being one of the lowest in Europe.

Taking into consideration the above outlined arguments, the priority activities have been designed by taking into consideration the fact that Iași and Chișinău have a high potential for research and innovation, given their status of economic and educational hubs while Galați County has a specific potential in the industrial area (metal and shipbuilding industry). Galați could also be considered as a strategic point in terms of R&D needs and capacities (i.e. *Galați Free Zone*) of the eligible area, since it joins all communication channels on its territory (road, rail and sea).

Priority 1.2 – Promotion and support for research and innovation

Indicative activities

- Development of partnerships/networking between universities and research centres for the purpose of creating a favourable environment for know-how transfer and business.
- Dissemination, cooperation and networking between programmes and organizations from the two states acting in the field of research and innovation.
- Joint research actions and studies including those in the field of environment (climate change challenges, preservation of biodiversity, renewable energy and resource efficiency etc.).
- Promotion and support for research and innovation through rehabilitation/modernization/extension of the specific infrastructure including the procurement of related equipment.
- Exchange of experience and best practices among relevant authorities on cluster development and establishment.

Indicative Beneficiaries for Priority 1.2

- Universities,
- Research institutes/ organizations
- National/ regional/ local public administration and other public institutions;

³These activities should be carried out in the framework of educational campaigns and in cooperation with education institutions in order to be eligible.

⁴ These beneficiaries are eligible in the context in which they work in association with education institutions.

- NGOs/ Professional/ entrepreneurial associations

TO 3. PROMOTION OF THE LOCAL CULTURE AND PRESERVATION OF HISTORICAL HERITAGE

Objective 2: *Preservation of the cultural and historical heritage in the eligible area, support the developing of local culture, specific cultural identities and the cultural dialog*

Justification for the definition of Priority 2.1:

The cultural infrastructure in the Programme area is for most part similar in density and distribution across the whole core eligible area. There are a total number of 1404 cultural institutions in the four Romanian counties, and 2,974 cultural institutions in Moldova. These include museums, libraries, cinemas theatres and other cultural institutions.

It is important to highlight the fact that the two sub-national/national eligible areas share commonalities in terms of cultural heritage due to similar historic evolution. Nonetheless, despite the fact that there is a high concentration of natural and historical sites and natural protected areas, the eligible area registers a low level of investments in touristic and cultural facilities.

In this context, the priority encourages the beneficiaries to focus on cultural projects and to link their initiatives within the field with the purpose of ensuring wide access of citizens to an improved cultural infrastructure and protected historical heritage.

Priority 2.1 – Preservation and promotion of the cultural and historical heritage

Indicative activities

- Construction, extension, instalment, restoration, conservation, consolidation, protection, security of cultural and historical monuments, archaeological sites (including the corresponding access roads), museums, objects and art collections and their promotion based on relevant cross-border strategies/concepts;
- Preservation, security, and joint valorisation of cultural and historical monuments and objects;
- Cultural institutions networks aiming at the promotion of the cultural and historical heritage;
- Support for specific and traditional craftsman activities, important for preserving local culture and identity.
- Promotion of specific and traditional activities in the eligible area (including cross border cultural events);
- Preserving, promoting and developing the cultural and historical heritage, mainly through cultural local events with a cross-border dimension;
- Valorisation of the historical and cultural heritage through developing joint promotion strategies, common tourism products and services.

Indicative Beneficiaries for Priority 2.1

- Museums, cultural/religious/cult institutions
- National/ regional/ local public authorities and other public institutions ;
- NGOs, cultural and tourism associations;
- Local business associations in the domain of traditional and craftsmen activities;

TO7. IMPROVEMENT OF ACCESSIBILITY TO THE REGIONS, DEVELOPMENT OF TRANSPORT AND COMMON NETWORKS AND SYSTEMS

Objective 3: Improve public transport services, infrastructure and ITC cooperation and networking

Justification for the definition of Priority 3.1:

Transport in the core eligible area is dominated by road and rail. However, regardless of the high density of transport networks, their viability is reduced by the poor quality and maintenance and by

the lack of modernization projects and resources. This increases travel times significantly and impacts on the transport costs.

Technical differences in terms of rail transport between the two countries (i.e. use of different rail gauge) and limited multi-modal transport capabilities makes cross-border transportation more difficult. However, the Programme area presents a high potential for river transport development that should be acknowledged and acted upon. Furthermore, the people and business have low access levels to broadband internet and communications infrastructure, especially in the rural areas.

Taking into consideration the outlined arguments, the priority has been dedicated to improve the external and internal accessibility of Programme area. The priority highlights the improvement and the rehabilitation of transport system along with investments in information and communication technology (ITC). Also, the development of policies aimed at improving the transport infrastructure will be promoted. Attention is given to the good potential for strategic coordination between Romania and Republic of Moldova as regards the implementation of projects with high cross-border impact.

Priority 3.1 –Development of cross border transport infrastructure and ICT Infrastructure

Indicative activities

- Construction, rehabilitation, modernization of cross-border transport infrastructure systems;
- Development of environmentally friendly (carbon-proofed) cross-border transport initiatives and innovative solutions;
- Improvements of multimode transport (road/ water) facilities of cross-border interest;
- Construction, rehabilitation, widening of cross-border (segments of) roads connecting settlements alongside the border with main road which leads to the border;
- Improvement/restoration/construction of (segments of) access roads to centres of cross-border interest;
- Elaboration of joint strategies/policies/plans for improving the cross-border transport infrastructure;
- Joint investments in ICT infrastructure with cross-border impact; (e.g. optic fibre services)
- Development of cross-border connections, information and integrated communications networks and services;
- Upgrading existing facilities to enable linkages between communities and public services which promote co-operation on a cross-border and wider international basis.

Indicative Beneficiaries for Priority 3.1

- National/ regional/ local public administration and other public institutions;
- State owned companies administrating transport and communication infrastructure

TO 8. COMMON CHALLENGES IN THE FIELD OF SAFETY AND SECURITY

Objective 4: Addressing common challenges in concerning the access to health, management of natural and anthropic risks and emergency situations, cross-border security through joint projects

Justification for the definition of Priority 4.1:

The accessibility to health infrastructure in the core eligible area is low and the old health infrastructure is predominant, especially in the rural area. The infrastructure capacity and number of physicians is below national averages whereas the life expectancy at birth across the Programme area is below international averages.

On the one hand, taking into consideration that the access and development of health services is a wide issue of common concern and on the other hand, the fact that the Programme area is exposed to a series of structural challenges the need for financing and implementing health initiatives becomes necessary. In this context, the priority will dedicate support to joint actions and emergency medicine

initiatives in the field of public health. It is relevant to outline that the priority has a very good potential for cross-border impact due to the good capacities for project management already developed during the previous programming period 2007 - 2013.

Priority 4.1 - Support to the development of health services and access to health

Indicative activities

- Joint planning and joint development of plans, policies and strategies for public health and social care;
- Joint activities meant to enhance the access to health in the border area through construction / rehabilitation / modernization of infrastructure of public health services (including through the use of renewable energy etc.);
- Developing labs and mobile labs for the prevention / detection / monitoring of diseases, accidents, incidents and border epidemics.
- Equipping specific public medical service infrastructure (outpatient, emergency room facilities, medical centres, integrated social intervention, etc.);
- Joint training programs and exchange of experience, networking for supporting the functioning of the specific public medical services, telemedicine;
- Exchange of experience, joint activities in order to ensure compatibility of the treatment guidelines;
- Awareness campaigns concerning public education on health, diseases and prevention of epidemics.

Indicative beneficiaries groups for Priority 4.1

- National/ regional/ local public administration and other public institutions;
- National/regional/local/ institutions acting in the field of health and social policies;
- NGOs, universities and Research organizations;
- Professional medical and patient associations.

Justification for the definition of Priority 4.2:

The Programme area presents a high risk of pollution through industrial accidents, especially along Prut River and the Danube area. Furthermore, there is a high risk of natural disasters as a result of the dense hydrographical network (for instance flooding, landslides) and due to the proximity of the seismic area of Vrancea in Romania (e.g. earthquakes)

The priority concentrates on several environmental issues by the means of a diversity of instruments such as prevention, training, monitoring and planning of joint coordinated actions with the aim of common intervention in emergency situations. In this framework is important to outline that the consultation with the Programme stakeholders have indicated a strong and clear interest toward the implementation of risk-prevention projects, with a special focus on the local public administration initiatives. Taking into consideration the potential for integrated projects and previous experiences, emphasis is given to investments in common emergency management system and structures. Attention is given strategies and tools for hazard management and risk prevention.

Priority 4.2 – Support to joint activities for the prevention of natural and man-made disasters as well as joint action during emergency situations

Indicative activities

- Measures for preventing land slide and flooding;
- Joint integrated systems/ structures for efficient monitoring and disaster prevention and for the mitigation of consequences;
- Common strategies and tools for hazard management and risk prevention including joint action plans;

- Elaborating of joint detailed maps and data bases (indicating natural and technological risks, and land use for regional planning authorities, environmental agencies and emergency services);
- Exchanging experience and knowledge, including raising awareness in the field of efficient risk prevention and management in the cross-border area;
- Development of integrated and common standards for the urban planning and risk management;
- Investments and development of common, integrated, emergency management systems/structures.
- Planning coordinated actions of the authorities in emergency situations caused by natural and man-made disasters;
- Investment in construction, renovation or upgrading of the infrastructure and equipment directly related to the monitoring and intervention in emergency situations.

Indicative beneficiaries for Priority 4.2

- National/ regional/ local public administration and other public institutions, including environmental organizations acting in the area of mitigation of disaster risk and effects and emergency situations;
- Research organizations, NGOs

Justification for the definition of Priority 4.3:

Priority 4.3 Prevention and fight against organized crime and police cooperation

In the field of prevention and fight against of organized crime, Romania and Republic of Moldova enlist a series of common problems combined with the tendencies toward criminal phenomenon at the shared border. Further, the structures of police, border police and customs are underdeveloped and such, the potential risks are increased within the Programme with negative impact in the fight against human and drug trafficking, illegal smuggling of goods and border fraud. However, it is worth to mention that the two states have a good police cooperation experience and high capacities for implementing projects with cross-border impact.

In line with the identified problems, the priority intends to provide support for the intensification of dialogue between the specialized structures through the joint implementation of projects with clear cut impact within the field of fight against crime and police.

Indicative activities

- Common actions for increasing mobility and administrative capacity of police units (including border police);
- Creating collaborative work platforms in order to increase the efficiency of police, border police and custom structures in the exchange of data and information;
- Joint training of police, border police and custom personnel, exchange of best practices on specific areas of activity (analysis, criminal investigation, organized crime);
- Investment in construction, renovation or upgrading of police and border crossing infrastructure and related buildings;
- Investments in operating equipment and facilities specific for the activity of police/customs/border police/gendarmerie (e.g. laboratories, equipment, detection tools, hardware and software, means of transport);
- Developing common policies and strategies including awareness campaigns, experience exchange for fighting organized crime.

Indicative beneficiaries for Priority 4.3

- Custom services, border police, police, other national/regional/local public institutions acting in the area of crime prevention and police, professional associations
- National/ regional/ local public administration and other public institutions

3.2. Justification for the chosen strategy

The strategy of the programme was derived from a number of analyses and consultations and reflects the needs of the border area of Romania and Republic of Moldova that can be addressed by the ENI cross border cooperation programme. The main elements of the strategy justification can be found below.

3.2.1. Socio economic analysis and SWOT⁵

This section summarizes the main findings of the territorial analysis including the statistical data and conclusions from the document analysis, under the general framework of a SWOT analysis.

In the specific case of the current analysis, the “objective” to achieve is represented by the strategic objectives of the ENI Programming Documents:

- 1) *Promote economic and social development in regions on both sides of common borders;*
- 2) *Address common challenges in environment, public health, safety and security;*
- 3) *Promotion of better conditions and modalities for ensuring the mobility of persons, goods and capital.*

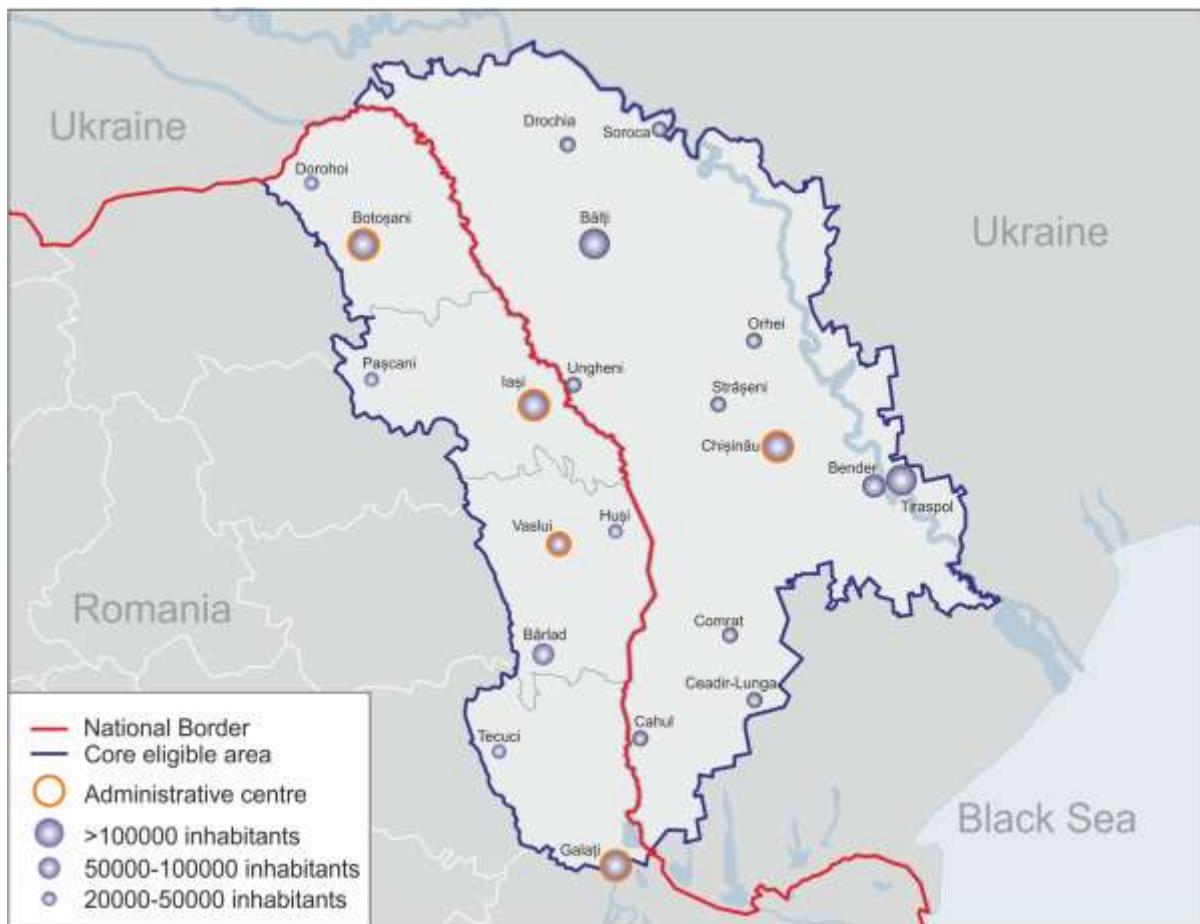
Starting from these objectives, the SWOT analysis is organized along the main lines of the territorial analysis: a) Geography and Human Settlements; b) Demography; c) Economy and Labour Market; d) Transport and Infrastructure (including public utilities and ICT); e) Environment and Energy; f) Health, Social, Safety and Security; g) Education, Culture, Society; h) Public Administration and Governance. In this context the main strengths, weaknesses, opportunities and threats that are relevant for structuring and implementing this programme are summarized in the tables below:

A. Geography & Human Settlements

The core eligible area is characterized by **two main geographical and topological characteristics**: a generally flat relief and a complex hydrographic network, especially on the Moldovan side. The relief and rivers emphasize the potential high risk of natural disasters (flooding, soil erosion and landslides) if no risk management systems are put in place.

The overall **level of urbanization** in the core eligible area is below 50%, as 56.75% of the population of the core area is still living in rural area, and only 43.25% in urban areas. The number of urban centres is limited and unevenly distributed. Significant development gaps between these centres are visible, especially in predominantly rural areas. The most important cities (e.g. Iași, Galați, Chișinău, Tiraspol or Bender) concentrate the major economic activities and the largest part of the population, making the over-polarization effect extremely visible thus reducing the number of available opportunities in smaller urban centres and rural settlements. Over 56% of the population lives in rural areas, where the access to public utilities and amenities is reduced due to the poor development of the technical infrastructure. This has a direct negative effect on the quality of life and opportunities, and increases deprivation.

⁵ *The analysis was elaborated using a clear set of statistical databases, strategic documents made available by local and national authorities through their websites and by request, as well as other documents (research documents, evaluations) that were identified as relevant. Territorialized statistical datasets as well as national and regional statistical publications were used for the comparison of the two territories composing the core eligible area. In order to emphasize and increase the degree of relevance in relation to the comparison similar time intervals were used in the process. Where this was not possible due to older datasets or unavailability of recent data, clear specifications of the time intervals were made. Also, where it was appropriate additional calculations were made in order to make the comparison possible. Additional data, referring to specific domains was extracted from the relevant documents identified. In the cases where the data lacked territorialisation, the national data was presented and transposed, where possible to the appropriate territorial level (e.g. Foreign Direct Investments, Energy). In all of the cases, the level of analysis is clearly stated in order to make the analysis as clear as possible.*



Map 4: Main cities in the core eligible area by size of population

Comparing the rate of living area per inhabitant of the core eligible area with the EU averages, significant differences are visible. Considering Romanian and Moldovan rates, the core eligible area average is of 15 m² per inhabitant, which is significantly lower than in the other EU member states, where these rates usually surpass 20 m² per inhabitant.

On top of the low levels of urbanization, the rural settlements in the core eligible area suffer from the lack of access to drinking water supply and sewage systems. In addition, on the Romanian side of the core eligible area only a small part of the rural localities are connected to the gas supply infrastructure, not benefitting from this resource. This is not the case of Republic of Moldova, where more than three quarters of settlements are connected to the gas supply infrastructure. Nonetheless, the level of connectivity to the public thermal energy distribution system remained somewhat constant, with only a small decrease in Republic of Moldova, however, the population is migrating towards private methods of production for thermal energy.

Internet connectivity remains a problem in the core eligible area, especially in rural areas, as the average connectivity rate is below 50%, and the majority of the internet subscribers are concentrated in urban centres of the area.

Urban public transport systems are the densest in and around the major urban centres in the core eligible area, mainly in Iaşi, Botoşani, Vaslui, Galaţi and , Chişinău, Bălţi, Ungheni, Cahul, Soroca and Orhei. Accessibility is limited in terms of the length of the infrastructure as well as in terms of the variety of public means of transport, which is often limited to bus lines.

A. Geography & Human Settlements	
Strengths	Weaknesses

S11	Complex hydrographic network: many lakes, important rivers and Danube	W11	Small waterways areas, not appropriate for long distance naval navigation
S12	Flat relief – suitable for agricultural investment and development	W12	Uneven distribution of large urban settlements favouring the polarization processes
S13	Developed urban settlements with more than 100.000 inhabitants (i.e. Botoșani, Iași, Galați, Chișinău, Bălți, Tiraspol, Bender)	W13	Large difference between the number of urban and rural settlements, in favour of the rural ones.
Opportunities		Threats	
O11	The proximity of Black Sea represents a strong potential opportunity for the entire eligible area	T11	High risk from natural disasters (landslides, floods)
O12	Development of the technical infrastructure reduces the polarization effects of established urban centres	T12	Massive migration from rural to urban settlements due to lack of opportunities, services, and other amenities
O13	Development of transport infrastructure facilitated by the flat relief will increase the rural accessibility	T13	Uncontrolled sprawl of the existing urban areas towards neighbouring rural areas without considering technical requirements

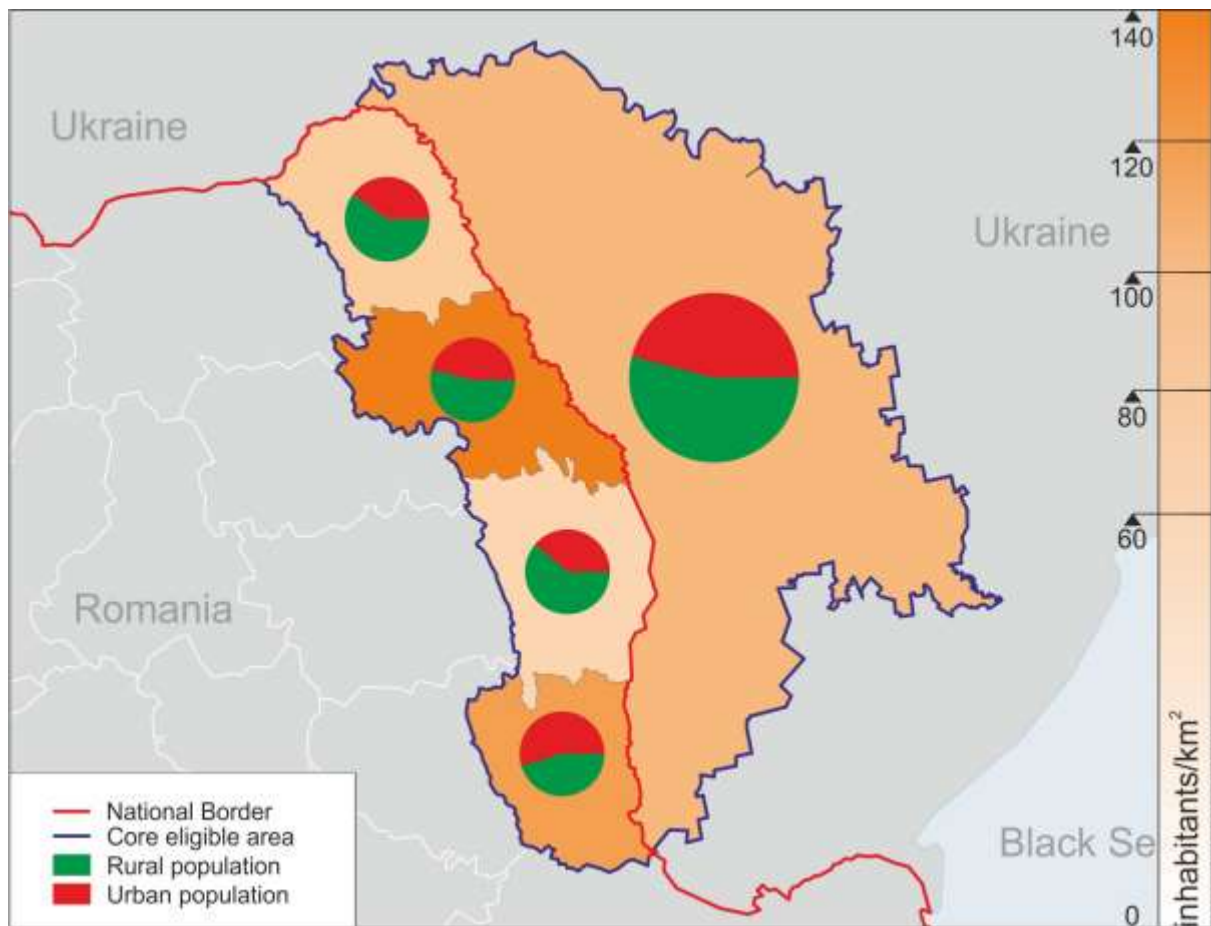
Conclusion: The proximity of the Black sea for some of its nearest cities (such as Galați in Romania or Giurgiuilești in Republic of Moldova) enhances the opportunity for increased economic exchanges. This impacts the economy of the cities in question, as well as, in broader sense, the entire economic flows in the country. It is worth mentioning that, in the same time, the existence of a complex hydrographic network allows for the easier development of additional public utilities services as well as agricultural investments or energy production facilities.

B. Demography

The core eligible area of the Programme sums up a total of approximately 5,676,181 inhabitants. Of the total population of the area, 37.3% resides on the Romanian side of the border, while 62.7% on the Moldovan side. As noted above, over 50% of the population is still living in rural areas, lacking access to certain services and amenities.

Migration and ageing are two of the most significant demographic trends visible in the core eligible area, with an accentuated character in rural areas. The young active population migrates abroad for work or study leaving behind a large dependent population. Even though at the level of the core eligible area the migration balance is of negative value, territorial differences are visible. Republic of Moldova has a slightly positive migration balance, while the Romanian counties a strong negative one. The main exceptions in terms of migration are the major urban centres, which manage to polarize in migration flows, while the rural settlements are characterized by negative migration balances, i.e. out migration.

A negative natural increase and a low life expectancy at birth compared to the EU average characterize the area. Combined with the outward migration of the active population these trends create serious imbalances between the production and consumption of goods, leading to additional long-term impacts on the social assistance and pension system.



Map 5: Population density & distribution by living environment

The vital statistics of the core eligible area show a difference between fertility and crude death rates, in favour of the second, making the rejuvenation process of the population a problematic one. This is especially important as even if life expectancy at birth has increased in the last 20 years, Romania and the Republic of Moldova are both well under the EU average estimates.

The distribution of the population by age groups is normal in statistical terms at core area level; however, differences are visible when comparing the Romanian and Moldovan territories. The Romanian counties' age pyramid is significantly flatter than that of Republic of Moldova. In addition, in the case of the Romanian counties' the largest age group is represented by the 40-44 age group, while in the case of Republic of Moldova the 20-24 age group is not only the largest, but over two times larger than the Romanian 20-24 age group.

The territorial differences in terms of demography of the core eligible area show an uneven distributed population in terms of age and a generally negative natural increase rate. The current situation, characterised by a negative natural increase, a low life expectancy, and an outward migration trend leaves the present population exposed to an ageing process that will develop at a much higher rate than the rejuvenation process. This in turn creates significant imbalances between production and consumption of goods, puts strain on the social assistance and pension systems, and decreases the competitiveness of the local labour force.

B. Demography			
Strengths		Weaknesses	
S21	Complex hydrographic network: many lakes, important rivers and Danube	W21	Urban population ratio under the national average in Romanian side Low ratio of urbanization in Republic of Moldova
S22	Flat relief – suitable for agricultural investment and development	W22	Republic of Moldova’s small population (3.5 million) represents a small market for major foreign investors
S23	Developed urban settlements with more than 100,000 inhabitants (i.e. Botoșani, Iași, Galați, Chișinău, Bălți, Bender, Tiraspol.	W23	Uneven distribution of the young adult population between the Romanian and Moldovan territories
Opportunities		Threats	
O21	Increased attractiveness of the EU border area	T21	The Romanian counties are confronted with a negative natural increase ratio of the population
		T22	Strong migrant flows externally oriented: to EU countries for Romanian side and to EU countries and Russia for Moldovan side
		T23	Ageing process of population on Romanian side

Conclusion: the fact that the urban population of the Programme area is below the national average on the Romanian side impacts on the potential economic development of the area. It is widely accepted that the urban areas concentrate more diversified economic activities, with high added value and increased productivity. The economic activities specific to rural areas are generally agricultural in nature, with limited economical added value and highly sensitive to the natural hazards. The strong migrant flows externally oriented could have a negative impact on the labour market – as the most specialized and dynamic individuals are leaving the country, with the non-active, socially assisted population remaining. On the longer run, this trend combined with the ageing population on the Romanian side, would also impact the sustainability of the national pension system.

C. Economy and Labour Market

The demographic trends are directly connected to the **main economic sectors and local labour market**. The lack of varied economic opportunities and the predominant rural character indirectly make the agricultural sector the main employment sector in the core eligible area. However, this is also the sector in which earnings are some of the lowest in the area. The main reason behind this is the fragmentation of the agricultural land into small individual farms, practicing **subsistence agriculture** with low added value.

Without proper investment, agricultural production is highly dependent on the meteorological conditions and natural hazards. Given the employment share of this sector, the area becomes economically very vulnerable to variations in agricultural production that can affect exports and imports of agricultural products and overall local economic development and employment.

The mentioned effects can be correlated with the GDP levels of the area, which are some of the lowest in Romania and European Union. Even if the GDPs of the territories composing the core eligible area has increased significantly in the last seven years, although not enough, it has to be noted that this growth has been doubled by an increase of the territorial differences, i.e. the GDP difference between Iași County and Republic of Moldova has tripled.

Looking at the level of the fixed capital assets per economic activities shows that the local economy is slowly moving from an economy concentrated around industrial and construction activities towards a **service based economy**, which in general requires a highly educated labour market. However, at the level of the core eligible area only a small proportion of the active population is employed in these types of economic activities. The **level of education** of the unemployed population shows that there are limited opportunities for those with primary or vocational education in Romania, and for those with high school education in Republic of Moldova. Combined with the significant early school leaving rates in the area and the low levels of investments in education it is clear that the unemployed population is unable to respond to the requirements of the local labour market, and signals a need for a certain level of requalification.

In addition to the **lack of opportunities** for the active unemployed population with lower levels of education, the move towards a service based economy shows a number of issues in the area. First, **R&D and innovation is limited** to the three main urban centres of Iași, Galați and Chișinău, where the largest numbers of SMEs are also located in the core eligible area. In turn, this reduces the impact and added value that R&D and innovation can have on the main economic sector of agriculture, and other sectors like the manufacturing and extraction industry, and construction. Second, the core eligible area has one of **the lowest rates of FDI attraction** compared to other regions in Romania. Moreover, the services economic activities in the area receive only a small proportion of the total FDI in the area. This can be assigned to the **low competitiveness** level of the area making it unattractive to investors. This is mainly caused by the lack or poor development of the basic requirements of service based activities like easy access, mobility, and public utilities infrastructure.

C. Economy and Labour Market			
Strengths		Weaknesses	
S31	Well diversified agricultural activities	W31	Big and increasing disparities in GDP per capita between Romanian side and Moldavian side
S32	Since the programming period 2007-2013, GDP per capita increased 2.3 time on the Romanian side and over 3 times on the Moldavian side	W32	High level of labour forces employed in the budgetary sector in Republic of Moldova with direct negative impact on ratio of public spending in GDP.
S33	Decreasing trend in unemployment, especially in Republic of Moldova but as well as in the eligible area from Romania	W33	The main economic activities have low value added (agriculture, fishing, trade and tourism related services)
S34	Important number of SMEs diversified SMEs mainly concentrated in industry, construction, holds sale and auto repair.	W34	The agriculture production is concentrated in subsistence farms and is strongly dependent on weather conditions and exposed to natural risks
S35	Competitive labour costs	W35	Very low ratio of employed population is hired in high added value activities as R&D, Innovation (0.18%)
S36	Good economic potential for the at least four main urban poles: Iasi, Galati, Chișinău and Bălți	W36	Very low employment rate, negatively affecting the potential of labour market
S37	Developing wine industry within the entire eligible area	W37	Relatively high gap in personal revenues on both sides of the border together with low earnings levels
		W38	Limited Foreign Direct Investment in the eligible area of CBC Programme
		W39	Low competitiveness of the core eligible area of CBC Programme

Opportunities		Threats	
O31	Opportunities related to the EU member-state status of Romania (attractiveness for foreign investments) and to the signing of the Association Agreement between Moldova and EU	T31	Political instability of the north-west part of Black Sea region (including the situation in Transnistria) can jeopardize economic development, especially the Foreign Direct Investments – FDI
O32	EU financing programmes on Romanian side	T32	The eligible area of the CBC OP is outside the specific economic development axe in Romania (West-North-West to South-East)
O33	Other donors increasing their financial assistance programs in Moldova	T33	Big regional disparities in Republic of Moldova, mono-centric development model

Conclusion: With respect to the dominant type of economic activities in the eligible area, the key aspects to be noted are i) the low earnings in the case of economic activities not requiring high levels of education, and ii) the move towards a service based labour market. A major consideration is the small proportion of the labour market occupied by the Information and Communications activities and Financial Activities in contrast with the high earning levels in these sectors. In comparison, the economic activities that hold a larger share of the employed population like Agriculture, Industry and Construction, are not able to capitalize on the size of their markets, and earnings are kept at lower levels. A very low ratio (0.18%) of employed population is hired in high added value activities as R&D, Innovation, thus this specific sector has a low capacity of production and exports. In addition, the earning levels shows an over-specialization of the labour market and putting at risk the local economy in case of destabilizing socio-economic events.

A correlation of GDP level with the type of population in relation to the urban-rural living environments shows that along with attracting a large part of the population, Iași, Galați counties and the adjoining region of Chișinău Municipality remain the major economic centres. In addition, the widening of the GDP gap shows an involution in terms of reducing regional disparities, and over polarization of economic activity instead of a balanced and polycentric distribution.

As the investments are concerned, it should be noted that the limited numbers of sectors with significant levels of investments and the uneven distribution of these signals the over-specialization and concentration of the labour market. This makes adjacent economic activities suffer, as in a long-term perspective of these become underdeveloped. The significant focus of the investments in the Construction, Real Estate and Financial Services indicates an increase in the level of trust in the real estate market after the economic crisis. Also, significant investments in Transport infrastructure signal a coordinated effort to respond to the current traffic issues and to bring the existent traffic infrastructure to international standards. However, the low levels of investment in Health and Education, as well as the limited interest for Hotel and Restaurant activities (despite of the touristic potential of the area) should also be noted.

Moreover, due to the fact that the area of the Programme is outside of the economic development axe in Romania, there is a risk that investors would simply prefer other location with already established business infrastructure.

D. Transport and Infrastructure (including public utilities and ICT)

Accessibility is an important issue in the core eligible area. Air connectivity is limited to two main international airports (i.e. Iași and Chișinău,) with an even more limited list of destinations, making international passenger access dependent on road and rail transfers. In the Republic of Moldova cargo traffic is routed through the two international cargo airports in Bălți International Airport and Mărculești International Airport. International naval access is also limited, with Galați in Romania and Giurgiulești in Republic of Moldova being the most important ports, but with **limited inter-modal capabilities**. In spite of the complex hydrographic network of the core eligible area and the potential given by the Prut River as the border between Romania and Republic of Moldova and a direct link to the Danube and Black Sea, development of naval transport is extremely limited.

Transport in the core eligible area is dominated by **road and rail**. However, regardless of the high density of road and rail networks, their viability is reduced by the poor quality and maintenance of these networks, the lack of modernization projects and resources. This increases travel times significantly and increases transport costs. A direct effect of the quality of the road and rail networks is the reduced access to some of the most remote rural areas, limiting both labour market opportunities and investments. In addition, these areas also suffer from a reduced penetration of the **technical infrastructures** required for public utilities, i.e. drinking water, sewage, gas supply, thermal energy, internet access, and public transport.

The limitations imposed by the transport infrastructure and its qualitative level have a significant effect on the cross-border traffic, mainly by concentrating the traffic territorially and in terms of means of transportation. According to the data provided by the Romanian Border Police, Iași-Ungheni, Albița – Leușeni, and Galați-Giurgiulești are the most commonly used border crossing points, and auto and rail are the main means of transportation when crossing the border. However, auto transportation is predominant, due to the increased crossing times in the case of the rail crossings, as direct consequence of the different rail gauge used by the two countries and the connoted technical difficulties.

There are significant differences in the area in terms of access to public utilities, especially when comparing rural and urban areas. Access to sewage systems and gas supply are the most problematic issues in the rural areas of the programme. This has two major effects. First, it directly affects the quality of life. Second, the lack of sewage systems and waste management systems creates an environmental issue as used waters and waste are discarded directly into the environment, with no prior treatment, increasing soil and water pollution. At the same time, the reduced access to gas networks in the Romanian counties has the potential to increase the rates of deforestation, as wood is the most accessible fuel for energy production. Internet access and public transport infrastructures are well developed in the area; however these are mainly concentrated in and around urban centres. Internet access in the Romanian counties has the lowest penetration rate in the country, especially due to the low connectivity levels in the predominant rural areas.

Major urban centres like Iași, Galați and Chișinău concentrate the largest number of broadband subscribers while the rest of the territory still suffers from low connectivity making it unattractive to services and industries developed around information and communications, it must be noted that significant changes are taking place in Republic of Moldova, as recent studies show that the overall internet connectivity rate is over 50%, whereas urban connectivity rates are over 75% (e.g. Ungheni, Orhei, Soroca, Cahul, Bălți) In a similar fashion, public transport is concentrated in the major urban centres and radiates around these, although peri-urban transport is much more limited and coverage is limited by the state and quality of the existing transport infrastructure.

D. Transport and Infrastructure (including public utilities and ITC)			
Strengths		Weaknesses	
S41	Developed transport network for buses and minibuses	W41	Under-developed air, naval and rail transport
S42	The core eligible area is crossed by important EU network roads	W42	Old rail infrastructure and using different gauges
S43	Good drinking water and sewage networks in the urban areas	W43	Poor road infrastructure on Moldovan side
S44	Good Internet access (using broadband technologies), in urban area	W44	Underdeveloped water and sewage networks in rural area
Opportunities		Threats	
O41	The eligible area is crossed by TEN-T and TRACECA networks	T41	Political instability and international conflicts or tensions can directly threat the level of investments in infrastructure development
O42	2014-2020 EU programs to support developing of infrastructure (ROP, BIOP, NRDP)		
O43	Other international donor programmes (in Moldova) to develop public utility infrastructure(GIZ, BERD)		
O44	Implementation of transport projects impacting border area proposed in the Master General of Transport, e.g. Târgu Mureş-Iasi highway.		

Conclusion: The most important strong points are represented by the developed car transport, the good Internet infrastructure while on the Weakness side is important to mention the under-development of other transport forms (naval, rail, air), and poor water, sewage and gas (only in Romania) networks in rural area. It's very important to mention the main opportunity of the sector: the eligible area of the CBC Programme is crossed by the future TEN-T and TRACECA transport networks and in this context the CBC Programme can be designed as a complementary one to the future financing programmes to develop the above-mentioned transport networks.

One of the biggest problems of the area is the underdevelopment of the existent navigation routes. In the same time, the area's connectivity is very limited in terms of air links, making it a difficult to reach destination for both freight and passengers, because of the required interim stops for connecting flights. The development of several other routes and the increased connectivity of the airports should be a priority, as well as the development of options for the now inaccessible via air region of Galaţi-Tulcea, especially considering its port roles at international level.

A major consideration in the Romania-Republic of Moldova core eligible area of the Programme is the low level of urbanization and the associated downfalls. An important competitive territorial disadvantage in this respect is the low level of infrastructure penetration required for delivering basic public utilities and services. There is a need for the development of sewage systems in rural areas of

the Romanian eligible area and drinking water and sewage systems in the Moldovan rural areas, as well as for the development of the gas supply network in the rural areas of the Romanian counties in the Programme. In addition, the limited variety of the means of public transport, especially in rural area where connectivity is problematic, raises issues with respect to access to services and quality of transport infrastructure. The above-mentioned aspects are basic requirements in order to increase the level of urbanization and further develop the size of the housing stock in the core eligible area.

E. Energy and environment

Energy consumption and production is mainly dependent on the available technical infrastructure. The length and capacity of this infrastructure is limited, primarily due to the lack of investments in this type of infrastructure. This is especially the case of the infrastructure used for delivering public utilities to the general population.

Both Romania and Republic of Moldova import a large part of its required energy, thus limiting the overall energy independence degree. This is especially the case of Republic of Moldova, which imports the majority of its energy, and has a reduced energy independence degree. In the case of Romania, the energy independence degree reached in 2012 77, 7%.

In the given context, the development of the Iași-Ungheni gas pipeline is an important step forward towards new energy alternatives in the area, especially for Republic of Moldova. Success is however conditioned on the further development of the distribution network on the Moldovan side in order to connect the Iași-Ungheni gas pipeline to consumers across its territory.

The core eligible area benefits from a rich and varied natural environment, which raises its overall competitive potential, however, it also emphasizes the need for an ecological approach to development. The core eligible area is characterized by the existence of urban areas formed as a result of the pre-1989 industrialization process, which have specific environmental issues due to the then lack of interest for the protection of the environment. Moreover, the rapid urbanization process and lack of investment in the last 25 years lowered the quality level of the existing technical infrastructure and amenities, making the recovery of such urban post-industrial sites very difficult.

Even though from an ecological perspective, the area is within international limits regarding pollution, special situations arise, in which greater care has to be attributed to environmental protection. First, the pollution of surface and underground waters is a direct effect of the aged waste treatment and purging facilities and infrastructure, the lack of facilities for the treatment of waste water, and the lack of proper waste storing facilities. These issues are most visible in rural areas and old industrial sites. Second, deforestation is an important issue in the area, as wood is mainly used for thermal energy production in areas where gas is not available. The overuse of wood as a fuel increases the future risks related to landslides and desertification of the area. Third, energy production is one of the most important sources of air pollution. Urban areas and industrial sites are the largest polluting areas, and the major polluting activities are energy production and industrial activities, the latter being also the main way in which chemical and metal residues enter the natural water cycle increasing further developing in other connected forms of pollution.

E. Environment and Energy			
Strengths		Weaknesses	
S51	The gas pipeline project Iasi – Ungheni will be functional starting with 2015.	W51	Absence, for the time being, of a viable alternative for gas supply, 95 % of Moldova’s energy consumption is covered by imports from an unique source
S52	Low level of air-pollution	W52	Underdeveloped gas supply networks in the eligible area on Romanian side affecting households and industry consumers
S53	Strong potential for green and	W53	Lack of developed solid waste

	renewable energy: hydro, solar and wind power		management systems, especially in the rural areas.
		W54	High level of soil erosion
		W55	Lack of modern and integrated emergency system in case of natural disasters
		W56	High levels of water pollution from wastewater and industrial pollution – lack of waste water treatment systems
		W57	Area of green spaces in urban centres below EU standards.
Opportunities		Threats	
O51	Good perspective for construction of a new gas pipeline Ungheni-Chișinău with EU/EIB/EBRD/MD financing	T51	Political instability and international conflicts or tensions can directly threaten the gas supply, the significant investments in green energy production and infrastructure
O52	The EU programmes aiming at financing environmental protection, development of public utility infrastructure, enhancing energy efficiency and green energy production (BIOP, ROP, NRDP)	T52	Development of new source of fossil energy (gas and oil in Black Sea, shale gas) can jeopardize new investments in green energy
O53	Foreign Direct Investments in green energy (especially solar and wind power)	T53	Instable legal framework regarding the subsidies for green energy production
O54	Good potential for biomass and bio-fuels production	T54	Deforestation (especially illegal deforestation) as well as the effects created due to global climate change: landslides and desertification

Conclusion: There is a significant potential in the area for the use of solar and wind power harvesting technologies, especially in the flat parts of the core eligible area. The development of the hydroelectric plants is also opportunistic as the area has several large rivers from which it can benefit from, especially along the national border defined by Prut River, where there is an increased potential for cross-border cooperation. In addition, the rural and agricultural character of the area brings forth the possibility of using zoo-technical waste for creating biomass and bio-fuels, especially considering the present difficulties in managing this type of waste in the rural areas.

The main weaknesses are the high level of pollution together with the high energy dependency of Moldova. In this sector the opportunities and threats are equal distributed as importance: on one side is a high interest of international investors in renewable energy; on the other side new technologies developed in the field of fossil energy resources together with the instable legal framework in the domain could jeopardize the development of green energy.

F. Health, Social, Safety and Security

The health services infrastructure in the core eligible area has to serve a large population and by considering the accessibility and facilities provision this raises certain issues. First, the spatial distribution of the hospitals across the core eligible area is very uneven (e.g. Iași County has 30 hospitals, Botoșani County has 4 hospitals). Second, the localization of the health facilities is concentrated in and around the major urban centres of the core eligible area, creating a competitive disadvantage in the case of the rural areas.

The major differences in terms of health services offer, especially when comparing urban and rural areas, combined with increases in poverty due to unemployment rates rising as a result of the economic crisis, have a great impact on life expectancy at birth. As a result Romania and the Republic of Moldova have some of the lowest life expectancies in Europe.

In Romania, male life expectancy is 71 years and female life expectancy is 78.1 years, while in the Republic of Moldova the life expectancy for males is of 67.24 years and 74.99 years for females. Even though the numbers situate Romania and Republic of Moldova at the bottom of the life expectancy hierarchy in Europe, it is important to note that these numbers are actually on an upward trend, life expectancy being on the rise for the two countries if compared to the period before the previous programming period.

According to the data provided on request by the Romanian Border Police the majority of the criminal activity within the Romanian border represents infractions relating to contraband, border fraud, falsifying documents and illegal crossings. According to the same data, human trafficking is not an issue at the border of Romania and Republic of Moldova.

F. Health, Social, Safety and Security			
Strengths		Weaknesses	
S61	Health services in the area are fairly well distributed	W61	Significant cross-border criminality, especially contraband and border fraud (alcohol and tobacco)
S62	Good density of border crossing points and relative uniform distributed border traffic	W62	Cross border points need further investments
S63	The NGO sector in both countries, although at different levels, has developed experience in the social services area	W63	High level of poverty in the eligible area of CBC Programme
S64	Good police cooperation at the central level	W64	Low rate of life expectancy at birth
		W65	Low rate of investments in health infrastructure
		W61	Significant cross-border criminality, especially contraband and border fraud (alcohol and tobacco)
		W62	Existence within the Romanian counties of small towns without hospital units, which limits the access of the population from this towns and from surrounding villages to specialized health services
Opportunities		Threats	
O61	Stronger recent anticorruption policies implemented and supported by Romanian and Moldovan authorities	T61	Recent conflicts from the Black Sea NW area
O62	EU programs financing health and Social Programs (ROP for RO)	T62	Frozen conflicts in the region (Transnistria)

	(EU Delegation managed – for MD)		
O63	Phase one of SMURD project implemented	T63	Instability in Ukraine
O64	DCFTA imposes fito-sanitary standards on products		

Conclusion: The low rate of investments in health infrastructure impacts directly on the issues of accessibility to health services and equal opportunity, especially in rural areas. The recent reforms and current trend for decentralization in health and social protection should be carried out with consideration given to ensuring proper accessibility of the services. In the same time, the safety and security should be enhanced by reducing the cross-border criminality and through the modernization of the cross border points. The social inclusion and poverty alleviation initiatives benefit of significant support from other programmes (EU or other international donor programs).

G. Education, Culture and Society

The educational system in the core eligible area has registered several improvements in the last 20 years; however the provision and accessibility of post-high school educational units is still relatively low. The two subnational territories have significant early school leaving rates, but in respect with their national averages. The high rate of early school leaving signals a reduction of the potential opportunities of young adults, as education is an important factor in increasing individual competitiveness on the labour market.

The educational infrastructure corresponding to the primary, secondary and high school levels is fairly well distributed considering population distribution and area. The major differences appear when comparing the infrastructure required for higher education levels, as these are concentrated in well-established urban centres, so a polarization effect of students in this type of areas is clearly visible.

Culture and tourism are considered two main assets of the area with high economic potential. The core eligible area benefits from a common cultural background, which can connect the resident population. At the same time it benefits from several important natural protected areas and historical sites. The potential is in this case limited by the low level of the investments in the area, in spite of the increasing number of tourists and the accessibility issues described above, which make touristic attractions difficult to reach, especially in remote rural areas.

Due to the actual size of the two countries' eligible areas and due to the fact that in the case of Republic of Moldova the area includes the whole country with all of its most important cities, there is a significant difference in the distribution of cultural institutions. There are a total number of 1,404 cultural institutions in the four Romanian counties and 2,974 cultural institutions in Moldova. These include museums, libraries, cinemas theatres and other cultural institutions.

Furthermore, the subnational distribution of these institutions is also uneven. In both countries these institutions are concentrated in the major urban centres. Even so, significant differences are visible, as Vaslui and Iași counties are the poorest in terms of number of institutions. Considering the functions attributed to these institutions libraries and museums are the most accessible at territorial level, while theatres, philharmonics and cinemas are the least accessible, the latter being actually the rarest. If in 2012 in the Republic of Moldova there were 18 cinemas at national level, in the four Romanian counties there were only 6, out of which 3 were located in Iași County. In comparison, the number of theatres is double in the Romanian counties; however, Vaslui County has only one theatre. These numbers emphasize the polarization effect of the urban areas and also point towards determinant factors that include the large investment level required and the unattractive location combined with the relatively small customer base.

The core eligible area also benefits from the varied relief, the geographical positioning, the diverse flora and fauna, and a specific cultural heritage. The area benefits from over 1,300 natural protected areas of national and international importance and other numerous historic sites. This network of touristic attractions is supported by a network of 171 Romanian and 257 Moldovan hotels or similar establishments. In total these have an accommodation capacity of 34,816 places – 6,878 in Romania, 27,938 in Republic of Moldova.

These are important points of attraction for national and international tourists, the numbers of which registered an ascending trend in the recent period. In 2012 these registered a number of a total of 2,070,257 overnight stays. In the Republic of Moldova the number of overnight stays per year increased from 1,400,063 in 2009 to 1,462,423 in 2012. Meanwhile, on the Romanian side of the core eligible area, the 2010-2012 period registered a significant increase in the number of overnight stays, especially in Botoșani (from 49,436 to 61,623), Galați (from 75,001 to 108,122) and Vaslui (from 48,803 to 72,353).

The core programme area has a very dense network of historical and archaeological sites with significant cultural value, due to the historical commonalities of the area. The Romanian counties concentrate 2,840 historical sites, listed as part of the national patrimony. Out of this total over 57%

of these monuments are located in Iași County, the rest being divided between the remaining 3 counties, the county with the lowest number of monuments being Galați with 263 items. In terms of importance, out of the total number of monuments 515 (18 %) are of national importance. According to Romanian National Archeological Repertoire there are a total of 2,205 archaeological sites in the four Romanian counties, with over 80% of these being located in Botoșani County.

In the case of Republic of Moldova, there are a total of 5,676 monuments protected by the state (including archaeological sites). Here also a certain concentration can be observed, as 3,005 of these monuments, representing 53% of the total number of monuments are located in the Northern Region of the Republic of Moldova. This concentration can be correlated with the one in the two Northern counties in the Romanian core programme area, Botoșani and Iași, which also concentrate a large number of the historical monuments and archaeological sites.

A notable disadvantage for the area is that these historical monuments and archaeological sites are of national and local importance, and there are no monuments of European importance. However, Republic of Moldova has sites in the UNESCO tentative list, i.e. Orheiul Vechi Archaeological Landscape, The Typical Cernozem Soils of the Balti Steppe.

G. Education, Culture and Society			
Strengths		Weaknesses	
S71	Four important university centres: Iași, Galați, Chișinău and Bălți	W71	High level ratio of early school leaving, especially on secondary education
S72	Strong and diverse cultural heritage and long and positive tradition of multi-ethnic cohabitation	W72	Poor accessibility to educational infrastructure in rural areas
S73	Generally, good culture infrastructure: museums, cinemas, libraries, other institutions	W73	Low level of investments in education infrastructure
S74	High ratio of education spending in GDP in Republic of Moldova	W74	Low effectiveness of education spending in Republic of Moldova
S75	Developed NGO sector in Chișinău, Iași and Galați	W74	Low administrative and co-financing capacities for the NGO sector in Republic of Moldova , with the exception of the capital – Chișinău
S76	Dense network of historical and archaeological sites with cultural value	W76	There are no monuments of European importance
Opportunities		Threats	
O71	Other international donors actively supporting this area (Horizon 2020, ROP, HCOP, UNICEF, UNDP, USAID, Youth in Action)	T71	Changing legal framework in the education area affecting the predictability of the overall education policy
O72	Special scholarship Programme promoted by Romanian Government	T72	Underdeveloped/biased media environment
O73	Common cultural and linguistic background to support exchange experiences and joint initiatives.		

O74	Well established cross border contacts and communication (administrative, business, NGO)		
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Conclusion: The eligible area contains four important university centres, strong culture heritage and a long positive tradition of multi-ethnic and multi-cultural cohabitation. The main weaknesses are the high ratio of early school leaving, especially on secondary education, the low level of investments in education infrastructure and generally the lack of education spending effectiveness.

The structure and organization of the educational system in both countries is largely similar (covering the same levels, from pre-school to postgraduate). In this context, joint interventions would positively impact the beneficiaries in the eligible area, as the exchange of experience would allow the transfer of best practices from one system to another. Moreover, the previous interventions financed under various Romania-Moldova cooperation frameworks (e.g., Official Development Assistance projects) prove that such joint initiatives are very relevant for the eligible area. The common language used in both parts of the eligible area represents another strong advantage for implementing joint, locally adapted initiatives.

Cooperation projects aimed at developing cross-border educational programmes have to be carried out in order to increase the attractiveness of the area from an educational perspective. In addition, projects and investments should focus on reducing the early school leaving rates, especially in the rural areas, and to further develop the tertiary educational system.

The NGO sector in both countries, although at different levels, has developed experience in the social services area. During 2007-2013 the civil society organizations and other public stakeholders have developed various types of social services and have designed associated implementation mechanisms in the area. Most of these have already been tested and successfully provided to important groups of beneficiaries. Such services, which may constitute the “best practice” models, could and should be replicated in CBC projects – mostly to transfer to Republic of Moldova some of the good practices already implemented in Romania.

Considering the large concentration of culturally significant sites in the core programme area and the role of these sites for touristic activities, it is clear that these are an integral part of the local and regional economies. However, the investment levels for rehabilitation (by national funds) are fairly limited, due to the level of importance of these sites, and the local prioritization of funding.

H. Public Administration and Governance

Romania and the Republic of Moldova register a certain level of similarity regarding the designs of the administrative-territorial systems, however several differences do exist, especially considering the decision making processes at autonomy of each of the administrative-territorial units, making synchronous actions between similar levels a difficult exercise.

The national territory of Romania is divided in 4 macro-regions corresponding to the NUTS level I and 8 development regions corresponding to the NUTS level II. The Romanian administrative-territorial system is structured on several levels. From top to bottom, Romania is divided in 41 counties and Bucharest Municipality; 320 towns and municipalities, 2,861 communes (including one or several villages) and 12,957 villages. The commune is the basic administrative-territorial unit

The Romanian eligible area part of the programme is formed out of 4 counties, Botoşani, Iaşi, Vaslui and Galaţi; the counties encompass 12 towns, 9 municipalities, and 306 communes which sum together 1,380 villages.

The Moldovan territory is structured in 37 main administrative units: 5 municipalities (Chişinău, Balti, Comrat, Tiraspol and Bender), 32 counties (raions), the territorial autonomous unit Găgăuzia

and the administrative-territorial unit from the left side of the River Nistru. These units are furthermore divided in: 5 municipalities, 60 cities, 40 localities in the frame of cities (municipalities), 917 villages-residences, and 659 localities in the frame of communes, totalling 1,681 localities.

H. Public Administration and Governance			
Strengths		Weaknesses	
S81	Good experience in working with EU programs, especially with the previous CBC OP, at both tiers of public administration, central and local	W81	For all LGs (but for different reasons in Romania and Moldova) un-flexible budgetary framework, which limits investment capabilities
S82	Improved capacity of public administration (both central and local) in project management	W82	LGs dependent of central finances
S83	Similar administrative structure (same number of administrative layers) in both countries		
S84	High potential for fiscal autonomy improvement at the level of LGs in Republic of Moldova, starting with the implementation of the new intergovernmental fiscal system at 1 st January 2015		
Opportunities		Threats	
O81	EU structural programmes on Romanian side	T81	A delay in implementing the new intergovernmental fiscal system
O82	New association agreement between EU and Moldova which encourages the implementation of reforms	T82	Political instability and international conflicts or tensions can divert the focus from implementing the CBC Programme
O83	Other international donors programs in Moldova (such as the EU, USAID, UNDP)	T83	Differences in legal framework between the two countries
O84	High focus of international community to support Republic of Moldova in political stability and economic development	T84	Potential lack of interest of the Romanian LG units for the new CBC OP, due to the existence of other important EU and national investment programmes with possible similar eligible policy areas (i.e. transport infrastructure).

Conclusion: The final success of CBC Programme is largely dependent on the administrative capacity and the quality of public governance in both countries. There are some strong points: improved administrative capacity based on experience in implementing international funded programs; a much larger fiscal autonomy will be offered to the Moldavian LGs starting with 1st January 2015 and similar administrative structures. There are also some problems in this sector (potential lack of interest of LGs, from the Romanian side together with an un-flexible budgetary framework). In the same time, there are a lot of opportunities especially related to high interest of the international community to support the governance reforms in Moldova. A potential threat can be the delay in implementing the new intergovernmental fiscal system in Moldova – postponing the implementation of this system would continue the current dependence of the local authorities from their relation with the central government, affecting predictability and efficiency of public spending. The differences in the legal framework between the Romanian and Moldovan side of the Programme, are relevant as there is a different degree of financial (and overall decision-making) autonomy for promoting common investment (e.g., while on the Romanian side of the Programme the decision could be taken at the level of the County Council, in Republic of Moldova it might require endorsement and approval from the central level, hence affecting the capacity and ability of the raions to fully engage in joint operations). This thematic area is well financially supported by other donors and financing programs and it benefited full attention from EC, World Bank, SIDA and UNDP. Important reforms were recently developed, especially in Republic of Moldova. The Programme may have little impact in the area of local & regional good governance.

3.2.2. Consultations

A strong and participatory consultation process was carried out with central institutions that impact cross-border policies, both in Romania and Republic of Moldova. The overall results of preliminary consultations included options registered through the consultation process with local administration stakeholders, civil society stakeholders, on-line survey and central institutions.

Specifically, the process has provided important inputs toward overall TO identification, as the consulted beneficiaries at local level mainly pointed to thematic objectives that could generate only small scale projects. Other essential/strategic investments, capable to improve the life of people in the eligible area by larger and more integrated interventions generated exclusively with central support, have not been considered by the local stakeholders.

The consultation process was carried out during several months from February to October 2014. Joint working groups (RO-MD) were set up and national sub-group meetings were organized. The Working Group included representatives delegated by central/ regional institutions from the following fields of interest: energy, transport, environment, internal affairs (emergency situations/ border police) and customs.

In Romania, the respondents were mayors, deputy-mayors, deputy-presidents of the county councils, public administrators, or directors of development of the local institutions, representatives of the South East Regional Development Agency. The representatives of the local authorities showed interest in the consultation process and several persons attended the meeting/interview simultaneously. Therefore, the interviewed representatives were asked to jointly decide for Thematic Objectives to be selected, and the registered answer represented the position of the institution.

The preliminary face-to-face consultations included 15 regional/local level authorities and institutions and a total number of 29 representatives were interviewed.

Four focus groups with relevant programme stakeholders representing civil society were organized in Romania - Iași, Botoșani, Vaslui, and Galați. 30 NGOs, 4 Commerce, Industry & Agricultural Chambers as well as other relevant stakeholders participated at the focus-groups, totalizing 42 participants. In Republic of Moldova three focus-groups were organised targeting 26 NGOs, Commerce & Industry Chamber. 30 representatives of the principal stakeholders participated in this round of consultations. In total, 56 stakeholder's organizations from the eligible area were consulted.

An on-line survey was applied to potential eligible applicant stakeholders from the programme area. The survey questionnaire was developed using a web-based research tool and submitted via e-mail to 655 potential respondents from the eligible area.

The following Thematic Objectives received support from the consulted stakeholders:

- TO1. Business and SME development;
- TO2. Support to education, research, technological development and innovation;
- TO 3. Promotion of local culture and preservation of historical heritage
- TO4. Promotion of social inclusion and fight against poverty
- TO5. Support to local & regional good governance
- TO7. Improvement of accessibility to the regions, development of transport and communication networks and systems

3.2.3. Coherence analysis with other programmes and strategies

According to programming regulations for 2014-2020 period the ENI programmes must deliver real cross-border added value and not cover elements which are already funded or could more suitably be funded from other ENI or EU programmes. Further, coherence and complementarity between the ENI programmes and the national ENP Action Plans, ENI multi-country strategies and Single Support Frameworks (and relevant EU-Russia agreements) and other significant EU instruments are to be ensured through the programming process.

The EU and its Member States should improve the coherence, effectiveness and complementarity of their respective policies on cooperation with neighbouring countries. Proper cooperation and coordination with other non-Union donors should also be ensured.

Based on the ENI CBC Programming document, the present coherence analysis is rating three types of criteria:

- Convergence with European, National and Regional Strategies;
- Potential financing overlaps (in order to be avoided);
- Effectiveness & Complementarity (of the thematic objectives with other programmes and strategies).

Relevant programming documents such as strategies, actions, plans, agreements were analysed and interviews were conducted with the representatives of relevant institutions from Romania and Republic of Moldova, including:

Management Authorities for most of the Operational Programs in Romania

- Human Capital Operational Programme (MEF)
- Major Infrastructure Operational Programme (MEF)
- Regional Operational Programme (MRDPA)
- Competitiveness Operational Programme (MEF),
- Administrative Capacity Operational Programme (MRDPA) The National Programme for Rural Development (MARD)

Major donor agencies engaged in support Republic of Moldova:

- European Delegation in Republic of Moldova
- USAID
- United Nations Development Programme
- German Society for International Cooperation (GIZ – Gesellschaft für Internationale Zusammenarbeit)
- Romanian Official Development Assistance (ODA), coordinated by the Ministry of Foreign Affairs / International Development Cooperation Policy

3.2.2.1 Coherence with national strategies and EU strategies

Six national strategic documents with potential impact on the eligible area were analysed-four for Romania and two for Republic of Moldova.

Romania

The Partnership Agreement of Romania

The Partnership Agreement of Romania-European Union (PA) (August2014) provides the strategic focus for the necessary reforms and investment to be carried out in the 2014-2020 period. It provides the required alignment with the EU strategy of smart, sustainable and inclusive growth. The indicative allocation of funds is pursuant to the treaty-based objectives, including economic, social and territorial cohesion.

The PA objectives are totally coherent and convergent with ENI CBC Thematic Objectives due to the fact that both documents are converging in European Union 2020 Strategy. The PA is the main strategic document, covering needs and investments totalising approximately 40 billion Euros.

National Reform Program for Romania (NRP)

This strategic document is setting the framework for the main priorities and reforms to be applied on short and medium term for Romania to meet the objectives of the Europe 2020 Strategy. The NRP includes particular measures in various policy areas targeted to sustain growth and create jobs, and meet the objectives of Europe 2020. Focused on the Romania's most urgent measures, the National Reform Program (NRP) is paying special attention to governance issues and macroeconomic

stability. It is aiming to boost competitiveness, productivity and growth, social cohesion, territorial and economic convergence for reducing disparities in terms of economic development to other member states of the European Union.

Conclusion: Generally, ENI CBC Thematic Objectives are converging with NPR measures, with the exception of two of them, *TO3 Promotion of local culture and preservation of historical heritage* and *TO10 Promotion of border management and border security*, that are not essential to the NRP.

North-East Regional Development Plan 2014-2020

The strategy identified four key strategic priorities for the NE Region: (1) Improving human capital, (2) Development of modern infrastructure, (3) Sustaining competitive economy and local development and (4) Optimizing the use and protection of natural resources. Most of the specific objectives of this strategy are convergent with ENI CBC Thematic Objectives and their respective priorities, as reflected in the below table.

South-East Regional Development Plan 2014-2020

The strategic document (currently in consultation process) identified ten development priorities for the SE Region as follow: (1) Integrated sustainable urban development, (2) Development of regional transport infrastructure, (3) Improving the competitiveness of the regional economy, in the context of promoting smart specialization, (4) Improving the quality of tourism at regional level, (5) Conservation and protection of environment, (6) Improving energy efficiency and using renewable resources, (7) Improving quality in education, health and social inclusion, (8) Recovery superior resources in rural areas and upgrading of the rural economy; (9) Improving human resources at the regional level in the context of smart regional specialization, (10) Promoting cross-border and interregional cooperation.

Even if these development priorities are formulated differently than the objectives of the CBC programmes, the measures included in the SE Regional Development Plan are strongly convergent with ENI CBC Thematic Objectives.

Republic of Moldova

Moldova 2020 Strategy

Moldova 2020 is the main strategic document of Republic of Moldova. It contains seven key development priorities: (1) Aligning the education system to labour market needs in order to enhance labour productivity and increase employment in the economy; (2) Increasing public investment in the national and local road infrastructure; (3) Reducing financing costs by increasing competition in the financial sector and developing risk management tools; (4) Improving the business climate, promoting competition policies, streamlining the regulatory framework and applying information technologies in public services for businesses and citizens; (5) Reducing energy consumption by increasing energy efficiency and using renewable energy sources; (6) Ensuring financial sustainability of the pension system; (7) Increasing the quality and efficiency of justice and fighting corruption.

The priorities of the strategy are partially converging with the TOs of the ENI CBC. As outlined in the table below, given the focus of the strategy and the priority setting mechanism put in place for this document, the main policy areas that are directly impacting the ENI CBC objective framework include economic development, education, governance and energy.

Republic of Moldova Strategy for Regional Development

The National Regional Development Strategy sets out the ways to achieve the overall strategic objective of a balanced and sustainable development in all developing regions of Moldova by focusing on the following specific objectives: (1) improving the legal and regulatory framework on regional development; (2) Supporting the sustainable development of regions and ensuring a polycentric urban system; (3) Strengthening the capacities of regional development institutions in

the regions of the country; (4) Decreasing local disparities, inter – and intra – regional; (5) Establishing territorial cohesion and prevent marginalization of disadvantaged areas; (6) Developing and promoting integrated and participatory planning in the process of regional development.

Regional Development Strategies for North, South and Centre development regions aim at becoming dynamic, competitive and unified where the current and future generations will have a better quality of life, secured by diversified economic activities, openness to technological innovation, a healthy environment and a distinct regional culture. The regional strategies focus on development priorities as:

- Priority 1. Physical infrastructure rehabilitation i.e. water supply, sewage systems and treatment plants and irrigation systems, regional bridges and roads, infrastructure and airport services, crossing points with Romania and Republic of Moldova, energy efficiency in the public buildings.
- Priority 2. Support to private sector development and labour market with focus on labour qualifications and retraining of the employed population, stimulation of SMEs, technological incubators, centres of technological innovation and application of innovative technologies.
- Priority 3. Improvement of the environment factors and tourist attractiveness covering environmental information and education, solid waste management, land degradation, rehabilitation of water bodies, forest area, national and international tourist circuits.

Energy efficiency is a cross-cutting issue for all the above priorities.

The main areas of intervention defined by the strategy are mostly aligned with the ENI CBC objectives, especially as regards the water/sewerage, solid waste management, and energy efficiency, roads, supporting entrepreneurship, tourism and rural development.

Coherence with EU policies

Europe 2020

Europe 2020 is the EU's ten-year growth and jobs strategy launched in 2010. It aims to create within the EU the conditions for economic growth:

- Smart, through more effective investments in education, research and innovation;
- Sustainable, thanks to a decisive move towards a low-carbon economy;
- Inclusive, with a strong emphasis on job creation and poverty reduction.

The EU 2020 targets are focused on (1) Employment, (2) Research and Development, (3) Climate change and energy sustainability, (4) Education and (5) Fighting poverty and social exclusion.

Danube Strategy

A macro-regional strategy to boost the development of the Danube Region was proposed by the European Commission in 2010 and endorsed by the European Council on 13 April 2011. The Strategy seeks to create synergies and coordination between existing policies and initiatives taking place across the Danube Region, including 14 countries among which Romania and Republic of Moldova.

The Danube Region Strategy addresses a wide range of issues; these are divided among **4 pillars** and **11 priority areas**. Each priority area is managed by 2 Priority Area Coordinators (PACs).

The strategy is focused on (1) Mobility (Waterways, Rail-Road-Air), (2) Energy, (3) Culture & Tourism, (4) Water Quality, (5) Environmental Risks, (6) Biodiversity, landscapes, quality of air and soils, (7) Knowledge Society, (8) Competitiveness, (9) People & Skills, (10) Institutional capacity and cooperation, (11) Security.

The Programme demonstrates a high relevance and coherence with EUSDR initiatives. The table below provides an overview of the relevance of the JOP RO-MD 2014-2020 Priority Axes and EUSDR Priority Areas.

Joint Operational Programme Romania – Republic of Moldova 2014-2020 priorities:	Relevant Priority Areas of Danube Strategy:
Priority 1.1 – Institutional cooperation in the educational field for increasing access to education and quality of education	<ul style="list-style-type: none"> • PA 7 - To develop the knowledge society through research, education and IT; • PA 9 - To invest in people and skills;
Priority 1.2 – Promotion and support for research and innovation	<ul style="list-style-type: none"> • PA 7 - To develop the knowledge society through research, education and IT; • PA 9 - To invest in people and skills;
Priority 2.1 – Preservation and promotion of the cultural and historical heritage	<ul style="list-style-type: none"> • PA 3 - To promote culture and tourism, people to people contacts; • PA 1 - To improve mobility and multimodality;
Priority 3.1 – Development of cross border transport infrastructure and ICT tools	<ul style="list-style-type: none"> • PA 1 - To improve mobility and multimodality
Priority 4.1 - Support to the development of health services and access to health	
Priority 4.2 – Support to joint activities for the prevention of natural and man-made disasters as well as joint actions during emergency situations	<ul style="list-style-type: none"> • PA 4 - To restore and maintain the quality of waters; • PA 5 - To manage environmental risks; • PA 6 - To preserve biodiversity, landscapes and the quality of air and soils.
Priority 4.3 Prevention and fight against organised crime and police cooperation	<ul style="list-style-type: none"> • PA 11 - To work together to tackle security and organised crime

As demonstrated in the above table, relevance and coherence of the Programme with EUSDR is ensured: All pillars of EUSDR are answered while **no less than 8 Priority Areas out of 11 being supported**.

The coherence is also demonstrated by the enhanced corresponding rate of JOP Priorities to the EUSDR PAs. For instance Priority 4.2 of JOP RO-MD will support projects contributing to three PAs (Water Quality; Environmental Risks; Biodiversity, landscapes, quality of air and soils).

Coordination with EUSDR

The institutions ensuring the National Coordination for the EUSDR from both countries have been members in the Joint Programming Committee and will also be members in the future Joint Monitoring Committee of the Programme, thus ensuring communication and coordination between all parties involved in the implementation of the strategy and the programme.

Eastern Partnership

Representing the Eastern dimension of the European Neighbourhood Policy, this initiative was launched at the Prague summit in 2009 and was reaffirmed in 2011 and subsequently in 2013. It aims to deepen and strengthen relations between the European Union and its six Eastern neighbours, Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The EaP is focused on several Flagship Initiatives as follows: (1) Integrated Border Management Programme; (2) Small and Medium-size Enterprise (SME); (3) Regional energy markets and energy efficiency; (4) Diversification of energy supply; (5) Prevention of, preparedness for, and response to natural and man-made disasters; (6) Good environmental governance.

The table below is presenting the coherence and convergence of the ENI Thematic Objectives with the most important National, Regional and European strategy document.

Table 4 – Coherence and Convergence of ENI Thematic Objectives

Legend	Criteria	Rate
	Mostly convergent priorities	2
	Partially convergent priorities	1
	Not convergent priorities	0

Thematic objective/ Strategic document	Romania				Republic of Moldova		European Union			TOTAL
	N-E Regional Develop. Plan 14-20	S-E Regional Develop. Plan 14-20	Partnership Agreement RO 14-20	National Reform Program 2014	Moldova 2020	MD Strategy for Reg. Develop.	EU 2020	Danube Strategy	EaP	
TO 1. Business and SME development	2	2	2	2	2	2	2	2	2	18
TO 2. Support to education, research, technological development & innovation	2	1	2	2	2	0	2	2	0	13
TO 3. Promotion of local culture/ preservation of historical heritage	0	2	2	0	0	1	0	2	0	7
TO 4. Promotion of social inclusion and fight against poverty	1	2	2	2	1	0	2	0	0	10
TO 5. Support to local & regional good governance	0	1	2	2	2	2	0	0	0	9
TO 6. Environmental protection, climate change adaptation	1	2	2	2	0	1	2	2	2	14
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	1	2	2	2	2	2	0	2	2	15
TO 8. Common challenges in the field of safety and security	2	2	2	2	1	1	1	2	2	15
TO 9. Promotion of energy cooperation	1	1	2	2	2	1	2	1	1	14
TO 10. Promotion of border management and border security	0	1	2	0	0	0	0	2	2	7

Overall conclusion: Cross-border cooperation policy aims to be convergent and coherent with the objectives of existing and future macro-regional strategies. According to analysis summarized in the table above, taking into account the alignment of TOs with national, regional and EU level strategic documents, the Romania-Republic of Moldova CBC Programme for 2014-2020 could focus on the following TOs:

- TO1. Business and SME development
- TO2. Support to education, research, technological development & innovation
- TO6. Environmental protection, climate change adaptation
- TO7. Improvement of accessibility to the regions, development of transport and communication networks and systems
- TO8. Common challenges in the field of safety and security
- TO9. Promotion of energy cooperation

3.2.2.2 Alignment with EU financial instruments and other international donors

Coherence with EU Operational Programmes in Romania

As identified in the Partnership Agreement, in order to reach the global objective of reducing the economic and social development disparities between Romania and other EU Member States, the funding priorities for the use of European Structural and Investment Funds in the 2014-2020 period will be focused on tackling the following five development challenges:

- The competitiveness and local development challenge
- The people and society challenge
- The infrastructure challenge
- The resources challenge
- The administration and government challenge

The structural and cohesion funds for the 2014-2020 programming period will be managed through nine operational programmes, including Territorial Cooperation: Human Capital Operational Programme, Major Infrastructure Operational Programme, Regional Operational Programme, Competitiveness Operational Programme, Administrative Capacity Operational Programme, Technical Assistance Operational Programme and the National Programme for Rural Development, Fishery Operational Programme⁶.

Human Capital Operational Programme (HCOP) – total budget 4.42 billion EUR

The HC OP strategy aims to integrate human resources development needs in all programs and policies across Romania. It underlines, first and foremost, valuing human capital as a critical resource for sustainable development in the future.

The OP Human Capital focuses on employment, social inclusion and education, and it will function as a means of stimulating economic growth and cohesion, whilst supporting the objectives set out in relation to other challenges in development - competitiveness, infrastructure, management and governance. It is therefore expected for the programme to provide an important contribution to the objectives assumed by Romania in the Europe 2020 strategy for smart, sustainable and inclusive growth.

OP Human Capital will support inclusive growth by investing in:

- Encouraging employment and labour mobility, especially among young people and people outside the labour market;
- Promoting social inclusion and combating poverty
- Supporting education, skills development and encouraging lifelong learning

Operational Programme Administrative Capacity (OPAC) - total budget 0.55 billion EUR

The Operational Programme Administrative Capacity 2014 - 2020 aims to strengthen the administrative capacity of public institutions and authorities to support a modern and competitive economy, by addressing two of the above mentioned challenges in the Partnership Agreement - "administration and governance" and "People and Society".

The objective of OP Administrative Capacity is to help create a modern public administration, able to facilitate socio-economic development of the country through public services, investments and quality regulations, thus contributing to achieving the Europe 2020 goals. To fulfil this role, the public administration needs skilled and well managed human resources, as well as an efficient and transparent management of public expenditure, an adequate administrative institutional structure, as well as clear, simple and predictable operating procedures. OP Administrative Capacity will focus investments in:

⁶ Given their particularities of the programmes, the current analysis does not include Technical Assistance Operational Programme and Fishery Operational Programme.

- Development of strategic planning, Programme-based budgets and coordination/ cooperation/ consultation practices in central public administration; the development and implementation of modern policies and human resource management tools, as well as the effectiveness of the judicial system;
- High-quality public services for citizens and the business environment at the local level; increased transparency, integrity and accountability of public authorities and institutions, and improving access and quality of services provided by the judiciary, including by ensuring greater transparency and integrity.

Operational Programme Large Infrastructure (OPLI) total budget 9.41 billion EUR

The funding priorities established by OP Large Infrastructure contribute to the overall objective of the Partnership Agreement to reduce economic and social disparities between Romania and the EU Member States by addressing two of the five challenges identified in national development: infrastructure and resources. Thus, the global objective of the Programme is the development of environment, energy and transport infrastructure, as well as risk prevention, at European standards, in order to create conditions for a sustainable economic growth whilst protecting and efficiently using natural resources. The Programme is focused on addressing the development needs in four sectors (Transport infrastructure, Environment protection and adaptation to climate change, Infrastructure in Bucharest - Ilfov region, clean energy and energy efficiency) and it will fund four of the 11 thematic objectives set by EU Regulation. 1303/2013:

- Promoting sustainable transport and removing bottlenecks in major networks' infrastructure;
- Protecting and preserving the environment and promoting efficient use of resources;
- Promoting adaptation to climate change, risk prevention and management;
- Supporting the shift towards a low-carbon economy in all sectors

Regional Operational Programme (ROP) - total budget 6.7 billion EUR

The Regional Operational Programme's overall objective for 2014-2020 is enhancing economic competitiveness and improving living conditions of local and regional communities by supporting business development and infrastructural conditions and services to ensure sustainable development of the regions, which will be thus able to manage resources efficiently, as well as to exploit their potential for innovation and assimilation of technological progress.

To achieve the overall objective of ROP 2014-2020, the financial allocation will be based on the level of development of the regions and it will be focused on the following thematic priorities:

- Connected infrastructure
- Human capital
- Innovation, Research & Development
- Agglomeration processes / agglomeration economies, taking into account environmental issues

Operational Programme Competitiveness (OPC) - total budget 1.33 billion EUR

OP Competitiveness is primarily responsible for the development challenge of Competitiveness and Local development, as described in the Partnership Agreement. Complementary, it contributes to achieving objectives in terms of three other development challenges, including: People and society, Infrastructure and Administration and Governance, positioning itself as a factor to allow horizontal interventions in the economy and society.

Through its interventions, the Programme aims to support smart economic growth and a knowledge and innovation-based economy, by investing in:

- Improving access, quality and use of information and communication technologies
- Strengthening research, technological development and innovation.

The total budget of the OPC is **1.33 billion Euros**.

The National Programme for Rural Development (NPRD) - total budget 9.36 billion EUR

The National Programme for Rural Development responds to three of the development challenges identified in the Partnership Agreement: Competitiveness and local development, People and society, Resources. It supports the strategic development of rural areas through:

- Restructuring and increasing farm viability
- Sustainable management of natural resources and combating climate change
- Diversification of economic activities, creating jobs, improving infrastructure and services to improve the quality of life in rural areas

International donors in Republic of Moldova

European Union

EU remains the most important development partner of the Republic of Moldova. As the eastern dimension of the European Neighbourhood Policy, the Eastern Partnership is the main policy framework for EU – Moldova relation, with the stated objective of bringing the country closer to the European Union. The support for the next four years, in accordance with the recently approved⁷ *Single Support Framework (SSF) for EU support to the Republic of Moldova in 2014-2017* is focused on helping public institutions, citizens and the business community to seize the benefits and opportunities of the Association Agreement and the Deep and Comprehensive Free Trade Area with the EU (AA/DCFTA).

The new Programming document will shape EU cooperation with the Republic of Moldova during the period 2014-2017 in three priority sectors: i) public administration reform, ii) agriculture and rural development and iii) police reform and border management. Assistance will be also provided to support the implementation of new agreements between the European Union and the Republic of Moldova. Support to civil society will continue.

For 2014, the Annual Action Program for the Republic of Moldova is designed to support the modernization of key public institutions implementing the AA/DCFTA, improvement of public finance policy and management, competitiveness of rural business and trade opportunities with the EU and protection of minorities and vulnerable groups. The programme will contribute to further political association and economic integration with the EU under the Eastern Partnership initiative. It is a first package of bilateral assistance granted to the Republic of Moldova under the Single Support Framework.

The 2014 EU annual support package includes:

- Support to Public Finance Policy Reforms in Moldova (€37 million): to assist the Ministry of Finance, the Parliament and the Supreme Audit Institution of Moldova in the process of enhancing good governance, effective fiscal policy, transparent and accountable public finance policy and strengthened public financial management systems.
- European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) Moldova – Support to Agriculture and Rural Development (€64 million): to enhance rural development through improved policy dialogue, governance and service delivery meeting the needs of private farmers while increasing the competitiveness of the agriculture sector. Part of the second action will be dedicated to further intensify the dialogue between central and regional authorities.

Additional to these €101 million in bilateral assistance through European Neighbourhood instrument, there are already €30 million allocated to target competitiveness of small business, development of national legislation in line with EU quality standards and promotion of export and investment opportunities, communication and information campaigns on the DCFTA trade agreement with the EU⁸.

The **PPRD East** reviewed existing resources and available mechanisms working on disaster prevention, preparedness and response in different countries, and developed an Electronic Regional

⁷ Approved on June 11th, 2014

⁸ This additional support has been granted through the „More for More” mechanism of the new INI

Risk Atlas. Training workshops, study visits and exchanges of experts involved in disaster management, as well as technical assistance missions in response to specific demands by the countries' authorities were organised. Further activities included awareness-raising for stakeholders and the general population. The PPRD project was finalised in 2014.

Eastern Partnership Integrated border management (IBM) facilitated the movement of persons and goods across borders in the six Eastern Partnership (EaP) countries while maintaining secure borders by improving inter-agency cooperation, bilateral and multi-lateral cooperation among the target countries, EU member states and other international stakeholders. The project was implemented in Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, Ukraine and Russia between 2011 and 2013 with a budget of €2 million.

The project contributed to the establishment of a modern training system in the six beneficiary countries; it trained officials from beneficiary countries on specific topics such as risk analysis, document integrity and security, the fight against smuggling drugs/cigarettes and tobacco products and the protection of intellectual property rights, the fight against trafficking in human beings; enhanced operational capacities by providing specific capacity building activities on specified topics based on needs identified by the beneficiary institutions; it also raised awareness and support for the fight against corruption in the six EaP countries.

Initiatives funded in the frame of Trans-European networks in transport (TEN-T)

The initiatives aim at closer transport cooperation with the Eastern Partnership countries by focusing on the harmonization with the EU legislation and gradual market integration. In this context the partner countries have started reforms to align their transport systems with EU standards. Furthermore, the Association Agreement between the EU and Republic of Moldova envisages more regulatory convergence in transport.

As regards the Regional Eastern Partnership Transport Network, the partner countries have agreed on priority connections on road, railway, air and sea transport in the Eastern Partnership region. Most importantly, this network is connected with the trans-European transport network (TEN-T) and will serve as guidance for future investments.

The list of priority infrastructure projects:

- **R33 Hincesti-Lapusna-M1**
- **M3 Chişinău-Giurguleşti motorway, Porumbrei – Cimişlia Section**
- **M3 Chişinău-Giurguleşti motorway, Comrat bypass**
- **Construction of the bypass of 3 villages**
- **Rehabilitation of National road M14, section Bălţi - Criva**

World Bank

The four-year strategy Country Partnership Strategy for the Republic of Moldova will guide the World Bank Group's support for 2014-2017 period.

The strategy foresees total financial support by the World Bank Group of US\$570 million, with access to the International Development Association (IDA), International Bank for Reconstruction and Development (IBRD) and International Finance Corporation (IFC) funding. The strategy is aligned with the country's development goals and will help address key challenges to unlock the potential for sustainable economic development, shared prosperity, and poverty reduction.

The strategy will support Moldova across three main pillars:

- improving the business environment and infrastructure for business operation and boosting competitiveness in agriculture;
- Enhancing human capital and minimizing social risks;
- Promoting a green, clean and resilient Moldova (adaptation and resilience to climate change; improving natural resources management, and increasing energy efficiency and security).

United Nations Development Programme (UNDP)

UNDP supports Moldova in achieving the Millennium Development Goals and the fulfilment of the European integration agenda. The key focus areas of UNDP are: Inclusive Development, Democratic Governance and Environment and Energy. UNDP helps Moldova attract and use aid effectively.

The work of UNDP and the broader UN family aligns with the new national development vision, Moldova 2020, and sector strategies. UNDP Moldova's country Programme for 2013–2017 has three major focus areas:

- Inclusive development
- Democratic governance
- Environment and energy

Swedish International Development Assistance (SIDA)

The Swedish Government has recently decided to continue its commitment for support to Eastern Partnership countries through “Results Strategy for Reform Cooperation with Eastern Europe, Western Balkans and Turkey 2014-2020”. The main aim for the strategy is to assist these countries forge closer links with the EU. The strategy is not based on sectors but rather it outlines a set of results of reforms, which are crucial for long-term EU-integration that Sweden would like to contribute to.

The strategy includes three main results areas for cooperation with Moldova:

- Enhanced economic integration with the EU and development of market economy
- Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law
- A better environment reduced climate change and enhanced resilience to environmental impact and climate change a set of expected results within all results areas.

Moldova is a priority country for Sweden, and the Swedish support will amount to **14 million Euros annually**.

United States Agency for International Development (USAID)

The United States is assisting Republic of Moldova to consolidate democratic institutions, rebuild a struggling economy, improve the business environment, strengthen the rule of law, and address the frozen conflict in Transnistria. USAID partners with Republic of Moldova to improve government effectiveness and accountability, promote decentralization of the government and strengthen linkages between local governments and citizens. USAID is also helping Moldova address regulatory and policy-level challenges to sustain and accelerate economic growth. To increase Moldova's ability to compete regionally, USAID targets assistance at the country's most promising economic sectors.

German Society for International Cooperation

Gesellschaft für Internationale Zusammenarbeit - (GIZ)

GIZ projects are generally financed through supra-regional funds managed by the Federal Ministry for Economic Cooperation and Development, by other federal ministries or international organisations. German international cooperation with Moldova focuses on promoting modernisation in the agricultural sector and the food processing industries, as well as improving vocational training and municipal services. GIZ also supports selected municipalities and districts with participatory budgeting, public tendering and project management with a view to integrated regional development. A further priority area is the promotion of German-Moldovan business relations by means of training for Moldovan managers to help generate business contacts.

In 2014 GIZ organised trainings of local authorities in order to develop projects in the following areas:

- Modernization of public services

- Water supply and sewerage / sanitation
- Waste management
- The energy efficiency of public buildings
- Private sector

Ready to go project concepts were produced, suitable to be financed by other donors, including the EU. Project ideas developed are totalling approximately 200 million. Also, GIZ fulfils the function of Management Authority for the JOP MD-UA 2014-2020 under Eastern Partnership Territorial Cooperation Support Programme.

Romanian Official Development Assistance (ODA)

Romanian policy of international development cooperation subscribes to the objectives, values and principles of the European Consensus for Development. Its main objective is to support efforts to reduce poverty in recipient states, in the wider context of contributing to achieving the Millennium Development Goals. According to the National Strategy for International Development Cooperation Policy, Romania supports developing countries in the geographic areas identified as priorities in the foreign relations of the Romanian government, including the states of Eastern Europe. The Republic of Moldova is the main beneficiary of Romanian ODA policy.

The general priority areas for the Romanian ODA as identified in the strategy are:

- Good governance
- Strengthening democracy and the rule of law
- Economic development
- Education and training / employment
- Health
- Infrastructure development and environmental protection

The beneficiary countries, the specific priority areas and the funds allocated for this purpose are established within multi-annual plans by the Ministry of Foreign Affairs and approved through a Memorandum by the Romanian Government, in accordance with Romania's international commitments. In 2012 the Republic of Moldova, as the main beneficiary of Romanian ODA, received EUR 13.74 million.

In 2010, an "Agreement between the Republic of Moldova and the Romanian Government regarding the implementation of technical and financial assistance under a financial assistance grant worth 100 million granted by Romania to the Republic of Moldova" was signed between the governments of the two countries. The financial assistance grant is reported as ODA but is managed by the Ministry of Public Administration and Regional Development. The areas of cooperation under the agreement are support for infrastructure and education. Subsequent to this agreement two additional protocols have been added allowing providing financing for projects related to energy interconnection and humanitarian assistance in case of emergencies as well as environment.

3.2.2.3 Other relevant EU policies and programmes

ENI CBC Black Sea Basin programme 2014-2020

The wider Black Sea Basin ENI CBC programme will contribute to the improvement of the welfare of the people in the Black Sea Basin regions through sustainable growth and joint environmental protection. More specifically, the programme will contribute to two of ENI CBC overarching strategic objectives:

- Promote economic and social development in regions on both sides of common borders
- Address common challenges in environment, public health, safety and security

The strategy of the Black Sea Basin ENI CBC programme is focused on the following objectives and priorities:

- Objective 1. Promote business and entrepreneurship within the Black Sea Basin
 - Priority 1.1 – Jointly promote business and entrepreneurship in the tourism and cultural sectors

- Priority 1.2 – Strengthen cross-border trade opportunities and modernisation of the agricultural and connected sectors
- Objective2. Promote coordination of environmental protection and joint reduction of marine litter in the Black Sea Basin
 - Priority 2.1 – Improve joint environmental monitoring
 - Priority 2.2 - Promote common awareness-raising and joint actions against river and marine litter

Joint Operational Programme Moldova – Ukraine (Eastern Partnership Territorial Cooperation Support Programme)

The Programme will be implemented through three operational objectives:

- Objective1.Improving living conditions of local communities in border regions through projects supporting economic and social development, by supporting activities within two priorities:
 - Promoting closer cross-border business links;
 - Diversifying sources of income in rural areas and the development of alternative employment opportunities in rural areas.
- Objective2. Addressing common challenges in environment, employment, public health, and any other matter of mutual interest which has a cross-border component, focusing on the following priority:
 - Solving cross-border environmental issues.
- Objective3. Culture, education and sport. Under this objective, the two priorities are:
 - Promoting multi-cultural diversity and cross-border social integration of ethnic minorities;
 - Facilitating people-to-people contacts between youth organizations in social, cultural, educational and sport-related matters.

Hungary-Slovakia-Romania-Ukraine ENPI Cross-border Cooperation Programme 2014-2020

The eligible area of the Hungary – Slovakia – Romania – Ukraine (HSRU) 2014 – 2020 Operational Programme includes Satu-Mare and Maramureş counties in Romania as core regions and Suceava county as adjoining region. Moreover, Bucharest and Cluj-Napoca are included in the programme as Major social, economic or cultural centres. The overall budget to be allocated for the programme is 81.347.200 euro. Coordination between the HSRU programme and the Romania-Republic of Moldova programme will be ensured to avoid overlapping of activities.

The aim of the Programme is to intensify the co-operation between the regions of Zakarpatska, Ivano - Frankivska and Chernivetska of Ukraine and the eligible areas of the Member States in order to initiate progress on the fields of existing social, economic, infrastructural and environmental difficulties, by focusing on the following four thematic objectives:

- TO3 Promotion of local culture and preservation of historical heritage
- TO6 Environmental protection, climate change mitigation and adaptation
- TO7 Improvement of accessibility to the regions, development of sustainable and climate-proof transport and communication networks and systems
- TO8 Common challenges in the field of safety and security

Horizon 2020

Horizon 2020 is the financial instrument implementing the Innovation Union, a Europe 2020 flagship initiative aimed at securing Europe's global competitiveness and is the biggest EU Research and Innovation Programme ever with approximately €80 billion of funding available over 7 years (2014 to 2020). By coupling research and innovation, Horizon 2020 focused on excellent science, industrial leadership and societal challenges.

The goal is to ensure that Europe produces world-class science, removes barriers to innovation and makes it easier for the public and private sectors to work together in delivering innovation (taking great ideas from lab to market).

Horizon 2020 Programme sections are presented below:

- Excellent science;
- Industrial Leadership ;
- Societal Challenges ;
- Spreading Excellence and Widening Participation ;
- Science with and for Society ;
- European Institute of Innovation and Technology ;
- Euratom

Starting with July 2014, Moldova secured full access to the European Union's new seven year research and innovation programme, Horizon 2020. Being an associated country, legal entities from Moldova can participate under the same conditions as legal entities from the Member States.

The active financial programmes for the eligible area are different in approach, objectives and magnitude, reflecting *i*) development needs, *ii*) governments' own priorities as well as *iii*) donors' vision and interest. The procedures and institutional frameworks for programme management are also differently organized: some donors prefer to develop their own procedures and grant management capabilities, other to disburse their funds through multilateral channels. Most of the CBC thematic objectives are targeted by analysed programmes to various extent; an overview on the alignment of the internationally financed programs available for the eligible area with the CBC TOs can be found in the tables below.

Other territorial cooperation programs include URBACT III, INTERREG EUROPE, INTERACT III and ESPON 2020. An overview of these programmes is presented below:

URBACT III Cooperation Programme

The 2014-2020 URBACT III programme builds on URBACT I (2002-2006) and URBACT II (2007-2013). The URBACT III Cooperation Programme will contribute to the Europe 2020 strategy goals by providing a mechanism for stakeholders involved in the development and implementation of better policies and actions for smart, inclusive and sustainable urban policy in cities.

The programme is co-financed by the European Regional Development Fund (ERDF) with a budget of 74.302 million EUR for the 2014-2020 period, Romania having a contribution of 162 thousand EUR. The first Call for Proposals for the creation of up to 20 Action Planning Networks was open from March to June 2015, having as main objective the improvement of European cities capacity to manage sustainable urban policies and to strengthen their ability to design integrated strategies for sustainable urban development.

INTERREG EUROPE Programme

The INTERREG Europe Programme aims to improve the implementation of regional development policies and programmes, in particular (1) programmes having as objectives the investments for growth and jobs and (2) European Territorial Cooperation (ETC) programmes. By co-financing projects, the Programme allows the regional and local public authorities and other players of regional relevance across Europe to exchange practices and ideas and thereby, find solutions to improve the cities strategies. The Programme total budget is 426 million EUR.

INTERACT III 2014-2020 Operational Programme

INTERACTIII is an Operational Programme aims at reinforcing the effectiveness of cohesion policy by promoting the exchange of experience concerning the identification, transfer and dissemination of good practices and innovative approaches in relation to implementation of territorial cooperation programmes and actions concerning territorial cooperation.

INTERACTIII is a programme co-financed by the ERDF with a budget of 39.3 million EUR. Within the programme, Romania has the allocated amount of 1,8million EUR

INTERACT III Operational Programme focuses on 3 specific objectives:

- to improve the management and control capacity of ETC programmes;
- to improve the ETC capacity in capturing and communicating the programme results;
- to improve the cooperation management capacity to implement innovative approaches.

INTERACT supports the Managing Authorities, Joint Technical Secretariats, Monitoring Committees, National Contact Persons, First Level Controllers, Certifying Authorities and Audit Authorities across Europe.

ESPON 2020 Programme

The main objective of the ESPON 2020 Cooperation Programme adopted by the European Commission on 12 February 2015 is to support the reinforcement of the effectiveness of EU Cohesion Policy and other sectorial policies and programmes under European Structural Investment (ESI) funds as well as national and regional territorial development policies.

The ESPON 2020 Programme is built around the following five specific objectives

- Specific Objective 1: Enhanced production of territorial evidence through applied research and analyses.
- Specific Objective 2: Upgraded knowledge transfer and use of analytical user support;
- Specific Objective 3: Improved territorial observation and tools for territorial analyses;
- Specific Objective 4: Wider outreach and uptake of territorial evidence;
- Specific Objective 5: Leaner, and more effective and efficient implementation provisions and more proficient programme assistance.

The programme is co-financed by the European Regional Development Fund with a contribution of 41.3 million EUR for the period 2014-2020.

Assessment of TOs' coherence with programmes and donors

The coherence analysis with respect to the alignment of TOs with other existing funding opportunities for the eligible area focused on two criteria; (1) potential *overlaps* (to be avoided) and (2) *effectiveness & complementarity* between the ENI CBC TOs and other relevant sources of funding on medium term.

Table 5 - Coherence analysis

Criteria	Scale	Rate
Overlapping	Significant overlapping	(- 2)
	Partial overlapping	(-1)
	Not overlapping	(0)
<i>Effectiveness & Complementarity (of the thematic objective with the programme)</i>	Significant effectiveness and complementary	(+ 2)
	Partial effectiveness and complementary	(+ 1)
	No effectiveness nor complementary	(0)

Table 6 - Coherence table for Romania financing Programmes

Thematic objective/ Programme	OPLI		ROP		HCOP		OPAC		OPC		NPRD		HORIZON		T
	O	E	O	E	O	E	O	E	O	E	O	E	O	E	
TO 1. Business and SME development	0	0	-2	0	-1	0	0	0	-2	1	-2	0	-1	1	-6
TO 2. Support to education, research, technological development & innovation	0	0	-1	1	-2	1	-1	1	-1	1	-1	1	-1	2	0
TO 3. Promotion of local culture and preservation of historical heritage	0	0	-1	1	0	0	0	0	0	0	-1	2	0	0	1
TO 4. Promotion of social inclusion and fight against poverty	0	0	-1	1	-2	1	0	0	-1	0	-1	0	0	0	-3
TO 5. Support to local & regional good governance	0	0	0	0	0	0	-1	2	0	0	0	0	0	0	1
TO 6. Environmental protection, climate change adaptation	-2	1	-1	0	0	0	0	0	0	0	-1	0	0	0	-3
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	-2	2	-1	2	0	0	0	0	-1	1	-1	0	0	0	0
TO 8. Common challenges in the field of safety and security	0	0	-1	2	0	0	0	0	0	0	0	0	0	0	1
TO 9. Promotion of energy cooperation	-2	1	0	0	0	0	0	0	0	0	0	0	0	0	-1

TO 10. Promotion of border management and border security	-1	2	0	0	0	0	0	0	0	0	0	0	0	0	1
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Table 7 - Coherence table for Romania territorial cooperation Programmes

Thematic objective/ Programme	CBC BS		HUSKROUA		HORIZON		URBACT III		INTERREG EUROPE		INTERACT III		ESPON 2020		T
	O	E	O	E	O	E	O	E	O	E	O	E	O	E	
TO 1. Business and SME development	-2	1	0	0	-1	1	0	0	0	0	0	0	0	0	-1
TO 2. Support to education, research, technological development & innovation	0	0	0	0	-1	2	0	0	0	0	0	0	0	0	1
TO 3. Promotion of local culture and preservation of historical heritage	0	0	-1	1	0	0	0	0	0	0	0	0	0	0	0
TO 4. Promotion of social inclusion and fight against poverty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TO 5. Support to local & regional good governance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TO 6. Environmental protection, climate change adaptation	-2	1	-1	1	0	0	0	0	0	0	0	0	0	0	-1
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	0	0	-1	1	0	0	0	0	0	0	0	0	0	0	0
TO 8. Common challenges in the field of safety and security	0	0	-1	1	0	0	0	0	0	0	0	0	0	0	0

TO 9. Promotion of energy cooperation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TO 10. Promotion of border management and border security	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 8 - Coherence table for Republic of Moldova

Thematic objective/ Programme	EU		WB		USAID		UNDP		SIDA		Ro ODA		GIZ		CBC BS		MD-UA		HORIZON		T
	O	E	O	E	O	E	O	E	O	E	O	E	O	E	O	E	O	E	O	E	
TO 1. Business and SME development	-1	0	-2	0	-2	0	0	0	-2	0	0	0	-1	0	-2	1	-2	1	-1	1	-10
TO 2. Support to education, research, technological development & innovation	0	0	0	0	0	0	0	0	0	0	-1	2	0	0	0	0	-1	2	-1	2	3
TO 3. Promotion of local culture and preservation of historical heritage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1	2	0	0	1
TO 4. Promotion of social inclusion and fight against poverty	0	0	-2	1	-1	0	-1	0	-1	0	0	0	0	0	0	0	0	0	0	0	-4
TO 5. Support to local & regional good governance	-1	1	-1	0	-2	1	-2	0	-2	0	-2	1	-2	2	0	0	0	0	0	0	-7
TO 6. Environmental protection, climate change adaptation	-1	2	-2	1	0	0	-1	0	-2	0	-1	0	-1	2	-2	1	-1	1	0	0	-4
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	-1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TO 8. Common challenges in the field of safety and security	0	0	-1	1	0	0	0	0	-1	1	-2	1	-1	+2	0	0	0	0	0	0	0
TO 9. Promotion of energy cooperation	-1	2	-1	0	0	0	-1	0	-1	1	-2	2	-1	+2	0	0	0	0	0	0	0
TO 10. Promotion of border management and border security	-2	2	0	0	0	0	0	0	0	0	-1	1	0	0	0	0	-1	0	0	0	-1

The overall results generated by the analysis of coherence with national strategies and EU strategies as well as the alignment with EU financial instruments and other international donors are presented below.

Table 9 – Overall results

Thematic objective/ Programme	Financing programmes		Strategies	Total
	RO	MD		
TO 1. Business and SME development	-7	-10	18	1
TO 2. Support to education, research, technological development & innovation	0	3	13	16
TO 3. Promotion of local culture and preservation of historical heritage	1	1	7	9
TO 4. Promotion of social inclusion and fight against poverty	-3	-4	10	3
TO 5. Support to local & regional good governance	1	-7	9	3
TO 6. Environmental protection, climate change adaptation	-4	-4	14	6
TO 7. Improvement of accessibility to the regions, develop. of transport and comm. networks and systems	0	0	15	15
TO 8. Common challenges in the field of safety and security	1	0	15	16
TO 9. Promotion of energy cooperation	-1	0	13	12
TO 10. Promotion of border management and border security	1	-1	7	7

In conclusion, the objectives that best satisfy the defined coherence criteria are **TO2, TO3, TO7, TO8** and **TO9**.

Coordination between various financial instruments of the EU and other donor organizations

Romania

According to Romania's Partnership Agreement, a coordination mechanism is set up with the purpose of ensuring the coherence of interventions, complementarities and synergies in the programming and implementation stages. In this context, *in the programming period*, the Managing Authorities responsible for the ETC programmes were involved in the discussions covering the five development challenges of the Partnership Agreement⁹. Additional measures aiming at a better coordination of cooperation programmes with the national programmes were taken into consideration, including, but not limited to:

- Participation of relevant MAs/actors and institutions in the joint working groups for programming the cooperation programmes;
- Due consideration of relevant national and EU strategies;
- Specific meetings with other relevant MAs.

Furthermore, *in the implementation period*, some of the main measures aiming at a better coordination at national level, including with other cooperation programmes are:

- Participation of MAs in the Monitoring and Steering Committees of relevant programmes;
- Technical meetings
- Encouraging project beneficiaries to contribute to EUSDR and other relevant strategies.

⁹ The development fields are: Competitively and Local development, Human Capital, Infrastructure, Natural Resources and Administrative Capacity.

Checking potential double funding

Following the selection process, the Managing Authority will consult the list of projects recommended for funding with the European Commission, to avoid double funding and promote synergies with existing projects, where possible.

Moreover, in order to avoid double financing, as well as to ensure complementarities and synergies, the institutional coordination mechanism outlined by the Partnership Agreement includes the existence of functional working groups (FWG) on the following four areas: (1) operational, (2) performance assessment, (3) **territorial coherence and European territorial cooperation** and (4) new approaches. The Programme will participate in the FWG 3 - territorial coherence and ETC, as well in other groups, depending on the identified needs.

Furthermore, at the level of the FWG on territorial coherence and ETC several topics will be addressed, among which the most important are related to *avoiding the overlaps financed from various OPs in the border areas and analysis of the complementarities of actions financed under national programmes and OP ETC.*

Republic of Moldova

The representatives of EC and EU Delegation in Republic of Moldova will be invited as observer in selection process, in order to enable a better synergy to be developed between bilateral and regional assistance provided to the Country by the EU on the one hand and assistance provided through the programme on the other hand.

National Authorities

The National Authorities will perform the verification of potential double funding at beneficiary level during contracting and implementation phase in accordance with the specific national procedures, as follows:

Romania

The National Authority hosted by the Ministry of Regional Development and Public Administration will analyse the potential overlaps with other PO and the double financing. The NA coordinator will also provide support for the proceedings of the FWG on territorial coherence and ETC.

Republic of Moldova

Republic of Moldova has developed in the past years a National Aid Coordinating Authority within the State Chancellery. In this regard, a mechanism has been established through which all active donors and the National Aid Coordination Authority organise monthly coordination meetings.

Furthermore, the General Division for Policy Coordination, Foreign Aid and Central Public Administration Reform of the State Chancellery is responsible for overall coordination of external assistance at country level and represents the focal point for donors during the programming and evaluation exercises.

The NA will cooperate with the responsible structure from the State Chancellery in order to provide support to the Managing Authority as regards the verification of potential double funding at beneficiary level during contracting and implementation phase.

3.2.4. Multi-criteria analysis

Each thematic objective was scored¹⁰ against all criteria and the overall score was calculated based on the weight each criterion was given. The overall results illustrate the hierarchy and priority level of the 10 objectives.

The main steps followed for Multi-criteria analysis of the thematic objectives are briefly presented below:

1. Setting the five criteria used in analysis and agreeing on their relative weight- our analyses concentrated on the previous analyses and consultations in order to use trusted and documented information available.
2. Definitions of the designated criteria:

C1 - *Cross-border impact* refers to the impact of the potential initiatives to be promoted under the respective CBC Thematic Objective on both sides of the border. Given the specificity of ENI CBC interventions, the weighting of this criterion is set at 30%.

C2 - *Capacities for project management* denotes the capabilities of potential beneficiaries active in different thematic areas to manage, co-finance and apply programme procedures (based on the legislation of the country in which the project is implemented and track record of the respective organizations in the eligible area). This criterion is allocated a 20% weight.

C3 – *Relevance for overall financial allocation of the Programme* - Limitations of the financial allocation represent the capability of the financial allocation of the program to support costly/large scale interventions. (Even if such large interventions could be needed across the eligible area the limited budgetary allocation cannot support these under the CBC programme). The weight is set at 20%.

C4 - *Coherence with strategies & programmes* represents the correspondence of the TOs with the relevant policy documents and other financing instruments available for the eligible area in the 2014-2020 programming period in order to identify those thematic objectives that can be best addressed through the Romania – Republic of Moldova Programme. The weighting is, as in previous 2 criteria, is set at 20%.

C5 – *Current regional context* - This criterion take into account the recent developments in the region that were not envisaged at the moment of preparation of the programming documents and intends to provide a priority for the TO that are of most urgency. Weighting is at 10%.

¹⁰ Regarding the methodological aspects of the multi-criteria analysis, five criteria's (1 – Cross-border impact, 2 – Capacities for project management, 3 – Relevance for overall financial allocation of the Programme, 4 – Coherence with strategies & programmes, 5 – Current regional context) were selected and a team of key experts assisting the preparation of the Programme set the weights to these criteria and performed the assignment. All key experts had previous extensive experience in the two countries.

In assessing the objectives against the respective criterias, the experts have consulted the conclusions of the territorial analysis, SWOT, additional findings following the preliminary consultation process and the results of the second consultation process as well as the lessons learned of the Romania-Moldova-Ukraine CBC Programme 2007-2013 A short argumentation on the assessment of each thematic objective is presented further on in this section.

Each thematic objective was scored against all criteria and the overall score was calculated based on the weight each criterion was given. The overall results illustrate the hierarchy and priority level of the 10 thematic objectives.

3. Setting the hierarchy of the objectives – Overall calculation of scores and generating the Priority Objective List. Each criteria was scored on a scale from 1 (lowest score) to 5 (highest score) and weighted as explained above.

Table 10 – Overall results

TO	Criterion	Weight	Criterion	Weight	Criterion	Weight	Criterion	Weight	Criterion	Weight	Rate
	Cross-border impact	0,3	Capacities for project management	0,2	Relevance for overall financial allocation of the Programme	0,2	Coherence with strategies & programmes	0,2	Current Regional context	0,1	
TO1	3		4		4		1		3		3
TO2	5		4		5		4		4		4,5
TO3	4		4		5		3		2		3,8
TO4	3		5		4		2		3		3,4
TO5	3		5		5		1		4		3,5
TO6	4		5		3		2		3		3,5
TO7	5		5		3		5		4		4,5
TO8	5		5		3		5		5		4,6
TO9	5		3		1		4		5		3,6
TO10	5		5		3		3		5		4,2

The Thematic Objectives with best rates (TO2, TO3, TO7, TO8, TO10) have the potential to ensure a *stronger cross-border impact* due to the fact that the projects and activities that could be financed under these TOs require better coordinated actions, joined planning of public administration beneficiaries from both countries, hence taking full advantage of the particularities and communalities of the regions on both sides of the border. These five thematic objectives (together with TO 4, 5 and 6) benefit also from *better project management capacities* developed in the EU Programming period 2007-2013 (for Romania) and during the Europeanization process of Republic of Moldova after 2009.

Also, the same TOs score higher rates at *coherence with strategies & programmes* criterion, being well-correlated with relevant policy documents in the core eligible area and better anchored in the *regional context*, therefore better suited to answer to the identified development needs. In the same time they score medium rates at the *relevance for overall financial allocation of the Programme* criterion since the Programme allocation is not substantial enough to cover numerous projects, in order to answer to all the development needs the region reveal. These TOs top-rank on the final criterion (*Current Regional Context*) – proving suitability to the actual conditions and developments in the region.

Lower rated Thematic Objectives (TO1, TO4, TO5, TO6, TO9) scored average at the *cross-border impact* criterion as the types of interventions that could be supported are not necessarily guided by the top strategic priorities, hence not generating strategic-level impact. However, there are significant *project management capacities* of organisations active in these thematic areas (some of them developed in the previous CBC Programme). These objectives ranked higher at the *relevance for overall financial allocation of the Programme* criterion, because they can support more small scale projects to be initiated by more diverse types of beneficiaries. Also, they score fewer points at the *coherence with strategies & programmes* and *current regional context* criteria due to the fact that they are not top priorities in the relevant policy documents across the eligible area.

In conclusion, the objectives that best satisfy the defined criteria are **TO2, TO3, TO7, TO8 and TO10**.

3.2.5. Lessons learnt from previous experiences in cross-border programmes

Following the analysis of the Joint Operational Programme Romania – Ukraine – Republic of Moldova 2007-2013 implementation reports, findings, conclusions and recommendations stemming from the result oriented monitoring missions (European Commission) and as well from conclusions of audit/ verification missions undertaken and last, but not least, on the opinions expressed by various stakeholders during the consultation phase, a range of lessons learnt from 2007-2013 programming period must be taken into account.

In what concerns projects' generation, it must be acknowledged that proper consideration should be given to support building up and/or development of effective cross border partnerships since these are the cornerstone on which genuine and successful projects are based on. This is where the programme may call on various modalities aimed to facilitate and better connect partners from across the borders and which proved to be efficient in the past or may be now substantially improved/diversified. Going further, the programme must look after and request an effective involvement of partners residing on both sides of the border during the entire projects' lifespan, whether by awarding incentives during evaluation stage to those which adequately respond to it, or by setting mandatory requirements in the Guidelines for applicants.

On the other hand, as the previous 2007-2013 monitoring experience shows, large partnerships proved to be hardly manageable since cross border projects require close cooperation, attentive coordination and joint efforts towards the common targets. It is for the programme to decide on the maximum number of partners which may effectively act together to implement these projects.

Taking into account cross border specificities, it is a fact that good quality applications cannot be prepared from scratch only during the call for proposals period, but they need to be thoroughly designed quite some time before the actual start date of the call. Having this in mind, it is important for the programme to specifically address the capacity building component even in between of the call for proposals by means of structured thematic trainings covering as much as possible the programme eligible area, and with a special focus in the partner country. This is a point where adequate coordination across different projects and/or programmes financed by the European Union might be a solution since cooperation may bring added-value and streamline the programme's efforts in this respect.

It is worth pointing that high call has been noticed, not only from the programme stakeholders' side as this is also strongly required by the related EU regulations, for simplification, accuracy and transparency in what concerns the programme actions. One of the starting points to address these requirements is to upgrade and improve the application template(s). On one hand, such template(s) should be able to integrate and meaningfully substantiate whatever project idea, facilitate and focus evaluation and further, support implementation and monitoring, on the other hand. Number and type of documents to be annexed to the application form should also be limited to what is necessary and relevant for e.g. assessing the project eligibility and, in any case, should not be an additional burden to its promoters.

Regarding the assessment of applications great need has been expressed to accelerate the process, so that projects remain relevant and to keep the initial design in terms of accuracy, reality and feasibility. The two stages evaluation (Concept Note and, if pre-selected, Full Application) has been proved as beneficial as shortened significantly the evaluation duration while was less burdensome and costly, both for the programme structures and for the applicants (especially for those rejected at the end of the 1st stage). In order to accelerate the evaluation process, the Programme will involve a consistent number of independent evaluators, contracted by MA, with experience in EU-funded projects evaluation and expertise in the thematic areas covered by the Programme.

It also became evidence that large selection committees are not-functional since is extremely difficult to convene them and find a timeline which is suitable for everyone. This approach was also abandoned, and consequently the programme took the decision to set smaller and more flexible selection committees (one committee per priority, one evaluator per country per committee). Finding

the right balance between the need of representation at country level, and the urge to have evaluators above any doubts and/or conflict of interest, adequately qualified in the respective fields of interest, committed to comply with the evaluation schedule and delivering good quality assessments, are requirements which must be attentively addressed by the programme.

High number of complaints following evaluation was another sensitive issue during the previous programming period. Grounds lie, mainly, within the huge amount of proposals received requiring much more funds than the ones available for the call on one hand, and on insufficient information provided to the applicants as regards the reasons for rejection or the score awarded. The programme should consider to limit the number of applications which may be submitted by the same applicant within a priority and to improve the communication with the applicants during the evaluation process.

It is recommendable programme to continue with the formal programme approach of setting a complaints procedure within the Guidelines for grant and by indicating clear reasons for rejecting a proposal. Moreover, an Assessment Manual published on the programme website may allow anyone interested to go into details with the way scores are awarded for the given evaluation criteria. Selected applicants should always be aware about how contracting is to be conducted by the programme bodies. Preparing and making available the Guidelines for the selected applicants prior to the start of this stage has clarified the process and cut off potential complaints related to timing, type of documents, and roles that each body has to play.

Nevertheless, the stage proved to be time-consuming due to the large number of documents required by the programme, unavailability and/or non-compliance of the documents submitted, while poor coordination between project partners during the process led to recurrent postponements and delays. “White spots” in what concerns specific provisions of the national legislation impacted directly on the ability of organizations to meet the deadlines and programme’s requests. Each issue can be solved or improved if is addressed in a practical way and is accompanied by a stronger commitment of the selected applicants (support of the National Authorities may prove beneficial in this respect), as well as prior knowledge of the related legal aspects.

In the new RO-MD CBC Programme, the Guidelines for Grant Applicants will provide extensive information regarding the contracting phases and the deadlines for submitting the documents (especially complex ones) will be set through a careful assessment by the JTS/ MA as regards the beneficiaries needs.

The communication plan will include more activities related to project results’ dissemination: publications, events, dedicated section on Programme website so that to allow the access of potential beneficiaries to models of good practices.

3.2.6. Risk analysis and mitigations measures

The achievement of the programme objectives depends on internal but also on external influences which cannot be directly controlled by the programme structures and that may have negative consequences on the programme.

Two types of risks can be identified:

External: situations connected with the regional/local context that can pose difficulties for the programme implementation. In this case the programme structures have limited or no control over the risk but it is important to monitor the situation and take appropriate action if possible.

Internal: institutional and programmatic risks that have the potential of jeopardising the implementation of the programme. In case of institutional and programmatic risks the programme structures should envisage appropriate mitigation measures.

As the risks are subject to change during the programme implementation the risk matrix will be subject to regular review and updating.

No.	Identified risk	Probability	Impact	Mitigation	Responsible body
1.	The management and control system is not fully functional when Programme starts	Medium	High	<ul style="list-style-type: none"> - Preparation of internal procedures of MA and JTS/BOs, NAs and Control Contact Points; - Strong commitment of the National Authorities for preparing and put in force the necessary legal framework for carrying out their tasks. 	MA, JTS/BO/ NAs, CCPs
2.	The prerequisites (adequate processes, skills and overall management) of an efficient evaluation of project proposals are not meet	Medium	High	<ul style="list-style-type: none"> - Development of an efficient and transparent evaluation and selection methodology; - Selection of a pool of independent assessors in due time for being ready for evaluation when needed; - Strong commitment of the NAs for quick reaction during the evaluation when their support is needed. 	JMC, MA, NAs
3.	Delays in the process of verification of progress reports and requests for payment	Low	Medium	<ul style="list-style-type: none"> - Allocation of sufficient personnel for checking the documentation; - Development of efficient procedures 	MA, JTS, National controllers/ Auditors
4.	Drawbacks within the project implementation due to inefficient communication operations with beneficiaries	Low	Medium	<ul style="list-style-type: none"> - Setting up a system of coherent communication and working procedures, with specific division of tasks between MA and JTS or JTS and BO, as regards the communication with projects beneficiaries, with the aim to develop a <i>partnership approach</i> between Programme management structures and beneficiaries 	MA, JTS, JTS/BO
5.	Low visibility of the Programme and projects	Medium	Medium	<ul style="list-style-type: none"> - Adaptation of the Programme communication strategy/ plan according to the needs; - Elaboration and implementation of annual communication plans; - Specific provision within the grant contract as regards the obligation of the beneficiaries to have a communication strategy/plan. 	MA, JTS, BOs
6.	Poor quality of audit reports provided by independent auditors	High	High	<ul style="list-style-type: none"> - Setting clear and relevant selection criteria for selecting the pool of auditors; - Foreseeing sanctions within the individual agreements between NA/CCP and each audit firm for those cases of improper performance of the verifications; - Training delivery to the auditors included in the pool; - Communication between MA, CCP and AN concerning the quality of the performance of the selected auditors. 	MA, JTS, CCP, NA UA
7.	Instable internal and external political context and/ or regional conflicts	Low	Medium	<i>Independent from Programme management structures' capacity for action</i>	
8.	Lack of knowledge of the beneficiaries concerned, of legislation and management techniques on either side of the border	Medium	Medium	<ul style="list-style-type: none"> - Development of coherent and exhaustive project implementation procedures, including also indication on financial and procurement regulation at national level in each country; - Targeted training to projects' beneficiaries on Programme's implementing rules. 	MA, JTS, BO, NA,
9.	Overlaps with other programmes	Low	Low	<ul style="list-style-type: none"> - Setting clear selection criteria for projects; - Selection of projects that are fully 	JMC, MA, JTS,

				relevant to the Programme's priorities and objectives, with a focus on cross-border impact.	
10.	Difficulties encountered by potential applicants in finding reliable cross-border partners	Low	Low	- Development of support instruments (such as partners search web applications, partnership events, info-days, workshops)	MA, JTS, BO
11.	Difficulties for projects beneficiaries to ensure co-financing or to finance ineligible costs related to their projects	Medium	Medium	- Setting up clear eligibility rules related to financial capacity in the Guidelines for grant applicants - Providing training for beneficiaries, explaining the rules for project implementation, for eligibility of the expenditures and actions	JMC, MA, JTS, Regional and central authorities, NA
12.	Non-efficient use of EU public funds: irregularities, including frauds and corruption acts	Medium	High	- Developing of an effective audit and control system and providing specific training to selected auditor and national controller regarding their responsibilities; - Development of risk analyses and monitoring of projects' progress accordingly; - Financial corrections to projects that do not comply to the rules.	MA, JTS, AA, NA, CCP/ auditors

3.2.7. Summary of the strategy identification

Four TOs resulted from the strategy analyses (territorial, SWOT, coherence and multi-criteria) and from preliminary consultations:

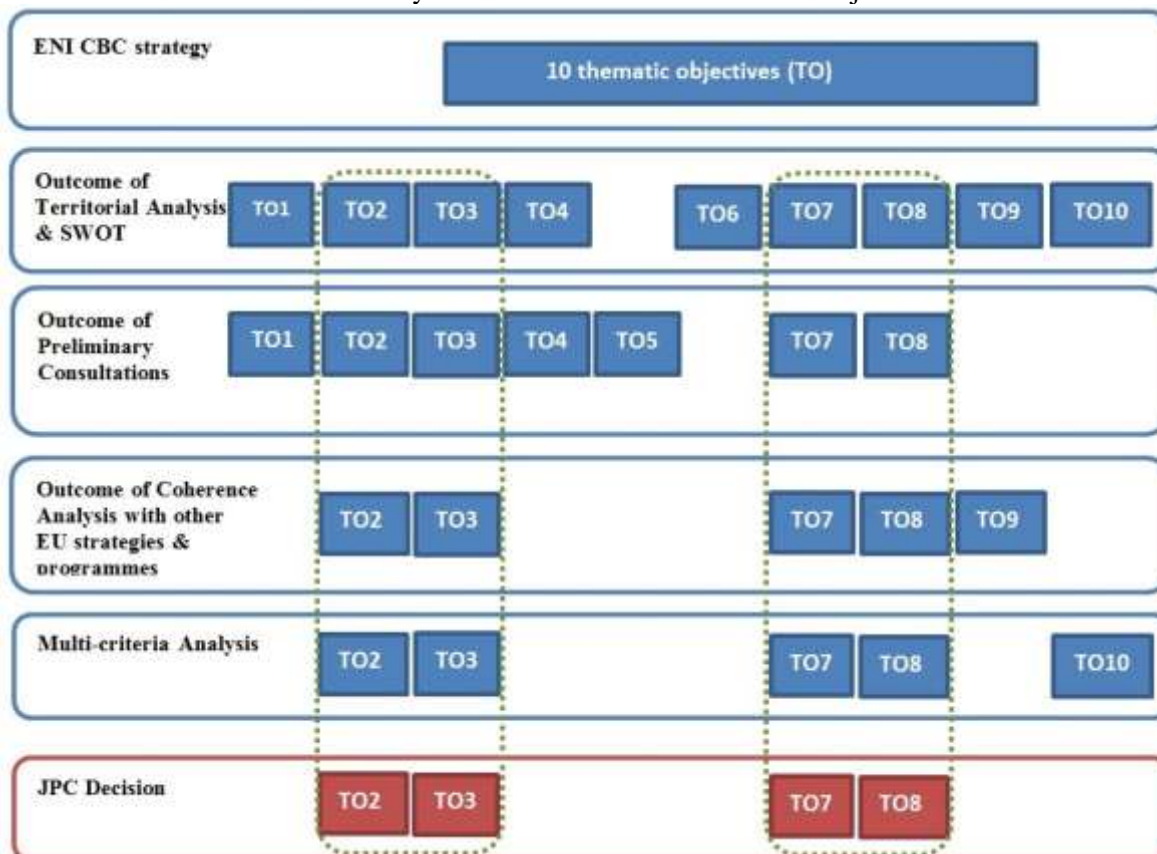
TO2 - Support to education, research, technological development & innovation;

TO3 - Promotion of local culture and preservation of historical heritage

TO7- Improvement of accessibility to the regions, development of transport and communication networks and systems;

TO8 - Common challenges in the field of safety and security;

Table 11 – Outcome of analyses for the selection of Thematic Objectives



According to the programming regulations, a maximum number of four (4) TOs are allowed to be financed under the ENI Programmes.

3.3. Programme indicators

Expected results

Thematic Objective	Priority	Expected results
TO 2. Support to education, research, technological development & innovation	Priority 1.1: Institutional cooperation in the educational field for increasing access to education and quality of education	Enhanced cooperation between educational institutions leading to an increase in quality of the education programs available in the eligible area, as well as improving accessibility to education and ensuring appropriate, labour market relevant skills of the graduates
	Priority 1.2: Promotion and support to research and innovation	Improved pre-conditions for sustained cooperation in the field of research and innovation contributing to economic development of the region.
TO 3 Promotion of local culture and preservation of historical heritage	Priority 2.1: Preservation and promotion of the cultural and historical heritage	Restored cultural and historical sites that enhance the cross – border touristic potential of the eligible area.
To7. Improvement of accessibility to the regions, development of transport and common networks and systems	Priority 3.1: Development of cross border transport and ICT tools	1. Increased mobility of persons and goods in the eligible area through a modernized transport network 2. Improved integrated ICT networks and facilities to support the cross –border connections.
TO 8 Common challenges in the field of safety and security	Priority 4.1 - Support to the development of health services and access to health	Improved health condition of citizens in the eligible area and reduced risks for human epidemiology hazards.
	Priority 4.2 – Support to joint activities for the prevention of natural and man-made disasters as well as joint actions during emergency situations	Reduced risks for natural or man-made disasters and better joint emergency situation management systems in place in the eligible area.
	Priority 4.3 Prevention and fight against organised crime and police cooperation	Increased efficiency of the police, border police and custom services in coping with cross border organized crime, increased level of trust and confidence of the citizens in these structures

The below table is describing the expected results for each priority, and the corresponding result indicators, with a baseline value and a target value and the output indicators for each priority, including the quantified target value, which are expected to contribute to the results;

The report on the proposed indicators is in the ANNEX II of the Programme. The report includes the methodology followed for the selection of the indicators, definitions of indicators, source for the data collection and indications on measurements and substantiation for setting the proposed targets.

Indicator coding system: e.g. C OI XXX, OI XXX, RI XXX

C OI – Common Output Indicator

OI – Output Indicator

RI – Result Indicator

XX – Priority Number (First two digits)

X – Indicator Number (Last digit)

NA – Not Applicable

TBD – To be determined (e.g. TBD)

	ID	Indicator Name	Measuring Unit	Baseline Year	Baseline	Indicator target value	Sources	Frequency of measuring	
Objective 1	Priority 1.1	COI 111	Number of institutions using programme support for cooperation in education, R&D and innovation.	Institutions	NA	NA	20	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 112	Number of people benefitting from all types of activities that received funding within the CBC programme	Individuals	NA	NA	5.000	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 113	Number of rehabilitated / modernized educational institutions	Individuals	NA	NA	5	Database of projects/ Projects' reports	2018, 2021, 2023
		RI 111	Percent of tertiary education students in eligible area out of total no. of students	Tertiary Students	2012	18%	21%	National Institute of Statistics in Romania. National Bureau of Statistics of the Republic of Moldova.	2023
		RI 112	Employment rate in the eligible area	Percent	2012	42.45%	45%	Ex-post Programme evaluation report(s) / National Institute of Statistics in Romania. National Bureau of Statistics of the Republic of Moldova.	2023
	Priority 1.2	COI 121	Number of institutions using programme support for cooperation in R&D and innovation	Institutions	NA	NA	5	Database of projects/ Projects' reports	2018, 2021, 2023
		RI 121	Number of filed patents applications in the eligible area	Patents	2015	422	443	Ex-post Programme evaluation report(s) / State Office for Inventions and Trademarks in Romania / State Agency on	2023

								Intellectual Property of the Republic of Moldova.	
Objective 2	Priority 2.1	COI 211	Number of institutions using programme support for promoting local culture and preserving historical heritage	Institutions	NA	NA	10	Database of projects/ Projects' reports	2018, 2021, 2023
		COI 212	Number of improved cultural and historical sites	Cultural and historical sites	NA	NA	5	Database of projects/ Projects' reports	2018, 2021, 2023
		RI 211	Number of overnight stays in the eligible area	Overnight stays	2012	2.070.257	2.173.500	Ex-post Programme evaluation report(s) / National Institute of Statistics in Romania. National Bureau of Statistics of the Republic of Moldova.	2023
Objective 3	Priority 3.1	COI 311	Total length of reconstructed or upgraded roads	KM	NA	NA	12	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 312	Number of joint mechanisms to support improvement of cross-border infrastructure (joint planning documents including: strategies, plans, action plans; as well as multi-modal facilitation mechanisms) developed	Mechanisms	NA	NA	5	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 313	Number of additional ICT based tools developed supporting cross-border cooperation	ICT based tools	NA	NA	5	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 314	Number of environmentally friendly (carbon-proofed) cross-border transport initiatives developed	Initiatives	NA	NA	4	Database of projects/ Projects' reports	2018, 2021, 2023

		RI 311	Cross border traffic volume (by rail, road)	Crossings	2013	3.684.726	3.868.962	Romanian Border Police. Border Police of Republic of Moldova	2023
		RI 312	Connectivity rate in the eligible area	Percentage (units connected out of total number of units)	2012	42%	60%	Ex-post Programme evaluation report(s) / National Institute of Statistics in Romania. National Bureau of Statistics of the Republic of Moldova.	2023
Objective 4	Priority 4.1	COI 411	Population covered by improved health services as a direct consequence of programme support	Inhabitants	NA	NA	200.000	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 412	Number of medical service infrastructure units improved	Medical services infrastructure units	NA	NA	3	Database of projects/ Projects' reports	2018, 2021, 2023
		RI 411	Number of newly registered cases of illness	Cases of illness (thousands)	2013	2780	2.502	Ex-post Programme evaluation report(s) / National Institute of Statistics in Romania. National Bureau of Statistics of the Republic of Moldova.	2023
	Priority 4.2	COI 421	Population benefiting from flood protection measures	Persons	NA	NA	10.000	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 422	Number of joint actions, including soft operations ¹¹ as well as joint infrastructure investments in the field of emergency situations and the prevention of man-made disasters.	Joint Actions	NA	NA	20	Database of projects/ Projects' reports	2018, 2021, 2023

¹¹ Including but not limiting to exchange experience, trainings, study visits, common planning sessions, newly developed maps, data bases, systems/ structures, acquisitioned equipment, etc

		RI 421	Average response time for emergency situations in the eligible area	Minutes	2015	15'06''	14'03''	Survey / General Inspectorate for Emergency Situations of Romania. Civil Protection and Exceptional Situations Service in Republic of Moldova	2023
Priority 4.3		OI 431	Number of participants involved in joint capacity building activities (exchanges of experience, study visits, trainings etc)	Facilities	NA	NA	300	Database of projects/ Projects' reports	2018, 2021, 2023
		OI 432	Number of modernized facilities of police, police border and custom services from the eligible area	Facilities	NA	NA	10	Database of projects/ Projects' reports	2018, 2021, 2023
		RI 431	Increase of the ratio of annual number of persons crossing the border to the number of customs personnel directly employed at the border crossing points	Crossings per year Employee per year	2015	6639	7635 (15% increase)	National Agency for Fiscal Administration, Romania Ministry of Internal Affairs, Romania, Romanian Border Police, Romanian Police Customs Office and Border Police of the Republic of Moldova	2023
		RI 432	Level of trust of citizens in the police.	Level of trust expressed in population percentage	2015	38.05%	43%	Annual Opinion Barometers INSCOP (Romania) IPP (Moldova)	2023

3.4. Cross-cutting issues

A number of important elements for successful, sustained and inclusive cross-border cooperation will be ensured as horizontal modalities to be deployed across any of the Programme priorities, rather than as separate thematic priorities. These cross – cutting issues are additional to the Programme priorities and objectives being significant to any project activity. Project applicants are to be expected to consider these cross-cutting themes when developing their projects.

ENI regulations¹² require a description of the ways the following cross-cutting issues will be mainstreamed during programme implementation, where relevant: democracy and human rights, environmental sustainability, gender equality and HIV/AIDS. Integration at project level of the relevant cross-cutting issues described below will be:

- ✓ Assessed during the selection process and included into the criteria for project evaluation;
- ✓ Checked in project reports and during project monitoring visits.

Further guidance on requirements for project selection and reporting will be provided in the programme's Guidelines for Applicants, Implementation Manual or similar documents issued at programme level.

The cross – cutting themes include:

- Democracy, participation and human rights;
- Equal opportunities (promotion of gender equality and opportunities for youth);
- Environmental sustainability.

Democracy, participation and human rights

In regard to democracy and human rights, several aspects are embedded in the Programme strategy as horizontal issues or modalities to be deployed in projects across any of the selected priorities, in particular:

- ✓ 'People-to-people' actions, including enhanced cooperation among NGOs and other civil society groups
- ✓ Capacity-building components for NGOs that will enhance the role of non-state actors and build their capabilities as partners in the public policy process making;
- ✓ Enhanced cooperation among local and regional authorities, promotion of local and regional good governance and capacity-building components for local/regional authorities and agencies that will support public administration reform and decentralization and local government;

The projects shall seek to integrate considerations related to democracy, good governance, participation and human rights. This may also include exchange of good practices, as well as regular and transparent project financial reporting, widely circulated and understandable project results ensuring there is no discrimination against particular target groups whether the project helps to ensure respect for any relevant human rights.

Equal opportunities (promotion of gender equality, and opportunities for youth & elders);

Promotion of gender equality, and equal opportunities for youngsters and elders, is important within the Programme design as a horizontal issue to be deployed in projects across any of the priorities selected. Both men and women shall have equal access to the opportunities and benefits of the programme.

All projects will have to adequately consider gender related issues – such as equality of opportunity, rights, distribution of benefits, responsibilities for men and women. This may include the integration of a gender perspective when planning activities, considering the likeliness of increased gender equality beyond the project ends.

¹² Art. 4.3 Regulations (EU) N° 897/2014

The programme strives for promoting equal opportunities and preventing any form of discrimination based on sex, racial or ethnic origin, nationality, religion or belief, disability, language, non-contagious chronic disease, HIV/AIDS infection, social category, belonging to an under-privileged social category, age or sexual orientation during its life cycle and in particular in relation to access to funding. It will take into account the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility for persons with disability.

Also, the projects should address specific needs of young people and ensure participation regardless the age of the target groups. Additionally, all operations funded by the programme shall ensure that the activities implemented are in line with the principle of equality between men and women and do not generate discrimination of any kind.

Environmental sustainability

Environment is crucial for projects under the most of the Thematic Objectives selected, mainly for projects supporting infrastructure construction / rehabilitation / modernization etc.

All projects funded in the frame of the Programme will have to integrate environmental considerations. This notably includes following good environmental practices during implementation, in particular in relation to energy efficiency as well as in relation to the use of water and the production of waste, etc.

For the reduction of the impact on the environment, investment projects that will be financed under the programme should consider certain measures, as identified in the SEA report.

HIV/ AIDS

The HIV/AIDS epidemic represents an important problem for the two countries, the issue being addressed at national level through programmes aimed at prevention and control.

This cross-cutting theme, relevant for the Programme, will mainly be addressed through the calls conducted under TO2 - Support to education, research, technological development and innovation and thematic objective 8 - Common challenges in the field of safety and security (Priority 4.1 - Support to the development of health services and access to health.

When submitting proposals, applicants will have to describe the contribution to equal opportunities and non-discrimination within the application form, explaining how the equal opportunity principle is anchored within the design and planned activities of operations. Due care shall be attached in order to avoid the negative impact on the vulnerable groups at risk of discrimination, at the level of project activities and results. All the aspects related to the definition of discrimination, as mentioned above, shall be considered. This matter is considered as a horizontal issue during the quality assessment of applications.

The principle of equal opportunities will be considered in terms of programme management arrangements. All operations submitted under any chosen priority will be encouraged to incorporate activities for integrating measures to consider the principle of equal opportunities and non-discrimination, considering the above mentioned definition.

Also, the projects will address specific needs of young people and ensure participation regardless the age of the target groups. Additionally, all operations funded by the programme shall ensure that the activities implemented are in line with the principle of equality between men and women and do not generate discrimination of any kind, including within the selection of the target group which shall include, to the extent possible, representatives of all categories, as they are mentioned above, thus taking into account the special needs also for HIV/AIDS categories.

4. Structures and appointment of the competent authorities and management bodies

Joint structures

Joint Monitoring Committee (JMC): follow the programme implementation and progress towards its priorities; examine all issues affecting the programme performance;

Managing Authority (MA): responsible for managing the programme in accordance with the principle of sound financial management and for ensuring that decisions of Joint Monitoring Committee comply with the applicable law and provisions;

Joint Technical Secretariat (JTS): the joint operational body assists the Managing Authority, the Joint Monitoring Committee and Audit Authority, in carrying out their respective duties;

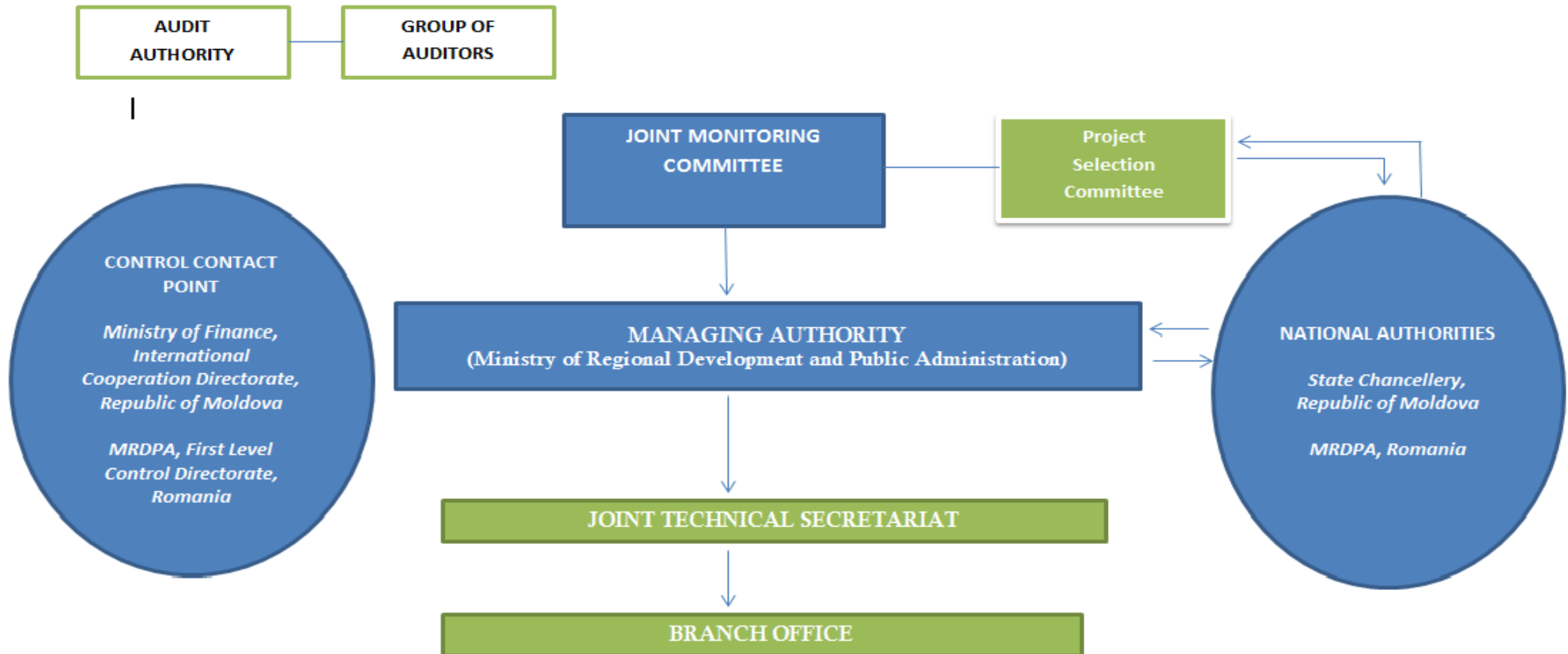
Audit Authority (AA): ensure that the audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the programme. The Audit Authority shall be assisted by a *Group of Auditors* comprising a representative of each participating country in the Programme.

Structures at the national level

National Authorities (NAs): appointed by each participating country bearing the ultimate responsibility for supporting the Managing Authority in the implementation of the programme on its own territory, in accordance with the principle of sound financial management.

Control Contact Point (CCP) - appointed by each participating country in order to assist the Managing Authority in carrying out verifications throughout the whole programme area

ORGANISATIONAL CHART



4.1. Joint Monitoring Committee (JMC)

4.1.1 Composition of Joint Monitoring Committee

The Joint Monitoring Committee (JMC) shall include as **voting members** representatives from county level, regional level and central level (out of which at least one member per country will represent each National Authority and one member per country will be designated by each of the Ministries of Foreign Affairs).

The indicative composition of the JMC consists of:

On the Romanian side:

- representatives of the counties included in core region of the programme;
- representatives of Regional Development Agencies covering core region of the programme;
- representative of Ministry of Foreign Affairs;
- representative of Ministry of Regional Development and Public Administration;

On the Moldovan side:

- representative of State Chancellery of Republic of Moldova
- representative of the Ministry of Regional Development Constructions
- representative of the Ministry of Finance
- representative of the Ministry of Foreign Affairs and European Integration
- representatives of the regional and local authorities
- representative of the civil society

Changes to the composition of the Joint Monitoring Committee do not constitute an adjustment of the programme and may be made at the initiatives of the participating countries. However, in order to maintain the functionality of this joint structure, a maximum number of 8 voting members per country will be considered. The Commission shall be informed about the changes.

Each participating country has equal voting rights regardless of the number of representatives it has appointed.

Other entities may be invited by the Joint Monitoring Committee to designate observers to the JMC meetings, on a permanent basis or whenever needed in order to ensure the transparency of the programme implementation and/or to avoid the duplication of financing. These entities do not have voting rights.

The European Commission shall be involved in the work of the Joint Monitoring Committee as an observer. It shall be invited to each meeting of the JMC at the same time as the representatives of the participating countries. The Commission may decide whether it will participate or not in all or part of each JMC meeting.

The Joint Monitoring Committee shall be chaired by a representative of the MA. The Joint Monitoring Committee may be co-chaired by a representative of the participant country where the respective meeting takes place. The secretariat of the Joint Monitoring Committee shall be ensured by a representative of the joint Technical Secretariat. The chairperson shall act as moderator and lead the discussions. The chairperson, the secretary and the observers (including the EC) participating in the meeting, have no voting rights. The co-chairperson, as representative of a participating country, will have voting rights.

4.1.2 Functioning of the Joint Monitoring Committee

The JMC shall draw up and adopt its rules of procedure by unanimity. The rules of procedure shall set in detail the working procedures of JMC, including the voting procedure, rules for written procedure, administrative issues (e.g. number of meetings, costs covered by the programme TA for organizing the meetings, rules for ensuring the co-chairmanship, etc.).

The Joint Monitoring Committee shall meet at least once per year. It shall be convened by its chairperson at the request of the Managing Authority or upon duly justified request of any participating country or of the Commission.

Minutes shall be drawn up after each meeting of the Joint Monitoring Committee for signature by the chairperson and the secretary. A copy of these minutes shall be shared with the participating countries representatives, the EC and any other observer.

4.1.3 Tasks of the Joint Monitoring Committee

The Joint Monitoring Committee shall follow the programme implementation and progress towards its priorities using the objectively verifiable indicators and related target values defined at Chapter 3.3 Programme Indicators.

The Joint Monitoring Committee shall examine all issues affecting the programme performance. The Joint Monitoring Committee may issue recommendations to the Managing Authority regarding the programme implementation and evaluation. It shall monitor actions undertaken as a result of its recommendations. The JM work and decision – making process are based on the principles of transparency, equal treatment, non-discrimination, objectivity and fair competition.

The Joint Monitoring Committee shall in particular:

- approve the work programme of the Managing Authority and its financial plan, including planned use of technical assistance;
- monitor the implementation by the Managing Authority of the work programme and financial plan;
- approve the criteria for selecting projects to be financed by the programme;
- approve any proposal to revise the programme;
- be responsible for evaluation and selection procedure applicable to projects to be financed by the programme;
- examine all reports submitted by the MA and, if necessary, take appropriate measures;
- examine any contentious cases of recovery brought to its attention by the MA;
- examine and approve the annual reports to be submitted to the EC pursuant to Article 77 of the ENI CBC Implementing Rules;
- examine and approve the annual monitoring and evaluation plan to be submitted to the EC pursuant to Article 78 of the ENI CBC Implementing Rules;
- examine and approve the annual information and communication plan to be submitted to the EC pursuant to Article 79 of the ENI CBC Implementing Rules.

4.2. Managing Authority (MA)

According to article 25 of ENI CBC Implementing Regulations no 897/2014, participating countries have nominated the Ministry of Regional Development and Public Administration¹³ (RO), as Managing Authority.

The Managing Authority shall be responsible for managing the programme in accordance with the principle of sound financial management and for ensuring that decisions of the Joint Monitoring Committee comply with the applicable law and provisions, as foreseen by Article 26 of ENI CBC Implementing Regulations no 897/2014.

The Managing Authority shall also ensure that the internal organisation of the Management and Control system is in compliance with the principle of separation of functions between and within such bodies as stipulated in the Article 30 of the Commission Implementing Regulations no 897/2014.

¹³ Decision no. 1 / January 4, 2013 on the organization and functioning of the Ministry of Regional Development and Public Administration Romania

4.2.1. Designation process

Following the adoption of the programme by the European Commission, the Romanian Government will proceed with the designation of the Managing Authority in accordance with article 25 of the Commission Implementing Regulations no 897/2014.

The designating body will be the Ministry of European Funds (Romania) that will initiate a Governmental Decision for the designation, based on the report and opinion of the Audit Authority.

In this respect, the Audit Authority should take the following steps, in accordance with internationally accepted audit standards:

- Analysis of the management and control system description
- Gathering other relevant documents and their examination
- Performance of audit work required, including, where appropriate, interviews with staff
- Preparation of the report and opinion and a contradictory procedure, including validation of findings and conclusions.

Adequate time should be allocated as to allow the authorities assessed to respond to observations and provide additional information. A tentative timeline is presented below:

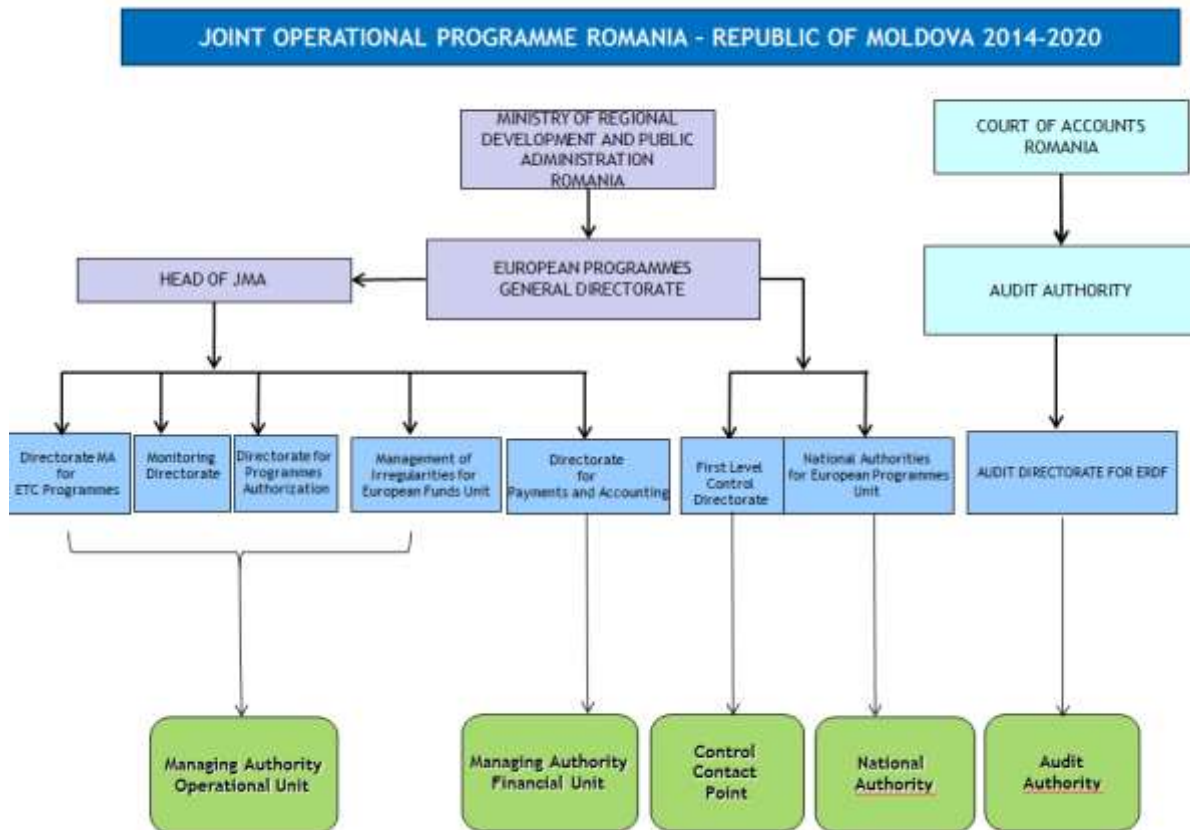
Table 12 - Provisional indicative time-frame for the designation process

	Month											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
JOP approval by the European Commission and finalization of DMCS by the MA												
Assessment of the compliance of DMCS by the AA												
Elaboration and submission of the Report and Opinion of the AA												
Designation decision by the Ministry of European Funds												
Submission of the formal decision to the European Commission												

4.2.2 Functions of the Managing Authority

The functions of Managing Authority will be fulfilled by the Directorate for Managing Authorities for European Territorial Cooperation Programmes, the Monitoring Directorate, the Directorate for Programme Authorisation and the Directorate for Payments and Accounting together with other departments within the Ministry of Regional Development and Public Administration of Romania.

Indicative organisational chart of the Managing Authority:



Regarding the programme management, the Managing Authority:

- Supports the work of the Joint Monitoring Committee and provides it with the information it requires to carry out its tasks, in particular data relating to the progress of the programme in achieving its expected results and targets;
- Draws up and, after approval by the Joint Monitoring Committee, submits the annual report and the final report to the Commission;
- Shares information with the Joint Technical Secretariat, the Audit Authority and beneficiaries that is relevant to the execution of their tasks or project implementation;
- Establishes and maintains a computerised system to record and store data on each project necessary for monitoring, evaluation, financial management, control and audit, including data on individual participants in projects, where applicable. In particular, it shall record and store technical and financial reports for each project. The system shall provide all data required for drawing up payment requests and annual accounts, including records of amounts recoverable, amounts recovered and amounts reduced following cancellation of all or part of the contribution for a project or programme;
- Carries out, where relevant, environmental impact assessment studies at programme level;
- Implements the information and communication plans in accordance with Article 79 of Commission Implementing Regulation no. 897/2014;
- Implements the monitoring and evaluation plans in accordance with Article 78 of Commission Implementing Regulation no. 897/2014;
- Puts in place coordination mechanisms to foster complementarities and synergies with other programmes or financial instruments in the programme area.

Regarding the selection and management of projects, the Managing Authority:

- Draws up and launches the selection procedures;
- Manages the project selection procedures and ensures transparency of selection process;

- Provides the lead beneficiary with a document setting out the conditions for support for each project including the financing plan and execution deadlines;
- Signs contracts with beneficiaries;
- Manage projects.

Regarding the technical assistance, the Managing Authority:

- Manages the contract award procedures;
- Signs contracts with contractors;
- Manages contracts.

Regarding the financial management and control of the programme, the Managing Authority:

- Verifies that services, supplies or works have been performed, delivered and/or installed and whether expenditure declared by the beneficiaries has been paid by them and that this complies with applicable law, programme rules and conditions for support of the projects; In this respect shall perform:
 - Administrative verifications for each payment request by beneficiaries;
 - In this respect, where the institution hosting the MA is also a beneficiary under the programme, arrangements for the verifications shall ensure suitable segregation of functions.
 - On the spot project verifications
 - Verifications, pursuant to Article 6 (b) of the ENI CBC Implementing Rules may be carried out on a sample basis.
 - The MA may externalise part or all of the on the spot verifications, by using the national legal procurement procedure.
 - MA shall set the frequency and coverage of the on the spot verification so that to be proportionate to the amount of the grant to a project and the level of risk identified by these verifications and audits by the Audit Authority for the management and control systems as a whole.
- Ensures that beneficiaries involved in project implementation maintain either a separate accounting system or a suitable accounting code for all transactions relating to a project;
- Puts in place effective and proportionate anti-fraud measures taking into account the risks identified;
- Set up procedures to ensure that all documents regarding expenditure and audits required to ensure a suitable audit trail are held in accordance with the requirements of Article 30 of Commission Implementing Regulation no. 897/2014;
- Draws up the management declaration and annual summary referred to in Article 68 of Commission Implementing Regulation no. 897/2014;
- Draws up and submit payment requests to the Commission in accordance with Article 60 of Commission Implementing Regulation no. 897/2014;
- Draws up the annual accounts;
- Takes account of the results of all audits carried out by or under the responsibility of the Audit Authority when drawing up and submitting payment requests;
- Makes payments to the beneficiaries with whom a grant contract has been signed
- Maintains computerised accounting records for expenditure declared to the Commission and for payments made to beneficiaries;
- Keeps an account of amounts recoverable and of amounts reduced following cancellation of all or part of the grant.

4.3. National Authorities of Romania and Republic of Moldova

Each participating country appointed a National Authority to support the Managing Authority in the management of the programme in accordance with the principle of sound financial management.

Romania appointed through the Government Decision no. 1183/2014, as National Authority, the Ministry of Regional Development and Public Administration. The functions of National Authority will be fulfilled by a unit working independently of the Managing Authority, the Unit for National

Authorities for European Programmes, working together with supporting units within MRDPA on issues related to irregularities and recovery of funds unduly paid to Romanian beneficiaries and ensuring a suitable segregation of functions.

In Republic of Moldova the designated National Authority for management is the State Chancellery. The National Authority from Republic of Moldova is the ultimate responsible body for implementing the provisions set out in the Financing Agreement signed with the European Commission and MA according to Articles 8 and 9 of the of Commission Implementing Regulation no. 897/2014. The National Authority from Republic of Moldova is the ultimate responsible body for implementing the provisions set out in the financing agreement referred to in Articles 8 and 9 of the ENI CBC Implementing Rules.

4.3.1 Functions of National Authority (for both countries)

In its function of support for MA to manage the programme in accordance with the principle of sound financial management, the National Authorities shall:

General tasks:

- Ensure the overall coordination of the institutions involved at national level in programme implementation, including, inter alia, the institutions acting as control contact points and as member of the group of auditors;
- Represent its country in the JMC
- Be responsible for the set up and effective functioning of management and control systems at national level and support the MA in its obligations referred to in Article 30 (2) of the ENI CBC Implementing Rules:
 - Approve the list of auditors pre-selected by Control Contact Point (for Partner country) in accordance with section 4.7.2 thereafter.
 - Support the MA/JTS in conducting project monitoring and follow-up on their territory
 - Provide and review information concerning the implementation of the programme on its territory, to be used for annual reports, including by facilitating the process of collecting statistical data and financial information on implementation of the Programme on its territory
 - Provide input for the development of the computerized system (have access to it)
 - Check the accuracy of the relevant data related to the respective country
 - Provide the necessary information to implement the information and communication plans on their territory (e.g. information on media, contact with journalist, support for organisation of events, etc.), ensuring compliance with the practices concerning information and publicity on their territory.
 - Supports MA in drawing up the annual monitoring and evaluation plan
- Facilitate (only for the Moldovan National Authority) the setting up of the JTS Branch Office on its territory

Tasks related to call for proposals:

- Provide information to MA/JTS about potential beneficiaries/beneficiaries located on their territory, the national procedures/requirements (e.g. labour law provisions, VAT exemption, eligibility issues, procurement)
- Contributes to the launch of the call for project proposals on its territory

- Ensures dissemination of information about the Programme on its territory by its available means
- Contribute to the organization of informative events, partnership forums and preparatory events for potential project beneficiaries on its territory

Tasks related to evaluation, selection and contracting:

- Support the MA/JTS in carrying out the eligibility check by ensuring the eligibility of the entities established on their territory.
- Supports the MA/JTS in the contracting phase for projects by providing support in the negotiation phase (clarifications concerning national legislation specificities, facilitating the communication with beneficiaries/participating at pre-contracting visits, etc.), including by ensuring the prevention of the overlapping at national level

For preventing, detecting and correcting the irregularities and frauds on their territory, as per the Commission Regulation 897/2014 (MS)/ Financing Agreement (PC), the NA will:

- Contribute to the elaboration of guidelines on the eligible expenditure for project beneficiaries, how to apply national rules, accounting and project reporting, participation (including by means of representatives from relevant institutions) in local training events organised by the MA/JTS
- Notify the irregularities and fraud detected by own means, to the MA and the Commission, without delay and keep them informed of the progress of related administrative and legal proceedings.
- Support to management verifications performed by MA/JTS/other audit and control bodies
- Support to the MA in implementing the corrections of the cases detected

Put in place effective and proportionate anti-fraud measures taking into account the risks identified. In this respect, they will:

- Support the MA in identifying risks on their territory
- defining together with the MA effective and proportionate anti-fraud measures to be put in place on their territory

For recovery of the amounts due by the beneficiaries established on their territory, as per the Commission Regulation 897/2014 (MS)/ Financing Agreement (PC), the NA will:

- Support the MA in recovering the amounts unduly paid, with any interest pursuant to Article 74 of the ENI CBC IR, from beneficiaries (private and public entities) established on their territory
- Take over the files transferred by the MA, when the MA was unable to recover the debt from a beneficiary established on its territory, and take the necessary measures for the Member State/Partner Country to pay the due amount to the MA or (in case of Partner Country) to act as foreseen by the Financing Agreement
- The National Authority of the Partner Country is the ultimate responsible body for implementing the provisions set out in the Financing Agreement signed with the European Commission and the MA according to Articles 8 and 9 of the of Commission Implementing Regulation no. 897/2014

In its capacity of JMC member, the NA shall:

- Provide feedback and approve the MA proposals for working plan, financial plan, use of TA, etc.;

- Approve the criteria for selecting project and provide guidance from the legal perspective for requirements and further evaluation and contracting.
- Support the MA in the preparation of the evaluation and selection procedure, including the contract template, ensuring the compliance with the national legislation specificities for their country.
- Nominate, in accordance with Section 6.1.2 below, members of the Programme Selection Committee (PSC) who fulfil all administrative and quality requirements set by JMC, including those related to impartiality and confidentiality
- Dedicate a person to answer during the evaluation process to the questions (clarifications) of the PSC concerning the national specificities with regard to eligibility criteria or other legal requirements. This person may use any legal and procedural means (including consultation of other national institutions) in order to draw up a substantiated point of view, ensuring also the principles of confidentiality and impartiality.
- Approve and/or propose revision of the programme that may result in more effective implementation of the programme.
- Examine the MA reports and take appropriate measures at national level when needed
- Examine any contentious cases brought to its attention by the MA, provide information on national issues and specificities, where relevant, decide on the contentious cases if so requested by the MA;
- Examine and approve the annual reports
- Examine and approve the annual monitoring and evaluation plans
- Examine and approve the annual information and communication plans

4.4. Joint Technical Secretariat and branch offices

Joint Technical Secretariat

The programme shall set up a Joint Technical Secretariat (JTS) to assist the Managing Authority, the Joint Monitoring Committee and the Audit Authority in carrying out their respective functions

The Regional Office for Cross Border Cooperation for Romanian- Republic of Moldova Border-Iași was nominated as JTS through the Romanian Governmental Decision no 274/22.04.2015.

The Regional Office for Cross-border Cooperation in Iasi, hosting the JTS is a solvent legal entity with administrative and financial management capacity. It was established in 2005 according to the provisions of the Regional Development Law 315/2004, being founded by two regional development agencies: (North-East Regional Development Agency and South-East Regional Development Agency) for the specific purpose of supporting regional development and cooperation between Romania and Republic of Moldova and implementation of strategies and projects aiming to achieve this objective. Both Regional Development Agencies ensure financial (through yearly regional development councils contributions) and technical support in implementing financing contracts under execution of cross-border programmes.

The organisation hosting the JTS has performed similar functions in the previous programming period benefiting from entirely functional management structures and multicultural human resources with experience in programme management. . As the staff of the JTS for the 2007-2013 Romania-Ukraine-Republic of Moldova Joint Operational Programme is already trained and experienced, it will take over the new responsibilities, according to a personnel transfer plan for the set-up of the JTS of 2014-2020 Romania-Republic of Moldova Joint Operational Programme.

Should the need may arise, besides the already existing human resource, new staff selections will be organised at the Joint Technical Secretariat in Iasi based on selection criteria approved by the JMC and through a public and transparent procedure, ensuring equal opportunities and promoting equality between men and women. The Romanian labour law will be applied.

Regional Office for Cross Border Cooperation Iași for the Romanian – Republic of Moldova border is a legal entity established under the special law since 2004 for the specific purpose of supporting regional development and cooperation between Romania and Republic of Moldova and implementation of strategies and projects aiming to achieve this objective. During 2007-2013 programming period, the JTS for Romania-Ukraine-Republic of Moldova Programme has been set up as distinct department within RO CBC Iași, entrusted with specific tasks concerning implementation of Programme.

An indicative structure per function and number of staff to perform JTS tasks is to be found in Annex VI. The proposed structure took into consideration the nature and complexity of responsibilities per function and the current practice as well as the JOP Romania-Ukraine-Republic of Moldova 2007-2013 experience, and objective factors impacting directly on Programme implementation but outside its control (e.g. number of proposals to be submitted following the calls for proposals).

Regional Office for CBC Iași will provide support staff for backing up the JTS activity in terms of general management, financial, administrative, legal, secondary procurements and human resources aspects with the view to ensure appropriate conditions for fulfilling the respective responsibilities.

The procurement rules for the JTS expenditures will follow the Romanian national law. However, in order to conclude the service contract between the organisations hosting the JTS and the Moldavian Branch Office, the procurement rules will be those foreseen by PRAG rules.

4.4.1 Joint Technical Secretariat tasks

The JTS will assist the JMC in carrying out its respective functions, through carrying out secretariat functions, mainly by:

- Organising the JMC meetings;
- Preparing and mailing, under the coordination of the MA, the documentation related to written procedures, information, or other consultations launched under the Programme;
- Drawing up of the minutes of the meetings and circulate them for approval to the JMC members;
- Preparing Joint Monitoring Committee decisions, under the coordination of the MA;

The JTS will assist the MA in carrying out its respective functions, in particular to:

- Carry out information and publicity activities related to the programme (e.g. seminars, conferences, partnership forums, contributes to updating of the programme web-site, etc.) under the supervision of the MA, and according to information and communication plans;
- Contracting the branch office and co-ordinating its activity;
- Co-operating with organisations, institutions and networks relevant for the objectives of the Programme;
- Supporting the MA in performing the programme evaluation by providing relevant information;
- Performing ex-post visits to the projects in order to check the sustainability of the projects, including the fulfilment of the Art 39 (3) of Commission Implementing Regulation no.897/2014.

Performing activities related to selection, contracting and management of projects:

- Co-ordinate, under the MA supervision, the project generation by organising info-days and trainings offered to potential applicants regarding financing opportunities, programme requirement and application procedures;

- Support the MA in organising the calls for proposals, including the preparation of the application packages;
- Organise the evaluation sessions, ensures the secretariat functions for the Evaluation Committees and participates with its staff as *internal assessors* in evaluation of eligibility and administrative step;
- Support the MA in contracting process by preparing the related documentation and performing pre-contracting visits to the selected grant beneficiaries;
- Organise and co-ordinate, with the support of the branch office, the monitoring of the projects, including the corresponding site visits;
- Receives and carries out the operational and financial verification of the requests for payments, submitted by the beneficiaries, together with the report and a checklist of the supporting documents
- Sends the verified requests for payment documents to the MA with a notification regarding the regularity and compliance of the request for payment with the program rules
- Introduce and validate data related to the projects in the monitoring computerised system;
- Assist the beneficiaries in project implementation

The MA may decide to also delegate other tasks to the JTS during the implementation of the programme.

The JTS will assist the Audit Authority or any controls by the Union (Commission, European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by these institutions and bodies) in the execution of their tasks by:

- Supporting the organisation of the audit and control missions, including the organisation of the related on-site visits.

The JTS will perform its tasks based on a framework agreement covering the whole implementation period of the programme and the whole range of tasks to be performed and multi-annual subsequent contracts setting the particular activities to be performed in different stages of programme implementation. Both the framework agreement and the subsequent contracts shall be concluded by the MA using TA funds, following the approval of the JMC over the respective financial allocations.

4.4.2 JTS branch offices

In order to ensure a better communication with the Moldovan stakeholders and to facilitate their access to information related to the programme, but also for supporting the MA in the evaluation process and implementation follow-up, a JTS branch office shall be established in Republic of Moldova.

The appointed JTS branch office is located in Chişinău. The NA will provide support for the JTS branch office set up. In this respect, the National Authority shall propose, and the Joint Monitoring Committee shall approve, the organisation/ structure that have the capacity to provide experts holding the competencies and experience necessary to fulfil the tasks specific to JTS branch office. The tasks of JTS branch office will be limited to communication actions and support MA and the National Authority/ CCP Republic of Moldova, and will not be entrusted with tasks involving exercise of public authority or the use of discretionary powers of judgments regarding projects, during the selection process or implementation.

The JTS branch office's tasks are as follows:

- Carry out information and publicity activities related to the programme, under JTS coordination;
- Provide support to the MA/JTS during the evaluation process as regards the administrative and eligibility check of the applicants
- Provide support to the MA/JTS during the grant contracting process by providing information related to the national legislation of the Republic of Moldova on specific issues, participating to the on-site visits at the MA/JTS request;

- Support the JTS in the monitoring process of the projects, by organising the site visits to the projects partners located in the Republic of Moldova.
- Support the JTS in performing ex-post visits to the projects located in Republic of Moldova in order to check the sustainability of the projects, including the fulfilment of the Art 39 (3) of Commission Implementing Regulation no 897/2014.
- Support the JTS in organising the missions in the Republic of Moldova of Audit Authority or any controls bodies (the European Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by these institutions and bodies).
- To support the National Authority/Control Contact Point in carrying out its tasks.

The RO CBC Iași, where JTS is located, shall conclude contracts with the organisation hosting the branch office using the technical assistance budget and following a negotiated procedure with a single tender with the body designated by Republic of Moldova. Experts will work within these organizations based on the provisions of the Moldovan national legislation in force. The Joint Monitoring Committee shall be consulted over the main tasks to be performed by the branch office as well as the corresponding financial allocation.

In case procurements will be needed under these service contracts, the Moldovan national legislation in force shall be applied provided that principles set forth in PRAG are correctly followed.

4.5. Audit Authority

The Audit Authority within the Romanian Courts of Accounts was appointed by the participating countries as the Audit Authority for the Programme.

In performing its tasks, the Audit Authority functions independent from the Managing Authority

Tasks of the Audit Authority

In accordance with article 28 of the ENI CBC Implementing Regulation, the main functions of the AA will be to:

- Ensure that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the programme;
- Prepare an audit strategy setting out the methodology and sampling methods and the planning of audits for the current accounting year and the two subsequent accounting years;
- Draws up an audit opinion on the annual accounts for the preceding accounting year, according to article 68 of ENI CBC Implementing Regulation;
- Draws up an annual audit report according to article 68 of ENI CBC Implementing Regulation.

The Audit Authority will coordinate its audit plans and methods with the European Commission and share with the EC the results of the audits carried out on management and control systems.

4.6 Group of Auditors

The Audit Authority is assisted by a group of auditors comprising representatives of Republic of Moldova and Romania.

The institutions acting as members of the Group of Auditors in each country are:

- for Romania: the Court of Accounts-Audit Authority, Directorate for ERDF
- for Republic of Moldova: Court of Accounts, Division Methodology, Analysis and Planning

The group of auditors shall be set up within three months of the designation of the Managing Authority. It shall draw up its own rules of procedures. It will meet at least once per year and shall be chaired by the Audit Authority.

The members of GoAs will be appointed by each country and will be independent from the other national bodies participating in the programme.

The members of the GoA shall contribute to the following:

- The audit strategy, and further annual updates, that shall set out the audit methodology on the annual accounts and on projects, the sampling method for audits on projects and the planning of audits for the current accounting year and the two subsequent accounting years;
- The audit opinion on the annual accounts. This opinion shall establish whether the accounts give a true and fair view, the related transactions are legal and regular and the control systems are properly put in place and function. The opinion shall also state whether the audit work casts doubt on the assertions made in the management declaration referred to in the article 68.2 (b) of the ENI-CBC Implementing Regulation;
- The annual audit report providing a summary of controls carried out by the MA, including an analysis of the nature and extent of errors and weaknesses identified, both at system level and for projects, as well as the corrective actions taken or planned.

4.7 Control contact point

Each participating country appointed one control contact point to assist the MA in carrying out verifications throughout the whole Programme area.

Romania appointed the Ministry of Regional Development and Public Administration (MDRPA) as the control contact point in Romania. The function of control contact point shall be performed by a specialised unit within First Level Control Directorate, responsible with first level control for the cross border cooperation programmes starting with programming period 2007-2013. This unit is working independently of MA, ensuring suitable segregation of functions with the management and audit levels.

Moreover, the first level control unit within the MDRPA will carry out itself the expenditure verifications at project level for the Romanian beneficiaries, as well as those related to the TA of the programme. There is no need for Romanian beneficiaries to foreseen in their budget an allocation for external audit.

The staff of the first level control unit consist of public officers having the necessary expertise in performing their work as according to art 32 of Commission Implementing Regulation no 897/2014.

Republic of Moldova appointed Ministry of Finance, International Cooperation Directorate as the control contact point for Republic of Moldova.

The control contact point in Republic of Moldova is responsible for pre-selection of independent auditors in accordance to the criteria foreseen by art 32 of the Commission Implementing Regulation no 897/2014.

4.7.1 Tasks of Control Contact Point Romania:

- Establishes a control system consisting of national controllers.
- Draws up procedures for national control system, coordinates the controllers and monitor the observance of the procedures.
- Carries out quality control of the work of controllers.
- Takes the appropriate measures at national level for informing the beneficiaries regarding the existence of the national control system.
- Supports the MA in elaboration of guidance on expenditure verification.
- Provides clarifications to beneficiaries on national rules (e.g. eligibility of expenditure, procurement, labour law, taxes, accounting auditors, etc.)
- Answers possible requests for clarification put forward by the MA/JTS (during the checks performed for payment request).
- Supports the on-the-spot project verifications carried out on a sample basis, by the MA or the body contracted by MA for this purpose, at the request of MA

- Controllers perform verification of 100% of expenditures declared by beneficiaries established on the Romanian territory, including 100% on-the-spot verification.

4.7.2 The main tasks of Control Contact Point in the Republic of Moldova are:

- Organizes the pre-selection of auditors at national level. Cooperates with the MA for setting up the criteria used for selection of auditors and preparing the terms of reference; The selected auditors shall perform verification of 100% of expenditures declared by beneficiaries established in Republic of Moldova, including 100% of on-the-spot verification
- Maintains an updated database of auditors and manages the pool of auditors (periodically renew the pool, exclude the auditors that proved a low-performance in their verification work or are in conflict of interest/incompatibility)
- Takes the appropriate measures at national level for informing the beneficiaries regarding the existence of the pool of auditors and the rules for using the auditors.
- With the support of JTS/ JMA organizes trainings for the pool of auditors, for inform them regarding the specificities of the programme.
- Supports the MA in elaboration of guidance on expenditure verification.
- Provide clarifications to beneficiaries on national rules (e.g. Eligibility of expenditure, procurement, labour law, taxes, accounting, auditors, etc.)
- Answer possible requests for clarification put forward by the MA/JTS (during the checks performed for payment request).
- At the request of the Managing Authority or Audit Authority carries out quality control of the work of independent auditors so as to ensure that the audits undertaken comply with international audit standards.
- Participates to the on-the-spot project verifications carried out on a sample basis, together with the MA or the body contracted by MA for this purpose.

5. Programme implementation

5.1. Summary description of the management and control system

In accordance with article 30 of Commission Implementing Regulation no.897/2014, the management and control systems for the Romania – Republic of Moldova programme include:

- (a) the functions of each body involved in management and control, including division of functions within each body, their internal organisation in compliance with the principle of separation of functions between and within such bodies;
- (b) procedures for ensuring the correctness and regularity of expenditure declared;
- (c) electronic data systems for accounting, storage, monitoring and reporting;
- (d) systems for monitoring and reporting where the responsible body entrusts execution of tasks to another body;
- (e) arrangements for auditing the functioning of the management and control systems;
- (f) systems and procedures to ensure an adequate audit trail;
- (g) procedures for prevention, detection and correction of irregularities, including fraud and the recovery of amounts unduly paid, together with any interest;
- (h) contract award procedures for technical assistance and projects selection procedures;
- (i) the role of national authorities and the responsibilities of the participating countries in accordance with Article 31 of Commission Implementing Regulation no 897/2014.

Some of the information is already included in specific sections of the JOP, in particular:

- point (a) is summarized in the section 4 on programme bodies and authorities
- project selection procedures, indicated in point (h) are summarized in chapter 6 of the Programme
- contract award procedures for technical assistance, also in point (h), is included in section 6.5 of JOP further below
- the role of national authorities and the responsibilities of the participating countries in accordance with Article 31 (3) and (4), also indicated in point (i), are summarized in the section 6.11 hereinafter.

Other procedures and arrangements for management, implementation control and ensuring the adequate audit trail are briefly described below.

Procedures for ensuring the correctness and regularity of expenditure and revenue declared

The programme foresees several procedures for ensuring the correctness and regularity of expenditure and revenue declared by the project beneficiaries to the Managing Authority:

- Regular monitoring, follow-up and support by JTS to project beneficiaries, including of/for the set-up of good internal control systems, accounting and archiving of supporting documents ;
- Verification procedures for declared expenditure and revenue;
- On-the-spot verifications of projects by MA & JTS, with support of the CCP;
- Risk analysis and anti-fraud measures;
- Sample checks of the operations by the Audit Authority with the support of the Group of Auditors.

In accordance with article 32 of Commission Implementing Regulation no. 897/2014, the expenditure declared by the beneficiaries shall be examined either by an auditor (for beneficiaries from Republic of Moldova) or by a competent public officer (for Romanian beneficiaries)

All payment requests by beneficiaries, whether intermediate or final, should be subject to **administrative verifications** by the MA, after a compliance check by the JTS. The verifications shall be based on an examination of the request for payment and relevant supporting documentation such as narrative and financial reports of the Beneficiary and Expenditure Verification Report issued by the controller/ auditor. Additionally, a sample of expenditure supporting documents, such as procurement procedures, invoices, proofs of payment and delivery or timesheets, may be examined, if the need arises from the outcome of the Expenditure Verification Report.

On-the-spot verifications shall be carried out by the MA in order to check the reality of the operation, that the delivery of the products/services is in full compliance with the terms of references of the Grant Contract, that the beneficiary's Statements of Expenditure and Sources of Funding is correct and that the actions and expenditure are in line with the community, programme and national rules. On-the-spot verifications shall be carried out on a sample basis. MA shall set the frequency and coverage of the on the spot verification so that to be proportionate to the amount of the grant to a project and the level of risk identified by these verifications and audits by the Audit Authority for the management and control systems as a whole. MA may externalise the part or all on the spot verifications using the national legal procurement procedure. In performing on the spot verification to projects, MA may request the support of the Control Contact Point.

Payment procedures

Beneficiaries will receive the following payments during the life-time of the project, pursuant to Articles 58 to 64 of the ENI CBC Implementing Rules:

- An initial payment following the signature of the grant contract. The MA makes the payment to the lead beneficiary, while the lead beneficiary shall distribute the corresponding amounts to the partners.

- Interim payments¹⁴, after approval of the corresponding financial and narrative reports, accompanied by Expenditure Verification Reports (EVR). The MA makes the payments to the lead beneficiary.
- A balance payment, after approval of the final report, also accompanied by Expenditure Verification Reports (EVR).

The payment procedures shall have the following steps:

INITIAL PAYMENT:

1. The lead beneficiary submits a request for payment to the JTS/MA.
2. The MA makes the payment to the lead beneficiary,
3. The lead beneficiary distributes the corresponding amounts to the partners. *INTERIM &*

BALANCE PAYMENTS:

1. The lead beneficiary submits a request for payment to the JTS/ MA, together with the financial and narrative reports and Expenditure Verification Reports
2. The documentation submitted by the Lead Beneficiary is checked by the JTS and later by the MA
3. The MA makes the payment to the lead beneficiary,
4. The lead beneficiary distributes the corresponding amounts to the partners.

Recovery of unduly spent amounts

The Managing Authority shall in the first instance be responsible for preventing and investigating irregularities and for making the financial corrections required and pursuing recoveries in connection with individual or systemic irregularities detected in projects, technical assistance or in the programme.

The financial corrections may lead to:

- Reducing the amount of EU contribution reimbursed to programme bodies receiving technical assistance funds;
- Off-setting the cancelled amount against a future payment of EU contribution to the project beneficiary (ies) or the programme bodies receiving technical assistance funds;
- Issuing a recovery order claiming the project beneficiary (ies) or the programme bodies the payment of the amount unduly received of EU contribution.

The steps to be followed when issuing recovery orders shall:

1. The MA shall ensure that the claim is certain, of a fixed amount and due.
2. Authorizing Officer of the MA issue the recovery order, registration of debt in the accounting system and delivery of recovery order to project Lead Beneficiary.
3. MA receives the payment from the Lead Beneficiary in the stipulated deadline or take the decision to consider the recovery as contentious.
4. If the recovery is not concerning the Lead Beneficiary and the Lead beneficiary does not succeed in securing the repayment from the concerned beneficiary, the MA formally notify the latter to repay the lead beneficiary.5. If the concerned beneficiary does not repay the Lead Beneficiary, the MA requests the participant country in which the concerned beneficiary is established, to reimburse the amounts unduly paid, as follows:
 - a) MA issue of the recovery order by the Authorizing Officer of the MA and delivery of recovery order to the National Authority

¹⁴ More than one interim payment can be made in the case of projects with a longer period of implementation, as for instance is the case of hard projects / large infrastructure projects.

- b) where the recovery relates to a claim against a beneficiary established in Romania, the amount will be paid from the state budget to the MA and claiming back from the beneficiary;
- c) where the recovery relates to a claim against a beneficiary established in Republic of Moldova the level of responsibility of Republic of Moldova is such as it is laid down in the Financial Agreement..

The MA shall exercise due diligence to ensure reimbursement of the recovery orders with support of participant countries. Moreover, for partner countries MA shall submit the recovery file to the EC. The EC may at any time take over the task of recovering the amounts directly either from the beneficiary or from the concerned participant country. MA keeps the EC informed of all steps taken to recover the due amounts.

Any amounts recovered shall be allocated to the Programme and inserted into accounting system. The funds recovered by the EC shall be returned and included in the programme accounting system.

If the amount due is not received, a waiver procedure will be initiated in line with Art. 75.2 of the Implementing Rules. In this respect, MA shall ensure that the waiver is in order and complies with the principles of sound financial management and proportionality.

In case of waiver of debts, the steps to be followed shall be:

1. Proposal of waiver by the MA in line with Art. 75.2 of the Implementing Rules
2. Decision by the JMC
3. Communication of the decision to the EC and to the concerned beneficiary
4. Insertion into the accounting system

Procedures for drawing up the programme accounts

In accordance with the Article 68 of the ENI CBC Implementing Rules, the accounts of the programme shall be drawn up by the Managing Authority. These accounts shall be independent and separate and shall include only transactions relating to the programme. They shall be kept in such a way as to enable analytical monitoring of the programme by thematic objective and priority, as well as technical assistance.

The accounting activity ensures chronological and systematic recording, processing, publishing and maintaining information related to the Programme accounts for both internal and external reporting.

A system of double entry accounting is used. It provides the following:

- Chronological and systematic registration, processing and storage of information that can be verified for all accounting transactions;
- Control of the operations and of the processing procedures used and the accuracy of the accounting data supplied;
- Exact and accurate vision of the financial operations regarding the use of ENI funds;
- Keeping the accounting in LEI and / or EUR;
- Accounting related to commitments.

Preparing accounting records and financial statements occurs with different frequency: some documents are prepared daily, while others are prepared monthly, quarterly or annually.

Daily:

- Accounting notes

Monthly:

- Synthetic trial balance for all priorities;

- Cumulative balance for the entire program;
- Separate content sheet for each priority;
- Accounting journal which registers all transactions;
- General Ledger

Quarterly and annually:

- Balance Sheet and annexes

Analytical accounts will be established by adding letters or numbers after the synthetic account number, in order to monitor the priorities, thematic objectives, projects and beneficiaries.

Monitoring procedures

Monitoring activities shall be carried out at project level, both internally (by the project partners) and externally (by the programme bodies). The aim of the project-level monitoring activities shall be to track progress in project implementation, to take remedial action where necessary as soon as possible, as well as to update action plans.

Project monitoring is the on-going process of systematic collection of information about the conduct and results of certain activities, analysis and use of information through the documents and / or by site visits, in order to obtain the overview about the progress of a project. The monitoring procedure will track the achievement of programme indicators and related results.

The monitoring procedure is the managerial instrument through which the technical and financial progress made in implementing projects at various levels is followed, including comparing their results with proposed targets to meet specific objectives.

The monitoring procedures provide an operational framework for carrying out the monitoring of projects by the MA and JTS, by determining the way of work, deadlines for these activities and responsibilities of personnel involved.

Use of electronic data systems

The software (IT system) to be developed by the Managing Authority shall include features for collecting, recording and storing electronically data on each project, for monitoring, evaluation, financial management, control and audit and communication purposes.

The software will be a management system covering the whole programme cycle and allowing:

- management of procedures, including the programme work flow and audit trail
- monitoring information for all programme bodies, including dashboards and alerts
- reporting

Procedure for the risk management

In order to monitor the external and internal environment of the Programme as to identify whether or not the assumptions that have already been made within the JOP are likely to hold true, as well as new risks that may be emerging, a system of risk management will be implemented. This will include an appropriate procedure for risk identification and actions to be taken in order to manage or mitigate the risks.

The risk management procedure describes, taking into account the principle of proportionality, the system put in place for ensuring that an appropriate risk management exercise is conducted at least once per year, and, in particular, in the event of major modifications of the activities and/ or modifications of the Programme environment.

It describes the work flow needed for conducting the risk management exercise and the bodies, departments and personnel involved and the documents to be prepared.

Risk management is a continuous and cyclical process that includes the following steps:

- Risk identification and evaluation
- Planning of activities for risk mitigation
- Implementing of activities for risk mitigation
- Revision of the risk mitigation activities and risk reporting

Archiving procedure by programme bodies

The documents issued by any department of the MA are the property of the Romanian Ministry of Regional Development and Public Administration. They are kept for a period of 5 years after the official closure of the Joint Operational Programme "Romania – Republic of Moldova 2014-2020 in accordance with the requirements of European regulations and in accordance with the Romanian legislation on keeping the documents to their creators and holders.

Procedure for the verification of JTS capacities to carry out delegated tasks

MA will delegate to the JTS several tasks related to the daily management of the programme by means of a framework agreement signed with the legal entity hosting the JTS. The verification performed by the MA in order to assess and monitor the capacity of the JTS to carry out the delegated tasks will consist of continuous verification of the delegated tasks based on the documents submitted by the JTS according to the rules of procedures of the MA and the JTS, as well as periodical/ad-hoc on the spot verifications.

The verification of the delegated tasks will mainly focus on the following aspects:

- the institutional conformity and capacity
- the correct use of procedures of the JTS
- the various documents and reports drafted by the JTS while performing the delegated activities
- the relevant conditions and operations related to performing the delegated activities according to the implementing agreement

MA will analyse the results of the verifications in order to establish corrective measures aiming to improve the activity and performance of the JTS.

Procedures for the management of irregularities

The prevention, detection and correction of irregularities and fraud are a joint responsibility of the joint programme bodies and the participating countries and affect multiple procedures described in the DMCS.

The prevention of irregularities both at programme and project level may be summarised in three types of actions:

- Information
- Capacity building
- Support

Managing Authority will ensure a unitary set of rules for ascertainment of the types of irregularities and their corresponding corrections. This set of rules will take into account the nature and the gravity of the irregularities and financial loss, while a proportionate financial correction will be applied.

The main procedures and actions to be carried out for the detection of irregularities and fraud and its responsible bodies are:

Procedure/Action	Responsible bodies
Expenditure Verification Report (EVR)	Controllers/auditors CCP
Verification of supporting documents	Controllers/ auditors JTS, MA & CCP
On-the-spots checks	MA & Partner Country CCP
Progress reports	JTS & MA
Follow-up & regular monitoring	MA and JTS with support by NA
Visit to project's events/activities	JTS, MA & NA
Sample checks, including checks on the performance of the work of controllers (re-performing & check on working papers)	AA & Group of Auditors

When the irregularities are identified in the framework of the verification procedures linked to a payment claim, the MA may reduce the amount of EU funding for the project to be paid or the reimbursement of technical assistance expenses. Otherwise, once the irregularity is confirmed by the MA, this body will decide on the applicable procedure to recover or reduce the amount due.

Procedures for auditing the functioning of the management and control systems, the accounts and operations

The Audit Authority's audit manual ENI 01¹⁵ describes the working procedures to be carried out for the audits on the programme management and control systems, on the appropriate sample of projects and on the annual accounts of the programme.

The audit manual provide a description of the working procedures for the different phases of an audit, i.e. audit planning, preliminary survey, risk assessment, performance of engagements, recording and documentation, supervision, reporting, quality assurance process and external review, using the work of other auditors, use of any computer assisted audit techniques (CAATs), sampling methods used, etc.

The audit manual contain reference to materiality thresholds and other quantitative and qualitative factors to consider when assessing the materiality of audit findings for system audits, audits of operations and audits of the annual accounts.

The audit manual cover a description of the different phases of reporting (such as draft audit reports, contradictory procedure with the audit and final audit reports), deadlines for reporting, follow-up processes.

The Audit Authority will be assisted by a Group of Auditors comprising a representative of each country participating in the programme.

The Audit Authority considers the Guideline No.25 of the European Implementing Guidelines for the INTOSAI Auditing Standards¹⁶, related to the concept of using the work of other auditors and experts by the European Supreme Audit Institutions. This guideline specifically refers to the requirements to be respected depending on the extent of the reliance on the work done by other auditors at each phase of the audit, whether for planning purposes, as part of the audit evidence or at the end of the testing.

The extent of procedures that the principal auditor should perform to obtain sufficient appropriate audit evidence that the work of the other auditor is adequate for the principal auditor's purposes, in the context of the specific assignment, depends on the phases of the audit where the work of other auditors may be used. Especially when the work is used as audit evidence, the Audit Authority's review will be more detailed.

¹⁵ *The audit manual will be developed by the Audit Authority and will be available only to the members of the Group of Auditors*

¹⁶ <http://eca.europa.eu/portal/pls/portal/docs/1/133817.PDF>

Further guidance is provided by the ISSAI 1610¹⁷ (includes ISA 610) concerning the use of the work of internal auditor, and by ISSAI 1620¹⁸ on using the work of an auditor's expert.

Modification of DMCS

Modifications may arise as a proposal of the National Authorities, the JTS, the MA or the AA, with the aim of improving the efficiency and effectiveness of the programme and project implementation or in order to correct deficiencies in the system.

There may be two types of modifications of the DMCS:

- Minor modifications that do not significantly affect the management and control system (e.g. changes in name of the institutions or departments involved in the system, while maintaining their functions as described, modifications of number of staff, minor modifications of internal procedures of the management structures). The JMC shall be informed about the nature of the modification;
- Significant modifications which will be approved by the JMC. The revised version of the document shall be made available to all programme authorities and bodies, as well as to the European Commission.

5.2. Programme timeframe

	2015		2016		2017		2018		2019		2020		2021		2022		2023		2024		
	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	I	II	
Period of execution																					
Signature of Fin. Agreements.																					
JMC meetings																					
Setting up of the JTS/BOs			JTS	BO																	
Launching of the calls				hard + soft					soft												
Evaluation/selection of projects (call for proposals)																					
Contracting phase (call for proposals)																					
Implementation of projects (call for proposals)																					
Submission of summaries for projects selected through direct award to the EC)																					

¹⁷ http://www.issai.org/media/13128/issai_1610_e.pdf

¹⁸ http://www.issai.org/media/13188/issai_1620_e.pdf

- To support the MA in the preparation of the evaluation and selection procedure, including the contract template, ensuring the compliance with the national legislation of each participant country;
- To support the Project Selection Committee in performing eligibility checks of the applications.
- Provide support to the applicants

Project Selection Committee tasks:

- To coordinate the work of internal and external assessors, performing also a quality check of their work;
- To draw up the evaluation reports following each step of the selection procedure;
- To maintain a written correspondence with the Joint Monitoring Committee.

External Assessors tasks:

- To perform the assessment of the project proposals in all steps of assessment, except for the administrative and eligibility check, where the assessment is performed by internal assessors;

6.1.2 Main features of the selection process

- All persons involved in the evaluation process have to strictly adhere to the principles of:
 - **Confidentiality:** information made available to persons involved in the evaluation process shall be treated as strictly confidential;
 - **Objectivity, independence, impartiality and equality of treatment:** project proposals have to be assessed alike and treated on their merits, following a review strictly based upon the information;
 - **Transparency and clarity.**
 - **Fair competition**

Type of projects

Two types of projects defined based on the criterion set by art. 43 (2) of ENI CBC IR: the existence of an infrastructure component of at least **1 million euro** (for which special requirements are foreseen), as follows:

- Soft projects – projects which do not include an infrastructure component or their infrastructure components are of **less than 1 million euro** per project;
- Hard projects – infrastructure projects with at least **1 million euro per infrastructure component***

***No artificially division of infrastructure component in order to avoid administrative requirements is allowed.**

Submission of projects

Two options for submission of the applications are envisaged:

- Option 1: Hard-copy submission, including electronic version on DVD. The applications will be uploaded in the informatic system by JTS.

This option will be available for the first call for proposals.

- Option 2: On-line submission. The applicants will upload their applications directly in the informatic system set at programme level. This option may be available in a later stage of programme implementation*.

**The informatic system to be developed at programme level for programme management will include a component for on-line application. The estimated date for implementing the first module of the application (project selection) is middle 2016.*

Indicative¹⁹ number of applications submitted by an organisation:

- Each organisation will be allowed to submit, as lead beneficiary, during a call for proposals, maximum 1 application for each priority. However, no limitation will be set for participating in projects as partners.

Indicative²⁰ number of partners in a project

- Maximum 4 partners (including the leader) may participate in a project

Type of projects per Thematic Objective:

- Both type of projects (hard and soft) may be submitted under each thematic objectives

Composition of the Project Selection Committee

The Project Selection Committee is not a permanent structure of the Programme, but its setting is related to the calls for proposals. The Project Selection Committee shall oversee the entire evaluation process and prepare all materials for the JMC approval (checks the grids filled in by assessors, ensure the coherence between the scores and comments within the grids, draft the evaluation reports for each step, and supervises the work done by the assessors).

The Project Selection Committee consists of:

- one coordinator, designated by Managing Authority,
- one secretary, designated by Joint Technical Secretariat and
- two members per country, designated by Joint Monitoring Committee/National Authorities.

The representatives of EC and EU Delegation in Republic of Moldova may participate as observer in Project Selection Committee meetings, in order to enable a better synergy to be developed between bilateral and regional assistance provided to the Country by the EU on the one hand and assistance provided through the programme on the other hand.

Evaluation process

The entire selection procedure shall be recorded in the Evaluation reports, submitted following each step to the JMC for approval. It includes the proposals recommended for funding, as well as a reserve list, all ranked according to the scores received. The JMC, based on the recommendations of external assessors may decide to award a proposal under certain conditions (e.g. eligible costs reduced).

Impartiality and confidentiality

All members of the Project Selection Committee (including Coordinator and Secretary), external assessors and any observers must sign a Declaration of Impartiality and Confidentiality. Any member or observer who has or might have an actual or potential conflict of interest with any applicant must declare it and immediately withdraw from the Project Selection Committee.

There is a conflict of interests where the impartial and objective exercise of the functions of a financial actor or other person, as referred in the previous paragraph, is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with the applicant/partners. Should the conflict of interests be proven, the member, external assessor or observer will be excluded from participating further in any capacity in the evaluation process.

¹⁹ This is an indicative number. This provision may be changed, based on the Joint Monitoring Committee decision, during the programme implementation, without constituting a modification of the JOP as long as it is in accordance with the Article 6 (1) of the ENI CBC IR.

²⁰ This is an indicative number. This provision may be changed, based on the Joint Monitoring Committee decision, during the programme implementation, without constituting a modification of the JOP as long as it is in accordance with the Article 6 (1) of the ENI CBC IR.

Acts likely to be affected by a conflict of interest may, inter alia, take one of the following forms:

- granting oneself or others unjustified direct or indirect advantages;
- refusing to grant a beneficiary the rights or advantages to which that beneficiary is entitled;
- committing undue or wrongful acts or failing to carry out acts that are mandatory.

The Coordinator of the Project Selection Committee decides whether the evaluation process must be restarted. That decision must be recorded and reasons given within the evaluation report.

During the selection procedure, all contacts between the Project Selection Committee and applicants must be transparent and ensure equal treatment. Those contacts must only be in writing and must not lead to any amendment to the conditions of the call for proposal.

No information about the examination, clarification, or evaluation of proposals, or decisions about the award of a grant, may be disclosed before the evaluation report is approved.

Any attempt by an applicant to influence the process in any way (whether by making contact with members of the Project Selection Committee, Managing Authority, Joint Technical Secretariat and its Branch Offices or otherwise) will result in the immediate exclusion of its application from further consideration. In this respect, all persons facing this situation must immediately inform the Coordinator of the Project Selection Committee.

The proceedings of the Project Selection Committee, from the opening of proposals to the conclusion of the work of the Project Selection Committee, are conducted in camera and are confidential.

In duly justified cases²¹, proceedings may be done using informatics technology. Moreover, the assessors will get access to the documentation to be evaluated through the informatic system. The systems to be used shall ensure the confidentiality of the communication.

In order to keep the proceedings confidential, attendance at Project Selection Committee meetings is strictly limited to the committee members, internal and external assessors and to authorised observers.

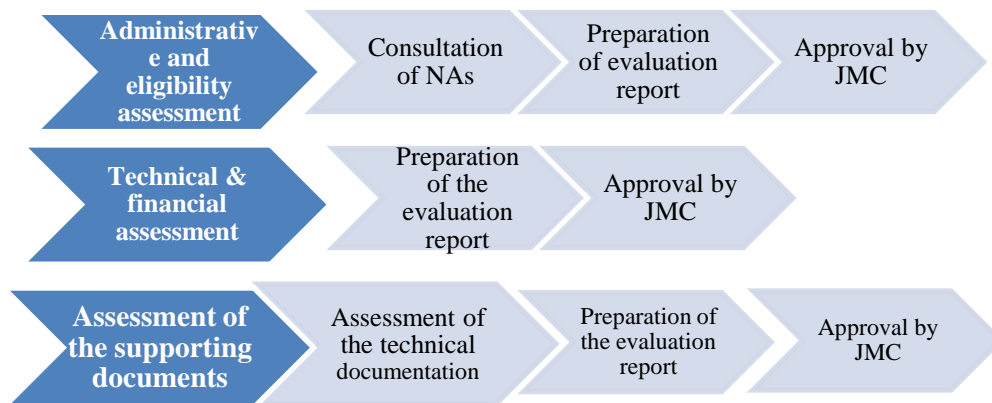
Apart from the copies made available to the assessors through the informatic system, the proposals must not leave the room/building in which the Project Selection Committee meetings take place before the conclusion of the work of the committee. They shall be kept in a safe place when not in use.

6.1.3 Description of the evaluation and selection process

The evaluation process will go through the following steps:

- **Step 1. Administrative and eligibility assessment** (*applicable to both type of projects-hard and soft*)
- **Step 2. Technical & financial assessment** (*applicable to both type of projects-hard and soft*)
- **Step 3. Assessment of the supporting documents according to art. 43 (2) of ENI CBC IR** (*only applicable to hard projects*)

²¹ *When the members of PSC cannot attend the meeting*



Step 1 - Administrative & eligibility assessment

- Administrative & eligibility assessment performed by a designated group of **internal assessors** consisting of the JTS staff and the BO staff, using the “4 eye“ principle. The internal assessors shall work under the supervision of the Coordinator and with the support of the Secretary of Project Selection Committee. .
- When clarifications concerning the eligibility of a partner are needed, the Coordinator shall address a request for support to the relevant NA. The assessment of the internal assessors is submitted to each of the NAs for checking the eligibility of the organizations from the country concerned. The NAs are the sole responsible for deciding upon the eligibility of project partners. The NA concerned is free to take all the steps it considers as necessary, in order to get a substantiated opinion over the analysed case, including by consultation of other relevant national institutions, but keeping the confidentiality over the evaluation process, and taking the necessary measures for avoiding potential conflict of interest.
- PSC oversees the work of the internal assessors and drafts the Evaluation Report for step 1. The report is submitted in written procedure to the JMC for information and approval.
- JMC issues a Decision for the approval of the Evaluation Report for step 1.
- PSC Coordinator notifies the rejected applicants and the applicants that were selected for step 2.

Step 2 – Technical & financial assessment

- The technical and financial assessment shall be carried by external assessors.
- PSC Coordinator assigns project applications to the external assessors, based on their competencies. Each project shall be assessed by two independent assessors.
- PSC performs a quality check of the evaluation grids filled in by the assessors. In this respect, they analyse the consistency and coherence of the scores awarded by assessors, and may request, if needed, the correction of the concerned grid. Assessors are allowed to correct their grids in cases of clear inconsistencies between their scores and their comments. An audit trail for such corrections will be kept. If major differences between the scores awarded by the two assessors are identified, the PSC shall request an independent evaluation to be performed by a third assessor. The final score will be calculated as the average of the two nearest scores.
- The PSC drafts the common grids and the Evaluation Report for step 2, including the ranking.
- The Evaluation report for step 2 is submitted for approval to the JMC.
- The scores resulted following the evaluation may not be changed by the JMC. Only in duly justified cases, thoroughly substantiated in written, the JMC may request a supplementary evaluation performed by a third assessor regarding one or a certain number of applications

(e.g. when the JMC is not satisfied with the consistency and coherence of the scores awarded). The final score will be calculated as the average of two of the nearest scores granted by the assessors. All the concerned aspects of the evaluation process shall be reported in the evaluation report and a proper audit trail will be kept.

- The final score(s) and the list of projects (main and reserve list) thus obtained is **final** and the JMC shall approve the Evaluation Report in the revised form. Following the JMC Decision, the PSC Coordinator notifies both the rejected applicants and the awarded applicants.
- MA starts the contracting procedures with the selected applicants.

Step 3 (for hard projects only) – Assessment of the additional documents according to art. 43 (2) of ENI IR

- For hard projects (defined in chapter 6.1.2) selected on the main and reserve list, the applicants will be requested to submit supplementary documents as according to art.43 (2) of ENI CBC Implementing Rules. The deadline for submission of these documents will be set by the JMC in the Guidelines for applicants concerned by the call, according with the legal requirements of each participant country.
- The requested supporting documents are:
 - (a) *a detailed description of the infrastructure investment and its location;*
 - (b) *a detailed description of the capacity building component of the project, except in duly justified cases;*
 - (c) *a full feasibility study or equivalent carried out, including the options analysis, the results, and independent quality review;*
 - (d) *an assessment of its environmental impact in compliance with the Directive 2011/92/EU of the European Parliament and of the Council and, for the participating countries which are parties to it, UN/ECE Espoo Convention on Environmental Impact Assessment in a Transboundary Context of 25 February 1991;*
 - (e) *evidence of ownership by the beneficiaries or access to the land;*
 - (f) *building permit.*
- Following the deadline for submission, the PSC Coordinator assigns the additional documents to the same two assessors that performed the technical & financial assessment for the respective application.
- The two assessors will perform an assessment of the additional documents. In this respect will award scores for documents listed at points (a)-(c) above, and will check the existence and conformity of the documents listed at points (d)-(f) above.
- PSC performs a quality check of the evaluation grids filled in by the assessors. In this respect, they analyse the consistency and coherence of the scores awarded by assessors, and may request, if needed, revision of the concerned grid.
- If major differences between the scores awarded by the two assessors are identified, the PSC shall request an independent evaluation to be performed by a third assessor. The final score will be calculated as the average of the nearest scores.
- The PSC drafts the common grids and the Evaluation Report for step 3. The final ranking shall consider both the scores awarded in step 2 and step 3.
- The Final Evaluation report is submitted for approval to the JMC. Following the JMC Decision, the PSC Coordinator notifies the rejected applicants and the awarded applicants (including those on the reserve list).

Avoiding double funding of project activities

- The MA shall circulate the list of projects to the NAs
- Pursuant to Art. 44 of the ENI CBC IR, the Managing Authority will consult the list of projects recommended for funding with the European Commission to avoid double funding and promote synergies with existing projects, where possible.

- If double funding is identified following these consultations, the JMC will cancel the award decision of the respective project(s) and revise the list of projects accordingly. Also, if after consultations recommendations are formulated only regarding certain activities, the JMC shall decide whether the project application may be revised by the applicant without calling into question the award criteria or the ranking of project on the list of projects.

6.1.4 Appeal procedure

- Appeals will be analysed in a first instance by the PSC that shall verify whether material errors occurred in the content of the evaluation.
- If the subject of the appeal is of a complex technical nature or if the PSC identifies inconsistencies between the comments and scores of the external assessors, the PSC requests a formal point of view of the assessor that performed the concerned assessment. If the assessor maintains his/her point of view and no assessment error is assumed by the assessor, the PSC shall request an independent evaluation (by another assessor which was not involved in the evaluation of the concerned application before)
- The decision of the PSC on the appeals received is final and no other supplementary complaint submitted to MA will be considered. However, the applicant may use a legal way to complain. If the appeal is successful, PSC amends the Evaluation Report accordingly and request the approval of the JMC on the amended Evaluation Report and corresponding list of projects

6.2 Selection by direct award

Only Large infrastructure projects shall be selected through direct award. The list of the proposed large infrastructure projects proposed for selection without a call for proposals is presented in the ANNEX 2 of the programme.

Projects may be awarded without a call for proposals only in the following cases and provided this is fully substantiated in the award decision:

- a) The body to which a project is awarded enjoys a de jure or de facto monopoly;
- b) The project relates to actions with specific characteristics that require a particular type of body based on its technical competence, high degree of specialization or administrative power.

In order to qualify as a large infrastructure project, two other main conditions have to be fulfilled:

- a) The project proposal is part of the final list of large infrastructure project (including the reserve proposals) included in the Programme pursuant to Article 41 of the ENI CBC IR;
- b) At all times, the LIP comprises a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purposes of implementing investments delivering a cross-border impact and benefits and where a budget share of at least EUR 2.5 million euros is allocated to acquisition of infrastructure.

The projects proposed for the selection without a call for proposals shall be approved by the JMC and the European Commission based on a two-step approval procedure as follows:

Step 1 – Development and approval of the LIP Project Summaries:

- The Project Summaries and the corresponding annexes are elaborated by the beneficiaries with the support of and under the coordination of the JTS and the MA. In the case in which the beneficiaries do not comply with the set deadlines by the JTS and the MA, the applicant cannot further participate in the selection process and the first project in line from the reserve list will be notified as regards the steps of the selection process;

- After the final submission of the project summaries, the JTS will verify the documentation from an administrative point of view and, if needed, will ask for clarifications. The MA is entitled to request qualitative clarifications;
- The project summaries are submitted for approval to the JMC. With the purpose of providing to the JMC a full description of the project evolution, the MA will provide the description of the project track, the encountered problems and its corresponding quality;
- If approved by the JMC, the project summaries are submitted for approval to the European Commission. EC shall notify its decision to the Managing Authority within two months of the document submission date.

Note: If during the approval process by the European Commission one or more selected LIPs are rejected, another project from the reserve list may start the procedures for selection, depending on the JMC decision, based on the financial resources made available.

Step 2 - Development, evaluation and submission of a full project application:

- Further the approval of the project summaries, the applicants will elaborate and provide the full project application including the technical documentation such as the feasibility studies, environmental impact assessment, evidence of ownership, building permit;
- The JTS and MA will provide qualitative support to the project beneficiaries. In the case in which the beneficiaries do not comply with the set deadlines by the JTS and MA, the applicant cannot further participate in the selection process and the first project in line from the reserve list will be notified as regards the steps of the selection process;
- Once the applicants submit the full projects applications, these are administratively verified by the JTS and if the case, clarifications are requested.

Step 3 - Evaluation:

- For the evaluation process of the full application, external assessors will be contracted by the MA through public procurement procedure in line with the national legislation and paid from the TA budget of the programme. Selection criteria for independent external assessors are proposed by the MA and approved by the JMC decision, according to the rules of procedure of the JMC. At all times, the evaluators, through the support of the JTS and the MA can request qualitative and technical clarifications.

Step 4- LIP final approval:

- The full project application, along with the evaluation report (that contains a clear recommendation for further financing or removal from the selection process) is submitted for approval to the JMC, along with the MA recommendations. The MA recommendations will regard the track of the project, the encountered problems and its corresponding quality.
- If approved by the JMC, the full project application is submitted for approval to the European Commission. EC shall notify its decision to the Managing Authority within two months of the document submission date.

Note: If during the approval process by the European Commission one or more selected LIPs are rejected, another project from the reserve list may start the procedures for selection, depending on the JMC decision, based on the financial resources made available.

6.3 Nature of support

Projects are expected to establish long-lasting cross-border links between organisations from Romania and Republic of Moldova while improving the situation for the issues addressed by the Programme. Projects shall achieve a set of results that will allow the programme to reach its objectives.

Project partners shall mention in their application how they will contribute to some of the programme expected results and provide relevant outputs both at the level of programme priorities and of horizontal issues. Partners from Romania and from Republic of Moldova should submit jointly the projects. The project proposals must include at least one partner from each country.

Project partners shall be effectively **established in the programme area**²² or, in case of international organisations, have a base of operations in the programme area. A European grouping of territorial cooperation may be a project partner, regardless of its place of establishment, provided its geographic coverage is within the programme area²³.

The conditions for involvement of other organisations shall be defined in the Guidelines for Applicants prepared for each call for proposals.

Project activities shall be **implemented in the programme area**. However, maximum 10 % of the Programme allocation may be used for activities outside the programme area and by the beneficiaries located outside the programme area as detailed in chapter 2.3 Flexibility rule²⁴

The recommended size of grant will be further defined in the Calls for Proposals²⁵.

Projects may receive financial contribution if they meet all the following conditions:

- they deliver a clear cross-border cooperation impact and benefits as described in the Programming Document and demonstrate added value to Union strategies and programmes;
- they are implemented in the programme area;
- they take the form of :
 - *integrated projects* where each beneficiary implements a part of the activities of the project on its own territory;
 - *symmetrical projects* where similar activities are implemented in parallel in the participating countries;
 - *single - country projects* where projects are implemented mainly or entirely in one of the participating countries but for the benefit of all or some of the participating countries and where cross-border impacts and benefits are identified.

A project is a series of activities defined and managed in relation to the objectives, outputs, results and impacts which it aims at achieving within a defined time-period and budget. The objectives, outputs, results and impacts shall contribute to the priorities identified in the programme. The programme will finance both soft and hard projects under all 4 Thematic Objectives. .

Call for proposals

Support to projects will be provided mainly in the form of **grants awarded to projects selected through calls for proposals**. Three calls for proposals (one for hard projects and two for soft projects) are provisionally expected to be launched during the programme lifetime, according with the time-frame for programme implementation (presented in the chapter 5.2 on programme implementation).

The procedures to launch the calls for proposals, select and implement projects will be detailed in the Guidelines for Applicants. This document will also include the specific requirements concerning the deliverables under the project, the financial plan, and the time-limit for execution²⁶.

Direct award

No more than 30% of the share of the Union contribution to the Programme is allocated to projects selected **without call for proposals**. According to the participant countries decision, only large infrastructure projects are awarded through direct award within the Programme.

²² See section 'Description of the Programme area' of the strategy part of the JOP for further details on the programme area.

²³ Art. 45.3 (a) of ENI CBC Regulation (EU) 897/2014

²⁴ Art. 39 of ENI CBC Regulation (EU) 897/2014 and section "Description of the Programme area" of the strategy part of the JOP for further details on the programme area

²⁵ See also Section 6.1.2 Main features of the selection process.

²⁶ Art. 40 of ENI CBC Implementing Regulation (EU) 897/2014

Large infrastructure projects are²⁷ those projects comprising a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purpose of implementing investments delivering a cross-border impact and benefits and where a budget share of at least EUR 2.5 million is allocated to acquisition of infrastructure.

The Large infrastructure projects have been selected by the participant countries following a complex consultation process, involving relevant actors at central and regional level, while taking into consideration the criteria set by art.40 of the ENI CBC Implementing Regulation (EU) 897/2014 concerning direct award:

- a) the body to which a project is awarded enjoys a de jure or de facto monopoly;
- b) the project relates to actions with specific characteristics that require a particular type of body based on its technical competence, high degree of specialisation or administrative power.

The list of the large infrastructure projects selected by the Programme, together with an individual fiche containing relevant information such as: *budget of infrastructure component, demonstration of CBC impact, main activities and their location, justification on compliance with the requirements for direct award etc.*, are presented in Annex II of the Programme.

The indicative timetable for selection, contracting and implementation of Large infrastructure projects is presented in the chapter 5.2 on programme implementation.

6.4 Description of the monitoring and evaluation system

The monitoring and evaluation (M&E) activities will play an important role in the programme implementation. The objective is to put in place a proper risk management system by project partners, Programme bodies and the EC. In addition, the M&E system will enable learning to take place during project and programme implementation as well as safeguarding accountability. In order to meet these objectives, the following activities will be carried out: monitoring at project level, monitoring at programme level and evaluation. See the full details in Annex 3.

The Joint Monitoring Committee will observe the monitoring of the Programme implementation and ensure the achievement of the Programme objectives through a rational use of the allocated resources.

Monitoring activities at project level

At the project level the monitoring will be performed internally (by the project partners, under the coordination of the lead beneficiary) and externally (by the programme bodies). The purpose of the project-level monitoring is to track progress in project implementation process in order that project results and impact to be delivered within the assumed timetable, to take remedial action where necessary, as soon as possible, as well as to update action plans.

Project beneficiaries (lead partners) will be responsible for project-level monitoring. In case of substantial risks, the lead beneficiary should inform the MA immediately. In all other cases, it will report to the MA every four months in the form of progress reports.

The day to day monitoring activities performed by the MA and JTS will consist of:

- Revision of progress reports prepared by the beneficiaries
- Regular contact with the lead beneficiaries by e-mail and telephone
- Feed-back requested from project partners (non –lead beneficiaries)
- Attending key project events (where possible)
- On-the-spot visits (the MA or JTS staff will visit each project at least once during its implementation).

²⁷ Art 2, (p) of ENI CBC Implementing Regulation (EU) 897/2014

The project applications forms will include the measurement of programme output indicators (at least one), alongside project-specific output indicators. This aspect will be further detailed within the call for proposals documentation.

The Programme will also carry out an internal Result-Oriented Monitoring (ROM) plan, and it will review the performance of projects funded with a focus on the results to be achieved and the need for remedial actions. ROM reports will also make recommendations to lead beneficiaries and beneficiaries in order to improve project implementation and they will be used for other JMC decisions if it will be the case.

Monitoring at programme level

Day-to-day activities will focus primarily on progress in implementation of the programme in terms of financial and output indicators, as well as in terms of risks and assumptions. The basis for data collection will be mainly project reports. Aggregation will be carried out in the framework of the Management and Information System (MIS), where data on progress in terms of launching calls, applications received, the assessment of their quality, contracts signed and project-level on-the-spot visits and audits is also available.

In addition, there will be a need for additional data collection in order to measure the results at programme level. This will include surveys among reference groups, consisting of a sample of relevant organisations (see a summary of methodology for measuring the result indicators in ANNEX IV).

The MA shall submit an annual report approved by the JMC to the EC by 15 February each year. That annual report shall include one technical and one financial part covering the preceding accounting year. The programme will also provide input to the KEEP database on, amongst others, common output indicators, projects contracted, status of beneficiaries and budget allocations per partner.

Evaluation

In terms of evaluation, by the end of 2017 the EC will commission a mid-term evaluation at instrument-level, which will generate conclusions and recommendations that are relevant for the programme as well. The MA will inform the JMC about the mid-term evaluation findings to the extent they are relevant for the programme. In addition, the programme may commission a programme-specific evaluation (which is likely to take place in 2020), building on the EU-level mid-term evaluation and used as a basis for future programming, or possibly serving as a basis for reallocation of funds and/or revision of indicators target values.

Indicative Monitoring and Evaluation Plan

The Monitoring and Evaluation (M&E) plan (attached in Annex 1) is used to systematically plan the collection of data to assess and demonstrate progress made in achieving expected results. It highlights mechanisms or modalities for monitoring the achievement of outputs and contribution towards achievement of expected results. The M&E plan incorporates the programme indicators, baselines targets and their means of verification. It contains detailed definitions for the programme indicators, rationale for their selection, sources of information and verification, baselines and targets, methods and tools to collect data, where necessary calculation formulas for result indicators, and milestones to measure and report on progress in terms of output indicators. The plan also presents the frequency of data collection. An indicative list of evaluations to be undertaken, together with their subject and rationale is also included.

6.5 Technical assistance

Technical Assistance will be used to cover the preparation, management, implementation, monitoring, audit and control activities related to the implementation of the Programme as well as studies, seminars, trainings, translation, information dissemination, evaluation and publicity measures. Collectively, the funds allocated to support activities under Technical Assistance, are limited to a maximum of 10% of the global EU's contribution to the Programme.

The aim of Technical Assistance is to achieve effective and efficient implementation of the Programme by enhanced preparatory, monitoring, administrative and technical support, and by ensuring the widest participation possible amongst the public.

The technical assistance will consist of two main components:

- Programme management and implementation
- Information and communication

The main indicative activities planned to be implemented from the technical assistance budget are described below:

- Support to the programme's bodies (JMC, MA, NAs, AA & GoAs, CCP and PSC) for fulfilling their tasks related to the management, implementation, monitoring, evaluation, audit and control of the programme,
- Establishment and functioning of the Joint Technical Secretariat and its branch offices;
- Supporting partner search initiatives and the enhancement of the potential applicants' capacity to submit relevant project applications, contributing to the programme objectives and expected results;
- Strengthening beneficiaries' capacity for an efficient and effective management of the projects;
- Supporting the activities related to information and promotion of the programme and capitalization of its results, as they are presented in the *Communication Strategy*.

The TA activities will be implemented by the MA, JTS and AA and the related contracts shall be awarded according with the relevant national legislation of Romania, the country hosting the MA, JTS and AA, which is in line with EU requirements, or following PRAG rules. In case procurements will be needed under the service contracts to be concluded with the organizations hosting the BOs, the national legislation in force shall be applied provided that principles set forth in PRAG are correctly followed.

However, if during the programme implementation, the circumstances will require the implementation of TA activities by other programme bodies, the procurement procedures applicable shall be those described in the art. 37 of the Regulation (EU) No.897/2014.

Eligibility requirements set out in Article 48 of the Regulation (EU) No.897/2014 apply *mutatis mutandis* to technical assistance costs.

Costs referred to in Article 49 of the Regulation (EU) No.897/2014 shall not be considered eligible as technical assistance costs.

Costs for preparatory actions referred to in Article 16 of the Regulation (EU) No.897/2014 shall be eligible upon submission of the programme to the Commission, provided the programme is approved by the Commission pursuant to Article 5 of the Regulation (EU) No.897/2014. Costs for preparatory actions contracted from 01/07/2015 will be exclusively covered by the TA budget 2014-2020.

The overall indicative TA budget is presented below.

Changes within the TA budget (transfers between chapters, management structures, etc.) do not constitute an adjustment of the programme and may be made as necessary to ensure the proper implementation of the programme, as long as it is in accordance with the Article 6 of the ENI CBC Implementing Rules.

Indicative Technical Assistance budget

Budget categories		MA	JTS	Audit Authority	First Level Control ²⁸	%
1	Staff costs	0	3,523,100	0	0	43.5%
2	Travel costs	336,900	593,760	317,000	149,604	17.3%
3	Equipment & supplies	230,787	171,100	20,000	28 500	5.6%
4	Administrative costs	79,000	413,100	0	0	6.1%
5	Subcontracted services	1,170,000 ²⁹	855,500	18,000	0	25.2%
	<i>Information and Communication</i>	315,000	500,000	0	0	10.06%
	<i>Branch Offices³⁰</i>	0	270,000	0	0	3.3%
	<i>Other subcontracted services (meetings, consultancy, courier, telephony, translation, etc.)</i>	855,000	85,000	0	0	11.8%
6	Other costs (bank fees, etc.)	6,800	4,500	0	0	0.1%
7	Contingent Expenses ³¹	182,349	0	0	0	2.2%
Total budget per structure		2,005,836	5,561,060	355,000	178,104	
Total					8,100,000	100%

²⁸ First level control allocation refers to the first level control in Romania. The MA will include the allocation estimated for First Level Control in Romania in its own budget.

²⁹ The allocation includes the financial allocation foreseen for the National Authority.

³⁰ The allocation for the Branch Office includes the funds for the Control Contact Point in Republic of Moldova

³¹ This may include any expenses needed for Programme Implementation, with due respect to article 36 of the Implementing Rules.

Programme management and implementation

The activities supported from TA will aim at strengthening the capacity of beneficiaries to prepare and implement projects, supporting the coordination, management and control of the Programme, and increasing efficiency of the human resources involved in the coordination, management and control of the Programme.

In particular, the TA will financially support the management structures in performing their tasks related to selection of projects, monitoring of projects, verification of expenditures, authorising and payments, audits, programme evaluation, including by ensuring the necessary logistics (IT, office equipment, consumables) and by covering the travel costs and costs of meetings.

The TA allocation of the Programme will be managed by the MA. The use of TA will be annually set through an annual strategy, proposed to JMC for approval by the MA.

At the beginning of the implementation of the Programme, the MA will conclude a framework agreement with the Regional Office for CBC Iași, the hosting organisation for JTS, setting the main tasks delegated to the JTS, covering the whole implementation period of the Programme. The MA will further conclude multi-annual (covering two or three years) financing contracts, setting specific tasks required by a particular stage of programme implementation.

The RO CBC Iași will conclude subsequent service contracts with the organisation designated by Republic Moldova as JTS Branch Offices.

The Technical Assistance of the Programme will finance the activity of the Control Contact Point and of national controllers from Romania, by supporting the cost of necessary office equipment, site visits, participation to the meetings of controllers, trainings, etc.

The Control Contact Point and the selected auditors (controllers) from Republic of Moldova will benefit of trainings organised by JMA/JTS with the support of NA. The costs required by the activity of CCP (e.g. for on-site visits, meeting of the controllers, trainings, etc.) will be covered by the TA, through the MA/JTS budget. The cost of auditors/controllers from Republic of Moldova for performing the verification of expenditures will be covered individually by each project, from its own budget.

The TA will also finance the audit activities performed by Audit Authority and Group of Auditors as described in chapter 4 of this Programme.

Indicative activities that may be funded include:

- Joint Monitoring Committee functioning;
- Managing Authority functioning;
- Establishment and operation of the Joint Technical Secretariat and its branch offices;
- Project selection;
- Support to the MA, for studies and experts consultancy on themes relevant for the Programme implementation;
- Programme auditing and evaluation;
- Trainings and professional development of staff.

Information and Communication

This component of Technical Assistance will support activities that promote and publicise the Programme together with the results and achievements accomplished. It will also organise activities that seek to increase the awareness of, and information amongst, potential project partners and beneficiaries in order to ensure the widest participation possible from the public and private sector. To this end, an information and publicity plan will also be included in the Programme setting out the aims and target groups and the strategy of the actions.

Conferences, workshops, training for beneficiaries, networking, and awareness-raising and co-operation exchange of experience are also necessary activities.

Indicative activities that may be funded include:

- Development of an information system of the Programme content for all interested actors, preparation and dissemination of information and publicity materials (official Programme documents, manuals of procedures, bulletins, brochures, posters, objects with EU logo, Programme logo);
- Organizing conferences, seminars, workshops, training for beneficiaries, networking, awareness-raising and cooperation/ exchange of experience;
- Develop on-line communication tools as website, internet or intranet platforms;
- Creation, dissemination broadcasting of audio and video materials.

6.6 Communication strategy

Communication and information dissemination are essential for the successful implementation of the Programme. General public, potential beneficiaries, beneficiaries of the JOP RO-UA-MD 2007-2013, larger target groups must be informed and kept inform throughout the implementation of the Programme. The capitalisation of the result must be ensured and impact dispersed.

The common language of the people within the eligible area (Romanian) is an advantage and it permits joint actions and concentrated information campaigns, both in urban and rural areas. Common training, information and dissemination seminars may easier be planned and implemented.

The ENI CBC Implementing Regulation stipulates that information on the communication strategy for the whole programme period, and an indicative information and communication plan for the first year should be included in the programme.

The strategy addresses information and communication needs for the different target groups identified:

- internal public, having responsibilities within programme implementation: programme management bodies, EC, controllers;
- external public: potential applicants, beneficiaries of the financing, programme information network, other donors;
- general public.

The general objective of the communication strategy is to support achievement of the programme objectives through effective, transparent and relevant communication, in order to ensure transparency and to increase the awareness of all interested factors as regards the opportunities provided by the programme. General awareness of the Programme is important especially to increase confidence in the Programme among citizens and for building functional partnerships between different types of beneficiaries. See ANNEX III for the communication strategy and the Annual Information and Communication Plan for 2016.

6.7 Strategic environmental assessment

The ENI Implementing Regulation requires that "*information on fulfilment of regulatory requirements laid down in Directive 2011/42/EC of the European Parliament and of the Council*" shall be included in the Programme as part of the programme implementation description.

As the SEA Directive does not specifically address the issue of cross-border cooperation with countries that are not members of the EU, a "*Guidance Note on Strategic Environment Assessment in the context of ENI CBC*" has been developed by INTERACT ENPI and validated by the relevant directorates of the EC. The note provides MAs with an interpretation of the SEA Directive in the context of ENI CBC, including the necessary legal steps to conduct the SEA process and the actors to be involved. The note states that the Member State hosting the MA is responsible for determining whether a SEA is required or not, according to its legislation, and also to involve and consult the partner countries concerned at the appropriate level.

In order to comply with the requirements of the ENI Implementing Regulation, the Romania-Republic Moldova Programme has gone through the necessary steps in compliance with Directive 2011/42/EC of the European Parliament and of the Council.

The main elements recommended to be followed in such environmental assessments by law or guidelines are as follows:

- Description of key environmental aspects to be addressed;
- Description of the reference range of environmental values to be submitted for analysis in the SEA report;
- Ways to identify the environmental impact of the plan/Programme implementation;
- Assessment of capacities to address the challenges, risks and their prevention on the environment.

In Romania the main regulations in force for the development of SEA for the cross-border cooperation Programmes, are as follows:

- Directive 2001/42/EC (SEA Directive) of the European Parliament and of the Council of 27 June 2001 on the assessment of effects of certain plans and Programmes on the environment;
- SEA Protocol-Protocol on Strategic Environmental Assessment to the Convention on Environmental Impact Assessment in a trans-boundary context.

Given that Republic of Moldova is not EU Member State and the country is in the process of accession to European Union and harmonization of the national legislation with EU regulations, currently, no specific legislation is in force for strategic environmental assessment (SEA), but only for assessment of the environmental impact of activities, namely:

- *Law no. 86 of 29.05.2014 on environmental impact assessment, partially transposing Directive 2011/92/EU (EIA Directive) of the European Parliament and of the Council of 13 December 2011 on the assessment of effects of certain public and private projects on the environment.*
- *Law regarding the strategic environmental assessment, which is in public debate, not in force yet.*

An **Inception Report** was made to identify the environmental relevant legislation and the Environmental Authorities of partner countries and to describe the methodology proposed by the Commission. The report included also an indicative calendar on how to develop the SEA procedure. The relevant environmental authorities were identified: for Romania, the Ministry of Environment, Waters and Forests (MEWF) and for Republic Moldova the Ministry of Environment (ME).

On February 2nd, 2015 the Management Authority (MRDPA) from Romania submitted the **Inception Report** to the Joint Programming Committee. This **Inception Report** was approved by Joint Programming Committee (JPC).

6.7.1 SEA procedure

The SEA procedure for the Romania- Republic Moldova Programme was guided by the Ministry of Environment, Waters and Forests from Romania (MEWF) based on the SEA Directive and the Romanian Government Decision on the environmental assessment of plans and Programmes.

According to the SEA Directive an environmental assessment should be carried out for a Programme as follows:

- It is automatically required if the relevant Programme sets the framework for projects with works component as listed in Annex I or II of the EIA Directive (87/337/EEC), or which in view of the likely effects on sites, have been determined to require an assessment pursuant to art. 6/7 of the Habitat Directive (92/43/EEC).

- The need for an environmental assessment is determined following a screening process to determine whether or not the Programme sets the framework for project that are likely to have a significant effect on the environment.

Ministry of Regional Development and Public Administration (MRDPA) from Romania, the Managing Authority for the Programme, notified the **Ministry of Environment, Water and Forest (MEWF)** in February 11th, 2015 about the first draft of the Programme Romania – Republic of Moldova 2014 – 2020 and asked to start the environmental assessment according to the Directive 2001/42/EC. The current practice in Romania for the environmental assessment of such Programmes is to publish twice an announcement in mass-media. This was made in a newspaper of national level, *Evenimentul zilei*, first time on February 11th, 2015 and the second time after 3 days on February 14th, 2015.

- The MEWF communicated its decision regarding the SEA procedure for the Programme to the MA on March 5th. Taking into consideration the information found in the first draft of the Programme Romania-Romania of Moldova 2014 - 2020, the MEWF decided that: The Programme defines the framework for the implementation of projects that are mentioned in Annex I and II of the Directive 2001/42/EC (EIA) and must be evaluated under SEA procedure;
- Because the Programme also will finance Large Infrastructure Projects is mandatory to have a full SEA Procedure and is no need to do a **Screening Report**.

Following this decision, according to the SEA Directive, the procedure had two phases:

- The completion of the Programme draft and the drafting of the Environmental Report;
- The analysis of the quality of the Environmental Report.

The MEWF decided, based on Article 6 (3) of the Directive Article 6 (3) of the Directive specifies that a Working Group should be established in order to analyse and finalize the Environmental Report. The MEWF decided that, in accordance with the specific activities of the Programme, the Working Group has to include representatives of the following authorities: *Ministry of Health, Ministry of Economy, Trading and Tourism, Ministry of European Funds, Ministry of Transport, Ministry of Internal Affairs, General Inspectorate for Emergency Situations, Ministry of Culture, Ministry of Education and Scientific Research, Ministry for Information Society, Ministry of Environment, Water and Forest, General Directorate of Impact Assessment and Pollution Control – Service of Air Protection and Pollution Control, General Directorate of Climate Change, Direction of Biodiversity, General Directorate of Waste, Contamination Sites and Hazardous Substances, General Directorate of Water and General Direction of Forest, National Administration of Romanian Waters.*

The development of the Environmental Report

In order to develop the SEA procedure, the Preliminary Environmental Report was drafted and sent for consultation to the Working Group in Romania and to the National Authority and Ministry of Environment from Republic of Moldova. In Romania, according to the working procedures of the MEWF setting the scope of the SEA is part of the procedure of drafting the environmental report. As a request of the National Authority and with the scope of facilitating the SEA procedure in Republic of Moldova a Scoping Report was also drafted and sent, together with the Preliminary Environmental Report to the relevant authorities from Republic of Moldova

The Working Group in Romania and the ME in Republic of Moldova analysed the **Preliminary Environmental Report** in order to point out the environmental aspects that can be influenced by the possible future projects financed by the Programme Romania – Republic of Moldova 2014 - 2020 together with the measures to be taken in order to minimise their impact.

On April 27th, 2015 the Ministry of Environment from Republic of Moldova sent its opinion on the submitted documents i.e. to include in the list of relevant politics for the priorities identified (chapter

6 of the ER) the *Environmental Strategy for the years 2014 ÷ 2023*, approved by the Government Decision no. 301/24.04.2014.

Three meetings of the **Working Group** have been organised in Romania in order to discuss the impact of each indicative activity of the thematic objectives proposed by the Programme on the relevant environmental aspects and how this impact should be monitored during the implementation period:

- **Working Group 1**, March 30th, 2015: Programme presentation, SEA methodology, key aspects of assessment and timetable for progress;
- **Working Group 2**, April 20st, 2015: Presentation and discussion of the *Preliminary Environmental Report*, environmental issues presented, including comments/observations/recommendations;
- **Working Group 3**, May 11th, 2015: Presentation of *Final Environmental Report* including all comments/observations/recommendations of the authorities and the decision of disclosure of the Report to the public consultation.

The *Final Environmental Report* prepared in accordance with Annex I of the SEA Directive including all the views of the relevant authorities was submitted to the MEWF from Romania and to National Authority from Republic of Moldova on March 15th, 2015 and made available for the public on the websites of the Managing Authority, JTS, Ro-Ua-Md Programme and MEWF.

6.7.2 Public consultation on SEA

Romania

Following the notification of the MA, the MEWF Romania published the draft of the Programme on its website: www.mmediu.ro (<http://www.mmediu.ro/categorie/evaluare-de-mediu-pentru-strategii-planuri-programme/60>). The Managing Authority also announced on their website www.mdrap.ro and on the Programme website www.ro-ua-md.net that the SEA procedure started.

Also, the **Working Group decided in its third meeting** to make available the *Environmental Report* for the public consultation for 30 days, starting on March 18th, 2015. The *Environmental Report* and the **Programme** were published on the websites of the Managing Authority, JTS, Ro-Ua-Md Programme and MEWF.

Republic Moldova

The *Final Environmental Report* was sent to the National Authority of Republic of Moldova at the same time it was made available for the public in Romania in order to allow the Moldavian side to carry on its own procedures. Moreover, on 21st of May 2015 a public consultation was organized in Chişinău, Republic of Moldova where a presentation of the *Final Environment Report* was made in front of relevant local authorities from Republic of Moldova.

6.7.3 How environmental considerations and the opinions expressed have been taken into account

During the meetings of the Working Group it was received comments/observation and recommendations from the relevant authorities regarding the description of the existing quality of the water inside of the Programme area, the other relevant strategies and plans, the assessment of impact for some indicative activities of the thematic objectives on the relevant environmental aspects and on environmental monitoring indicators.

The authorities which proposed modification and completion, that were taken into consideration and integrated into the Final Environmental Report were the following: *MEWF (General Direction of Impact Assessment and Pollution Control – Service of Air Protection and Pollution Control, General Direction of Climate Change, Direction of Biodiversity, General Direction of Waste, Contamination Sites and Hazardous Substances) National Administration Romanian Water (ANAR), Minister of*

6.7.4 Monitoring measures

To monitor the Programme impact on the environment the following principles would be considered:

- Contribution to energy efficiency, the reduced usage of raw materials or hazardous substances;
- Contribution to the development of green infrastructure, including management of protected areas;
- Contribution to the surface/ ground water proper management;
- Contribution to an adequate management of the use of ground and underground waters;
- Contribution to sustainable mobility and multimodal transport;
- Contribution to an effective waste management, recycling and reuse;
- Contribution to risk prevention/natural disasters and climate change mitigation;
- Application of the principle of green public procurement

According to Article 10 of SEA Directive the significant effects on the environment of the implementation of the Programme has to be monitored.

The monitoring indicators recommended for the indicative activities of the Programme, under which can be a possibility to finance projects having an impact on the environment were established like this:

- Some of these indicators are the same as those monitoring the implementation of the Programme, as they can also monitor impact on the environment;
- For certain indicative activities under some priorities and LIPs, specific environmental indicators were suggested;
- Other Programme indicators were modified as to reflect also the impact on the environment, too.

Following the closure of the SEA procedure, the Ministry of Environment, Waters and Forests from Romania issued on the 29th of June 2015, the official opinion regarding the fulfilment of the requirements of SEA procedure by the Joint Operational Programme Romania-Republic of Moldova 2014-2020, and approved the Programme. The indicators proposed for monitoring the effects of the Programme on the environment are included in the official opinion of MEWF, as well as in the Environmental Report and its Non-technical summary.

6.8. Indicative financial plan

6.8.1 Financial table: yearly provisional financial appropriations for commitments and payments envisaged for the support from the EU

	A	B	C	D
	INDICATIVE PROVISIONAL COMMITMENTS BY THE EC	CO-FINANCING	PROGRAMME'S INDICATIVE PROVISIONAL COMMITMENTS - EC funding -	PROGRAMME'S INDICATIVE PROVISIONAL PAYMENTS - EC funding -
2015				
Projects	9,284,830	0	0	0
TA		0	0	0

TOTAL 2015		0	0	0
2016				
Projects	10,698,431	0	0	0
TA		0	2,150,000	1,150,000
TOTAL 2016		0	2,150,000	1,150,000
2017				
Projects	16,337,465	1,111,111	62,900,000	10,000,000
TA			450,000	950,000
TOTAL 2017			63,350,000	10,950,000
2018				
Projects	14,059,054	1,544,445	0	13,900,000
TA			2,150,000	1,450,000
TOTAL 2018			2,150,000	15,350,000
2019				
Projects	15,184,554	2,222,222	10,000,000	20,000,000
TA			450,000	1,150,000
TOTAL 2019			10,450,000	21,150,000
2020				
Projects	15,435,666	1,666,667	0	15,000,000
TA			450,000	950,000
TOTAL 2020			450,000	15,950,000
2021				

Projects		888,888	0	8,000,000
TA			1,550,000	950,000
TOTAL 2021			1,550,000	8,950,000
2022				
Projects		666,667	0	6,000,000
TA			450,000	700,000
TOTAL 2022			450,000	6,700,000
2023				
Projects		0	0	0
TA			450,000	500,000
TOTAL 2023			450,000	500,000
2024				
Projects		0	0	0
TA			0	300,000
TOTAL 2024			0	300,000
		X	X	
TOTAL 2015-2024	81,000,000	8,100,000	81,000,000	81,000,000
TOTAL COFINANCING RATE			11,11%	11,11%

6.8.2 Indicative financing plan providing the EU contribution and the minimum co-financing for the whole programming period for each thematic objective and for Technical Assistance

Indicative financing plan of the ENI CBC Romania-Republic Moldova Programme,				
Providing the EU Contribution and the co-financing if known for the whole programming period for each thematic objective and for Technical Assistance				
<i>Thematic objectives by source of funding (in euros):</i>				
	EC Funding (a) *	Co-financing (b)	Co-financing rate (in %) (c) **	Total funding (d) = (a)+(b)
Thematic objective 1	6,480,000	720,000	11,11%	7,200,000
Thematic objective 2	11,340,000	1,260,000	11,11%	12,600,000
Thematic objective 3	22,024,402	2,447,156	11,11%	24,471,558
Thematic objective 4	33,055,598	3,672,844	11,11%	36,728,442
Technical Assistance	8,100,000	0	0	8,100,000
Total	81,000,000	8,100,000	10%	89,100,000

* In accordance with the Strategy Paper.

** This is the minimum co-financing rate that shall come from sources other than the Union. The minimum co-financing has been calculated on the basis of the Community contribution to the joint operational programme, in accordance with articles 12, 13 and 14 of the Implementing Regulation (EU) No 897/2014 of 18 August. During the implementation, Programme may decide on increasing the level of co-financing.

6.9 Rules on eligibility of expenditure

No profit principle:

Grants shall not have the purpose or effect of producing a profit within the framework of the project. Where a profit is made, the Managing Authority shall be entitled to recover the share of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the project. For this purpose, profit shall be defined as a surplus of the receipts over the eligible costs incurred by the beneficiaries (Lead Beneficiary and partners), when the request is made for payment of the balance.

Forms of grant will be defined in the guidelines for applicants and grant contracts, in accordance with article 47 of the ENI-CBC Implementing Rules.

Eligibility of costs

Grants shall not exceed an overall ceiling expressed as a percentage and an absolute value which is to be established on the basis of estimated eligible costs. Grants shall not exceed the eligible costs.

The eligible costs will be defined in detail in the Guidelines for Applicants and in the Grant Contract, in line with articles 48, 49, 50 and 51 of ENI-CBC Implementing Regulation.

No grant may be awarded retroactively for projects already completed.

Eligible costs are costs actually incurred by the beneficiary which meet all of the following criteria:

(a) they are incurred during the implementation period of the project. In particular:

(i) costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement; cash transfers between the lead beneficiary and the other beneficiaries may not be considered as costs incurred;

(ii) costs incurred should be paid before the submission of the final reports. They may be paid afterwards, provided they are listed in the final report together with the estimated date of payment;

(iii) an exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the project, which may be incurred after the implementation period of the project;

(iv) procedures to award contracts, as referred to in Article 52 of ENI-CBC Implementing Regulation and following, may have been initiated and contracts may be concluded by the beneficiary(ies) before the start of the implementation period of the project, provided the provisions of Article 52 and following have been respected;

(b) they are indicated in the project's estimated overall budget;

(c) they are necessary for the project implementation;

(d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the accounting standards and the usual cost accounting practices applicable to the beneficiary;

(e) they comply with the requirements of applicable tax and social legislation;

(f) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;

(g) they are supported by invoices or documents of equivalent probative value;

Subject to the conditions above, the following direct costs of the beneficiary shall be eligible:

(a) the costs of staff assigned to the project under the following cumulative conditions:

— they relate to the costs of activities which the beneficiary would not carry out if the project was not undertaken,

— they must not exceed those normally borne by the beneficiary unless it is demonstrated that this is essential to carry out the project,

— they relate to actual gross salaries including social security charges and other remuneration-related costs;

(b) travel and subsistence costs of staff and other persons taking part in the project, provided they exceed neither the costs normally paid by the beneficiary according to its rules and regulations nor

the rates published by the Commission at the time of the mission if reimbursed on the basis of lump sums, unit costs or flat rate financing;

(c) purchase or rental costs for equipment (new or used) and supplies specifically for the purpose of the project, provided they correspond to market prices;

(d) the cost of consumables specifically purchased for the project;

(e) costs entailed by contracts awarded by the beneficiaries for the purposes of the project;

(f) costs deriving directly from requirements imposed by ENI-CBC Implementing Regulation and the project (such as information and visibility operations, evaluations, external audits, translations) including financial service costs (such as costs of bank transfers and financial guarantees).

The following costs relating to the implementation of the project shall not be considered eligible:

(a) debts and debt service charges (interest);

(b) provisions for losses or liabilities;

(c) costs declared by the beneficiary and already financed by the Union budget;

(d) purchases of land or buildings for an amount exceeding 10 % of the eligible expenditure of the project concerned;

(e) exchange-rate losses;

(f) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries;

(g) loans to third parties;

(h) fines, financial penalties and expenses of litigation;

(i) contributions in kind as defined in Article 14(1) of ENI-CBC Implementing Regulation.

(j) financing of political activities and political parties

State aid

Any measure likely to constitute State aid will be implemented only with full observance of the applicable Union rules on State aid within the meaning of Article 107 of the Treaty on the Functioning of the European Union and – where applicable - with State aid provisions of any bilateral agreements between the participating countries and the EU, in particular chapter 10 of Title V of the Association Agreement between the EU and Moldova.

6.10 Use of Euro

The expenditure incurred in other currency than the euro will be converted into euro by the Managing Authority and by the beneficiaries using the monthly accounting exchange rate of the Commission of the month during which the expenditure was submitted for examination in accordance with Article 32 (1) of the ENI CBC Implementing Rules.

6.11 The apportionment of liabilities among the participating countries

According to the article 74 of the ENI-CBC Implementing Rules, the Managing Authority shall be responsible for pursuing the recovery of amounts unduly paid.

Where the recovery relates to a claim against a beneficiary established in Romania and the Managing Authority is unable to recover the debt, the Member State shall pay the due amount to the Managing Authority and claim it back from the beneficiary.

Where the recovery relates to a claim against a beneficiary established in Republic of Moldova and the Managing Authority is unable to recover the debt, the level of responsibility of the CBC partner country shall be such as it is laid down in the Financing Agreement referred to in Articles 8 and 9 of the ENI CBC Implementing Rules.

In accordance with article 72 of the ENI-CBC Implementing Rules, “the Commission shall make financial corrections by cancelling all or part of the Union contribution to a programme and effecting recovery from the Managing Authority in order to exclude from Union financing expenditure which is in breach of applicable law or related to deficiencies in the programme management and control systems which have been detected by the Commission or the European Court of Auditors”.

In accordance with article 74 of the ENI-CBC Implementing Rules, “where the recovery relates to systemic deficiencies in the programme management and control systems, the Managing Authority shall be responsible for reimbursing the amounts concerned to the Commission in accordance with the apportionment of liabilities among the participating countries as laid down in the programme”.

The criteria for apportionment shall be the following:

- If the systemic deficiency concerns one specific country, this country shall be responsible for reimbursing to the Programme accounts the amount identified as a result of the financial correction;
- If the systemic deficiency concerns the whole system, the programme participating countries shall be responsible according to the proportion of expenditures incurred by the beneficiaries located in their respective territory and declared to the Managing Authority on the date of the decision to apply the financial correction.

6.12 Rules of use and monitoring of co-financing

The minimum level of co-financing at programme level, calculated in accordance with the Article 12 of the ENI-CBC Implementing Rules, in addition to the EU contribution, is of 8.1 million Euro. The amount will be distributed in a balanced way throughout the duration of the programme and will be provided at project level by the Lead beneficiaries

The Technical assistance of the programme shall not be co-financed by the participating countries.

The call for proposals and the procedures for direct award (in the case of LIPs), will set a minimum per cent of the project budget to be ensured, as co-financing by beneficiaries.

Each participating country may decide to cover, from national sources, a portion of the co-financing required for project implementation.

Use and monitoring of co-financing

The lead beneficiary and partners will be free to decide over the distribution of co-financing among the partnership members.

The grant contract shall include the sources of the co-financing by the project beneficiaries. The co-financing will be monitored and included in the programme accounting through the declaration on expenditure and receipts prepared by the beneficiaries, verified by a controller, which will be part of the requests for payment of the grant.

6.13 IT systems for reporting

A description of the IT systems for the reporting and exchange of computerised data between the Managing Authority and the European Commission (unit C2, DG NEAR) is required under the ENI CBC Implementing Rules (Art 4.5, (m)). This communication will be done via KEEP, a

comprehensive online database of Territorial Cooperation projects, project partners and programmes (www.territorialcooperation.eu/keep/) which has been operational for the 2007-2013 programming period. Although most statistics needed by the European Commission are already included in KEEP, a new KEEP template is being developed for the 2014-2020 programme period. It is anticipated that most data required by the European Commission will be kept in the KEEP database rather than being available only via programme reports. As well as being a tool for programmes to share data with the European Commission, KEEP will also allow for the sharing of data between programmes.

6.14 Language of the programme

In order to facilitate management and to shorten the completion periods, according to Article 7 of the Implementing regulation, the official languages used in the Programme are Romanian and English.

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