Romania

Improving the National Framework for Preparing and Implementing Public Investment Projects

Final Report – Volume 3

Preliminary Action Plan Matrices

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List of Abbreviations

AA	Appropriate Assessment
ANKO	Austrian Register of Tenders
ANRE	National Regulatory Authority in Energy
ANRMAP	National Authority for Monitoring Public Procurement
ARACO	Romanian Association of Construction Entrepreneurs
ATR	Technical Connection Avis
BP	Building Permit
CBA	Cost Benefit Analysis
CCS	Carbone Capture and Storage
CF	Cohesion Fund
CfD	Contract for Difference
CNSC	Council for Solving Complaints
DC	Communal Roads (Drumuri Comunale)
DJ	County Roads (Drumuri Județene)
DOD	Department of Public Domain
DPFC	Delegated Preventive Financial Control
DS	Municipal Roads (Drumuri Sectorale)
DTD	Detailed Technical Design
EA	Environmental Authorization
EIA	Environmental Impact Assessment
EMP	Environmental Management and Monitoring Plan
EP	Environmental Permit
E-RES	Electricity from Renewable Energy Sources
EU	European Union
FBRL	Fiscal and Budgetary Responsibility
FBS	Fiscal and Budgetary Strategy
FIDIC	International Federation of Consulting Engineers
FiT	Feed in Tariff
FMA	Financial Management Agent
FS	Feasibility Study
GC	Green Certificate
GD	Government Decision
GEO	Government Emergency Ordinance
GO	Government Ordinance
IDAs	Inter-Communitarian Development Associations
IFI	International Financial Institutions
IMC	Inter-Ministerial Council
IPPC	Integrated Pollution Prevention and Control
JASPERS	Joint Assistance to Support Projects in European Regions
LEPA	Local Environmental Protection Agency
MA	Management Authority
MBT	Mechanical Biological Treatment
MC	Ministry of Culture
MECC	Ministry of Environment and Climate Change
MO	Monitor Official (The Official Gazette)
MOPF	Ministry of Public Finance
MOTI	Ministry of Transport and Infrastructure

MRDT	Ministry of Regional Development and Tourism
NEPA	National Environmental Protection Agency
NES	National Energy System
NGO	Non-Governmental Organization
NREP	National Renewable Energy Plan
NRF	National Road Fund
NSRF	National Strategic Reference Framework (in Slovenia)
OP	Operating Program
OP - ETID	Operational Program of Environment and Transport Infrastructure Development
OPFC	Own Preventive Financial Control
PA	Procurement Agent
PFiT	Premium in Feed Tariff
PFL	Law 500/2002 on Public Finance
PFS	Pre-Feasibility Study
PIFC	Public Internal Financial Control
PIM	Public investment Management
PIUs	Project Implementation Units
PPA	Purchasing Power Arrangements
PPA	Purchasing Power Agreements
PSA	Primary Spending Authorities
RAS	Reimbursable Advisory Service
RC	Road Company
RDA	Regional Development Agency
REPA	Regional Environmental Protection Agency
RES	Renewable Energy Sector
RNCMNR	Romania National Company for Motorways and National Roads
RO	Renewable Obligation
ROCs	Regional Operating Companies
SEA	Strategic Environmental Assessment
SOP	Sector Operational Program
SOP - T	Sector Operational Program - Transport
TEC	Technical and Economic Committee
TOC	Total Organic Components
TORs	Terms Of Reference
TSO	National Transmission and System Operation
UC	Urbanism Certificate
UCVAP	Central Unit for Public Procurement Verification

DRAFT ACTION PLANS

1. **Public Investment Management Framework**
2. **Major permitting processes**
3. **Environment Sector**
4. **Roads Sector**
5. **Renewable Energy Sector**

Problem	Sequenced Actions	Impact/ Priority (High, Medium, Enabling)	Imple-mentation Period (< 9 months < 2 years,2-4 years)	Institu-tional Respon-sibility	Progress/Output Indicator	Challenge, Risks, Comments	Estimated Resource Require-ment €
1. Public Investment Management Framework							
1. Legal and Procedural Framework for Public Investment Management							
1.1. Uneven and fragmented legal and regulatory framework that falls to assign sufficient authority to MoPF for managing PIP.	1.1.1 As part of a wider revision of PFL refocus PIM section on: (i) objectives, principles and standards; (ii) roles and responsibilities of MOPF and PSAs; and (iii) authority of MOPF for managing PIP and overseeing its implementation.	Enabling	2-4 years	**MOPF**	PIM is covered within a modern and integrated legal framework for PFM that reflects EU good practice.	2013 revisions to PFL currently before Parliament mean that wider revision is not an immediate priority.	€[1]
	1.1.2 Develop comprehensive set of subsidiary PIM regulations and supporting guidelines.	Enabling	<2 years	**MOPF**	Regulations appro-ved by Government and available with guidelines on MOPF website.	PFL already provides MoPF with mandate to issue regulations and guidelines	€
	1.1.3 Secure TA to support new PIP - Evaluation Directorate in: (i) preparing PIM regulations; and (ii) in developing capacities in MOPF to provide related training and technical support to PSAs.	Enabling	<9 months	**MOPF**	PSAs understand and comply with PIM regulations.		€€€

[1] [1] **0 = none; €= low** (less than **€** 100k); **€€ = moderate** (between **€** 100k and 500K); **€€€ = high** (above **€** 500k)

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2. Organizational Responsibilities and Capacity							
2.1 Relatively weak role of MOPF in overseeing PIM processes and standards,	2.1.1 Prepare TOR for PIP - Evaluation Directorate in MOPF to include responsibility for setting standards for and overseeing PIM, including issuing guidelines and providing technical support to PSAs.	Enabling	<9 months	**MOPF**	PIP Evaluation Directorate with clear mandate established and staffed.		€
	2.1.2 Secure TA to support establishment of PIP Evaluation Directorate in MOPF and provide associated capacity building.	Enabling	< 9 months	**MOPF**	PIM guidelines and evaluation reports published on MOPF website..		€€
	2.1.3 Develop National PIM Framework to guide preparation of comprehensive set of PIM regulations (see 1.1.2 above) and elaborate institutional reforms and capacity building requirements.	Enabling	<2 years	**MOPF**	PIM Framework and PIM Regulations prepared, approved and published on MOPF website.	An initial task for the PIP - Evaluation Directorate	€
2.2 PIM coordination and oversight in PSAs is fragmented with limited central oversight.	2.2.1 Based on National PIM Framework develop and implement a program for strengthening central capacities in PSAs for PIM including reviewing and prioritizing investment choices across their sectors.	Enabling	2-4 years	**MOPF**/PSAs	PSAs with staffed mandate-wide PIM coordination and oversight function.	PIP Evaluation Directorate to coordinate.	€€€

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3. Strategic Framework and Prioritization							
3.1 Lack of strong policy and strategy framework to guide identification of public investment requirements and priorities.	3.1.1 Develop and implement plan for strengthening sectoral expendi--ture and investment strategy elements of FBS and for building necessary capabilities in MOPF.	High	<2 years	**MOPF**/GSG	FBS provides a clear statement of public investment priorities at inter-sectoral and sectoral levels.	The plan should integrate existing sectoral strategic planning exercises within a realistic medium-term expenditure framework.	€€
	3.1.2 Initiate an on-going program of periodic sectoral public expenditure reviews to support expenditure strategy element of FBS.	High	<2 years	**MOPF**/PSAs	Completed public expenditure reviews published on MoPF website.	Initially 1-2 public ex-penditure reviews per year.	€€€
3.2 Too short term planning of public investment program.	3.2.1 Develop a longer term (6-10 year) resource constrained pro-gramming perspective to guide sectoral investment master planning.	Medium	2-4 years	**MOPF**	Realistic resource limited master plans exist for major infra-structure sectors.		
4. Project Selection and Initial Screening							
4.1 Too many projects proceeding to feasibility stage.	4.1.1 Develop and adopt improved procedures for project identification and initial screening that focus on consistency with sector priorities and resource limits.	High	<9 months	**MOPF**/-**MRDT**/-PSAs	Quality of pre-feasibility studies.		€

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5. Project Preparation, Appraisal and Approval							
5.1 Inadequate project preparation is a significant cause of downstream implementation delays.	5.1.1 Revise specification for feasibility studies to include: (i) sector specific requirements and guidance; (ii) proposed project management arrangements; and (iii) more detailed preliminary design (for projects using design and build contracts).	Enabling	<9 months	**MRDT/-MOPF**/PSAs /ANRMAP	Quality of feasibility studies. More timely project implementation with fewer cost overruns.		€€
	5.1.2 Adjust cost estimates/norms for feasibility studies to reflect more rigorous technical requirements and to emphasize technical quality and capabilities in consultant selection.	Enabling	<9 months	**MOPF/-MRDT/-** PSAs	-Quality of feasibility studies. -More timely project implementation with fewer cost overruns.	Financial control envi-ronment continues to favor consultant selection by cost rather than quality.	€
5.2 Endorsement of projects by IMC more focused on compliance than project quality, economic and financial viability.	5.2.1 Revise TOR for IMC to: (i) give greater emphasis to quality of technical and economic appraisal and to affordability of proposed projects; (ii) provide for IMC to be chaired or co-chaired by MOPF.	Enabling	<9 months	**MOPF/-MRDT**	Revised TOR implemented.	Depends on effective and close cooperation between MRDT and MOPF.	€
	5.2.2 Establish a joint secretariat for IMC staffed by MRDT and MOPF with MOPF responsible for reviewing economic, financial and affordability aspects of projects submitted to IMC.	High	<9 months	**MOPF/-MRDT**	Greater importance given to economic and financial aspects in IMC endorsement decisions.	Depends on effective and close cooperation between MRDT and MOPF.	€

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5.3 No effective to appraisal challenge function to ensure quality and rigor of feasibility studies.	5.3.1 Establish capacity in PIP - Evaluation Directorate to manage independent appraisal reviews of large investment projects.	High	<2 years	**MOPF**	Number and quality of independent appraisal reviews undertaken and impact on decision-making.		€€€
5.4 Government too involved in approving projects rather than setting broader sectoral investment priorities.	5.4.1 Undertake review of investment approval authorities and limits so that Government only approves largest and most complex projects. Review should also consider implications for future role of IMC.	Enabling	<2 years	**MOPF/-** MRDT/GSG	Revised approval authorities issued	Review should specify intermediate approval authority for mid size projects (between PSA limit and Government threshold).	€
6. Project Selection and Budgeting							
6.1 Overloaded PIP with many projects inadequately funded leading to extended implementation and consequent economic loss due to delayed project benefits.	6.1.1 Continue to clean up portfolio of on-going projects in the Budget to eliminate those that are no longer a priority or on which little progress can be made at current levels of funding.	Medium	On-going	**MOPF**/PSAs	Non-performing projects eliminated from the Budget.		€
	6.1.2 At sector level restrict inclusion of new domestic financed projects into Budget until existing portfolio can be completed within five years at current levels of financing.	Medium	On-going	**MOPF/ MRDT**	Years to complete on-going projects in PSA investment programs at current level of financing.	Initiated under GO 26/2012	€

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6.2 Excessive number of approved projects waiting to be financed.	6.2.1. Further clean up pipeline of approved projects awaiting funding by (i) making approval lapse after 5 years if no firm source of funding identified; (ii) only funding feasibility studies for projects that have gone through pre-feasibility and initial screening; (iii) providing sector ceilings for pipeline approved projects above which a moratorium on approval of new projects is imposed.	High	On-going	**MOPF/ MRDT**	Approved projects kept within sector ceilings for pipeline of approved projects awaiting financing	Initiated under GO26/2012	€
6.3 Lack of integration between strategic planning, investment programming and budgeting,	6.3.1 Develop and issue an integrated planning and budgeting calendar and supporting guidelines that set out all steps involved in preparation of FBS and Budget.	Enabling	<2 years	MOPF	Calendar issued and implemented.	The calendar should spell out the sequence of steps involved in preparing the FBS.	€
	6.3.2 Include major new investment projects to be financed in Budget for coming year in FBS for government endorsement.	High	<2 years	MOPF	Projects to start in next financial year included in annex to FBS.	Endorsement would allow PSAs to prepare for project start-up.	€
7. Investment Program Implementation and Monitoring							
7.1 Slow progress in reforming internal control environment and building	7.1.1 Update action plan for implementing agreed reforms to public internal financial control framework.	Enabling	<2 years	**MOPF**	Action Plan updated.		€

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internal audit function and capabilities in PSAs.	7.1.2 Analyze if PSA internal control ceilings for nationally funded expenditures could be harmonized with those for EU funds.	Medium	<9 months	**MOPF**	MoPF analysis on internal control ceilings		€
7.2 A range of factors contribute to payment delays.	7.2.1 Establish framework for reporting and monitoring payment delays and their causes. Identify and implement interventions to tackle underlying issues.	Enabling	<9 months	**MOPF**/PSAs			€
7.3 Investment project monitoring is limited to financial reporting.	7.3.1 Develop model procedures and guidelines for monitoring by PSAs of their investment programs including identifying and reporting on actions taken.	Enabling	<2 years	**MOPF**/PSAs		Procedures should set out requirements for MoPF to monitor implementation of PIP as a whole.	€
8. Completion Review and Ex-Post Evaluation							
8.1 No requirement for project completion reviews and ex-post evaluations.	8.1.1 Develop guidelines for carrying out project completion reviews and commissioning ex-post evaluations and for feeding back findings into investment program and project design and management..	Enabling	<2 years	**MOPF**	Guidelines published on MOPF website		€
	8.1.2 Introduce regulation requiring managing authorities to undertake completion reviews for all projects above specified threshold size.	Medium	2-4 years	**MOPF/PSAs**	Completion reports prepared	Completion review reports to be submitted to PSA and MOPF.	€€
	8.1.3 Initiate program of ex-post evaluations of major projects, starting with 3-5 evaluations per year.	Medium	<2 years	**MOPF**	Evaluations published on MOPF website.	.	€€

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2. Major permitting processes							
1. General permitting and authorization related issues							
1.1 Permits issued by local authorities are sometimes rejected/delayed for reasons outside promoter's control and responsibility	Modify Laws no. 50/1991 and 215/2001 so that to provide for a clear distinction between the **administrative** and **opportunity** public bodies' decisions	High	<9 months	MIA, SIC	-	-	0
1.2 The issuing authorities are sometimes imposing unreasonable conditions for the promoter to comply with within the permits	Modify Law no. 50/1991 so that to include: - A clear definition of the type and limits of constraints that a permit issuer might impose to a project promoter; - A clear definition of the stages and specific permitting requirements in which basis the Construction Authorization can be issued	High	<9 months	MIA, SIC	Regulation prepared, approved and published	-	0
1.3 Permits might include excessive information in respect of the project's physical characteristics	Define framework-contents for permits in order to keep them fit for purpose	High	< 9 months	SIC, competent authorities	Regulation prepared, approved and published		0

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2. Archaeological permitting							
2.1 Complex, bureaucratic, incomplete and improper archaeological permitting procedures	Revise sector legislation to ensure: - Clear and detailed procedures for archaeology related permitting process, including clearly-defined compulsory stages, institutional responsibilities and approval timelines (in particular, address issue of "principles agreements" and their scope); - Standard formats for outcomes of diagnosis stage; - clear procedure in respect of land access and associated compensations; - clear timeline and deadlines for issuing archaeological discharge certificates.	High	<9 months	MC	Clearly defined and well acknowledged archaeological related procedures	-	0
2.2 Insufficient legal definition and observance of "integrated conservation" principle	Full implementation of integrated conservation principle by amendment of relevant legislation (both archaeological and environment protection)	High	< 9 months	MC, MENV	Less uncertainty and risk in construction stage	Cost of Feasibility Studies and EIAs might increase significantly	€

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2.3 Artificially limited number of institutions legally allowed to perform archaeological research resulting in shortages of qualified manpower and skills	Modification of GEO no. 34/2006 in order to allow preventive archaeological research being also undertaken by other specialized bodies, such as research institutes and universities	High	< 9 months	**MC, ANRMAP**	Speed-up of the archaeological research	-	0
	Modification of Order no. 2562/2010 in order to eliminate musea's territorial competence	High	< 9 months	MC, ANRMAP	Speed-up of the archaeological research	Local musea and authorities opposition to be expected	0
2.4 Project promoters have no real possibility of assessing cost of archaeological procedures in advance	Define cost standards for archaeological related activities	High	< 9 months	MC	-	-	0
2.5 Unnecessary research in areas with no real potential	Update the National Archaeological Record	Medium	2-4 years	MC	-	-	€€€
2.6 Lack of collaboration between relevant central authorities	Effective enforcement of already agreed institutional collaboration mechanisms between MC and MoT (Joint Order no. 653/2497/2010)	High	< 9 months	MC, MOT	Mitigating implementation risks for major infrastructure projects in course	-	€
2.7 Lack of coordination and unitary institutional approach in the field	Set-up a dedicated unit within MC with specific responsibilities in respect of preventive archaeological research	Medium	2-4 years	MC	-	-	€€

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3. Environmental permitting							
3.1 High burden on NEPA and EPAs and high workload on reviews for projects with no impact on environment	Revise Construction Law (no 50/1991), to reduce heavy burden on environmental authorities (NEPA, EPA) related to the permitting process Initial screening for no risk activities delegated to local authorities, as part of development authorization process.	High	< 9 months	MRDPA and MECC	- Guideline elaborated, for identifying activities for which an EA procedure is not necessary (consistent with EA legislation) - Initial screening process optimized	Adequate structures and specialized staff at level of local authorities	€€
3.2a. Poor quality of EIA documents: inadequate/ insufficient requirement professional standards for companies and individuals	Ensure adequate professional requirements for companies/ individuals which elaborate technical documentation necessary for environmental permitting - modification of M.O. 1027/2009, e.g. revise selection criteria (Annex 5) and conditions for cancelling registration certificate (Article 9) of consultants, etc.	High	< 9 months	MECC	Increased quality of EIA documentation	-	€
3.2.b. Poor quality of EIA documents: Poor quality of data used in EIA Reports	Revise legislation to align to related requirements of new EIA Directive Set up a data quality control system	High	< 12 months	**MECC**	Increased quality of EIA documentation	-	€
3.3 Complex & bureaucratic environmental permitting system	3.3.1Mainstream environmental permitting procedures	High	< 12 months	**MECC**	-	-	€€

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	3.3.1.1 Joint SEA and EIA procedures: Revise GD 1076/2004 on establishment of environmental assesment procedure of certain plans and programes on SEA (*e.g. to include situations where streamlining EA and EIA is possible, resulting in issuing a single environmental permit instead of 2 permits)*	High	< 12 months	**MECC**	EA process involving SEA and EIA streamlined and more efficient	-	€€
	3.3.1.2 Streamline appropriate assessment (AA) procedure (for Natura 2000 sites) in EIA procedure - Correlate M.O. 135/2010 on approving methodology for implementing environmental impact assessment on public and private projects with MO 19/2010 on approval of methodological guide on appropriate assessment of potential effects of plans and projects in natural protected areas of public interest	High	< 12 months	**MECC**	EA process involving Natura 2000 sites streamlined and more efficient	-	€€
3.4 Insufficient correlation between regulatory permitting and enforcement functions	Undertake assessment of the feasibility of consolidating permit and enforcement functions	High	< 9 months	MECC/NEPA /NEG	- Options paper prepared and discussed with stakeholders -MECC decides on consolidation option and implements it	Permit quality and enforcement improved, resulting in efficient redeployment of resources	€€

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4. Utility permits							
4.1 Lack of internal deadlines for approval of studies prepared during permitting procedure	Provide clear deadlines for the approval by the power company of the studies that are being prepared during the permitting procedure	High	< 9 months	RERA	-	-	0
4.2. Incomplete/wrong data provided by utility owners in respect of the buried assets	Clear Terms of Reference for Feasibility Study Consultants requiring field investigations to be performed in respect of underground assets	High	< 9 months	Contracting Authorities			0
5. Common themes							
5.1 Incomplete/ wrong cadastral documentation and register	Strategic/consolidated approach of cadastre issue at national level (multi-annual strategy with associated financial allocations), in order to solve this problem within reasonable time horizon;	High	2-4 years	GoR, NCA	-	-	€€€
5.2 Unavailable detailed geographical data in electronic format in respect of existing utilities and other buried assets	Strategic/consolidated approach at government level in respect of availability of integrated geographical data (possibly in broader framework of INSPIRE Directive transposition)	High	2-4 years	GoR, MIA, NCA	-	-	€€€

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Environment Sector							
1. Quality Assurance of Feasibility Studies							
1.1 Poor Independent Review of Feasibility Studies	1.1.1. As a Quality Assurance matter, the role of the Independent Review of Feasibility Studies (or Project Proposals), with its scrutiny and challenge function should be specifically enhanced.	Enabling	< 2years	MA	a) QA system to be agreed and implemented within 9 months b) First projects QA'ed within 10 months	Weak implementation and enforcement	**€** (per project)
	1.1.2. Strong consideration should be given to a formal 'traffic light' system for assessing project proposals before they are allowed to proceed to the procurement stage.	High	<9 months	Central – tbd	All projects applying for EU Funds to be subjected to this QA methodology within 12 months	Weak implementation and enforcement	**€** (small scale consultancy project to develop system)
2. Capacity							
2.1 Inadequate Preparation and Implementation Capacity	2.1.1 Consideration should be given to making project 'go-ahead' conditional on implementing authority being able to demonstrate that it has (or will) put in place sufficient skilled capacity to implement project and how it will do so.	High	< 9 months	MA	Could be implemented through QA process above (<9 months) or through a modified regulation (time unknown)	Unwillingness to see value of investing in quality of project preparation. Unwillingness to pay for more/better capacity	0 (if implemented through QA process)

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2.2 Acute Capacity Deficit in Solid Waste Management Sub-Sector	2.2.1 Capacity deficit in solid waste management sub-sector will need to be specifically addressed for future projects and probably most of the current ones too. Substantial Technical Assistance that offers project management support will be required if investment requirements are to be adequately implemented.	High	< 9 months	MA	External support consultancy services to be in place for all Solid Waste Management projects in RO within 9 months	Perceived lack of money Lack of co-operation from beneficiaries. Fear of losing project 'control' Difficulty in sourcing sufficient external capacity	Could be **€€€** (per project) but cost of failure would probably be much higher
3. Central Support and Advice							
3.1 Central control bodies fail to provide advice and support to implementing authorities	3.1.1 ANRMAP should consider how it might transform itself from being perceived as a 'control' organization to a 'facilitating' organization – in other words how it could help beneficiary authorities achieve their objectives.	Medium	2-4 years	GoR	(a) Preparation of an outreach strategy to its "client base" of public entities, (b) regional workshops explaining "services", and (c) a satisfaction survey among its public entity clients		**€**

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Roads Sector							
1 Strategy and Sector Policy							
1.1 Road budgeting process weak	1.1.1 Restructure road budget to cancel or postpone slow progressing low priority projects and concentrate funding to finish high priority and foreign funded projects earlier.	High	<2 years	MOT2 and RC Board	Restructuring committee in place and working	Could be politically difficult.	**0**
	1.1.2 Develop arrangements for ex-post evaluation of national road programs and projects to guide future planning, programming and budgeting.	High	<9 months	MOPF and MOT	Guidelines for ex-post evaluation of completed projects available.	Require involvement of MOPF.	**€**
1.2 Road sector financing inadequate	1.2.1 Carry out a PER[3] for National Roads to assess financial capacity of GOR to finance and manage its road investments and maintenance programs.	Critical	<9 months	MOPF and MOT	Draft PER with strategy available and discussed with stakeholders.	Requires full cooperation from RC. WB could probably do this better than consultants.	**€€**
	1.2.2 Review policies on borrowing to address past over-investments in highways.	Critical	<9 months		Part of the PER terms of reference.	RC involvement critical.	**€**
2 Project Cycle and Process Mapping							

[2] Ministry of Transport

[3] Public Expenditure Review

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2.1 Quality of project preparation needs strengthening	2.1.1 Use restricted procedures for shortlisting of consulting firms and evaluate and award proposals using a combination of technical score and price.	High	<9 months	RC Board	New procedures in place.	Contractors/EC might object Covered also by 5.1.3.	**0**
2.2 Standardiza-tion needed	2.2.1 Applying standardized contract (FIDIC type) for all road contracts. Applying same contractor selection procedure for county road rehabilitation projects regardless of funding source.	High	<2 years	MRDT4 and regional agencies	Standardized contract form available and being used.	Many implementing entities.	**€**
2.3 Approval process unclear	2.3.1 Review and strengthen process for preparation and approval of road projects with objective of simplifying and improving analysis directed at budget entry and project approval, while strengthening requirements for preliminary engineering and detailed design of complex projects.	Enabling	<2 years	MOT and RC Board	New guidelines to be prepared using TA.	Many stakeholders.	**€**
3 Project Identification, Planning, and Preparation							
3.1 Project Prioritization and	3.1.1 Finalize and approve General Transport Master Plan, develop	High	< 2 years	MOT and	Plans approved	Possible reluctance to approve and implement	**0**

[4] Ministry of Regional Development and Tourism and Public Administration

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Budget Planning needs strengthening	Regional Transport Master Plans			MRDT		a fixed list of priorities over the long term	
	3.1.2 Review classification system for roads in Romania and transforming some national and county roads into "regional roads" for better management.	Enabling	<2 years	MOT and MRDT	TOR available, study awarded and a new classification system is available.	Affects many counties.	**€**
	3.1.3 Review role of Road Company in coordinating investments for national and regional road networks and develop practical improvements to current practices in the short term.	High	<9 months		Part of the above study.	May not be given high enough priority.	**0**
3.2 Project planning, approval and tendering slow	3.2.1 Develop Road Law to include better Planning Regulations to address regulatory gaps and enact improvements to road project preparation, approval and permitting processes and coordination between owners of road networks.	Critical	<2 years	MOT and RC Board	New national planning regulations for major highways prepared.	Examples are available in France and Poland.	**€**
	3.2.2 Establish guidelines for independent quality enhancement reviews and appraisal of feasibility studies and tender documents for new projects prepared by consulting firms. Such guidelines should include sector specific	Enabling	<2 years	MOT and MOPF	Independent appraisal and quality assurance reviews of feasibility studies and preliminary and detailed	State Inspectorate may not cooperate fully.	**€€**

Problem	Sequenced Actions	Impact/ Priority (High, Medium, Enabling)	Imple-mentation Period (< 9 months < 2 years,2-4 years)	Institu-tional Respon-sibility	Progress/Output Indicator	Challenge, Risks, Comments	Estimated Resource Require-ment €
	requirements for CBA and financial analysis, road safety audits and value engineering assessments.				designs.		
3.3 Project preparation and design weak	3.3.1 Prepare better Terms of Reference for feasibility -/ preliminary engineering design stages of highway investments, including budgeting adequate time and budgets.	Critical	<9 months	MOT and RC	Part of Operational Manual below.	Use consultants or WB-RTA.	**€**
	3.3.2 Prepare Operational Manual for RC staff covering road project preparation for small, medium and large projects including details on field surveys and analytical work.	High	<2 years	RC with MOT and MOPF	Manual available and in use.	Operational manual could be prepared by procurement and financial management agents as part of their TOR, and costs here would be 0.	**€€**
3.4 Capacity Building of Institutions under Stress	3.4.1 Jumpstart preparation of National Road projects for EU funding (under SOP-T 2014-2020 program) for timely appraisal and approval by GOR and EC.	Critical	<9 months	MOT and RC Board	Unit established and operational.	Consider establishing a dedicated organizational unit for this purpose.	**€€€**
	3.4.2 Prepare a Procurement Manual covering guidance to RC staff on tender document preparation, tendering, evaluation of bids and award.	High	<9 months		Procurement Manual available and in use.	Procurement Agent could produce this under PA TOR.	**€€**
	3.4.3 Improve short term capacity by employing a Financial Management Agent (FMA) to help	High	<9 months	MOT, MOPF and RC	TOR and RFP ready. FMA mobilized.	Combining operational support with capacity building is often	**€€€**

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	processing of payments, accounting and provide training.					difficult.	
	3.4.4 Use a Procurement Agent (PA) to assist in improving Tender Documents and Requests for Proposals, improving bid/proposal preparation by service providers, addressing bidders concern, and monitor evaluations/awards processes besides developing capacity.	High	<9 months	MOT and RC	TOR and RFP ready. PA mobilized. Procurement manual being prepared.	Combining operational support with capacity building is often difficult.	**€€€**
	3.4.5 FMA and PA to help address variation orders, claims and requests for extension of time in timely fashion, while also helping to reduce large backlog of such requests on ongoing contracts.	Critical	<2 years	MOT and RC	Reduction in number of pending claims, requests for extension of time and change orders.	Part of FMA and PA Terms of Reference.	**0**
4. Major Permitting Processes and Specific Challenges							
4.1 Environmental impact assessments cumbersome	4.1.1 Carry out Road Sector Environmental Assessment to guide RC and highway study consultants.	Enabling	<9 months	MOT, RC and EPA	Sector Environmental Assessment for Romania is available.	MOE and EPA involvement critical.	**€€**
	4.1.2 For design-build contracting of highways, review role of contractors and design consultant in update of environmental impact assessments and permitting during	Enabling	<9 months		Part of the SEA above.	MOE and EPA involvement critical.	**0**

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	construction to facilitate process and monitoring by RC and avoid conflicts of interest.						
4.2 Relocation of unidentified utilities	4.2.1 Ensure whether utility companies can be made legally responsible for providing exact location of their utilities and facilitate relocation necessitated by a road project. This could include supervising relocation works by contractor and providing quality controls and certifications of utility works.	Enabling	<9 months	MOT and RC Board	A study completed to address relocation of utilities and conditions of contract and particular conditions.	A study could cover 4.2 issues.	**€€**
	4.2.2 Ensure physical detection of utilities at feasibility and design stages, through adequate TOR requirements and supervision.	High	<9 months		Part of study above.		**0**
4.3 Permitting process slow	4.3.1 Consider better integration of databases and instruments related to permitting.	Enabling	<2 years		Part of study above.	Implementation may take time.	**0**
5. Contract Award and Construction Phases							
5.1 Evaluation of tenders and contract award practices could be improved	5.1.1 Review tender documents and experiences with tendering of road projects in order to simplify and standardize general and particular conditions of contract and simplify certification and	Enabling	<9 months	MOT and RC Board	Updated general and specific conditions of contract available.	Involve contractors association.	**€€**

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	qualification requirements.						
	5.1.2 Allow increased time for preparation of technical and financial proposals for design-build contracts to improve quality of bids.	High	<9 months	RC Board	90 days becomes recommended time for proposal preparation.		**0**
	5.1.3 Consider introducing "Restricted Procedure" with pre-qualification of contractors, and move away from "quantitative" factors in technical scoring of bids.	High	<9 months	RC Board	Pre-qualification of contractors becomes the standard on highway projects.	May require assistance to RC. See 2.1.3.	**0**
	5.1.4 Develop a check list for certifying project maturity to be signed by head of RC prior to works contract signature	High	<9 months	RC Board	Check list established		**0**
5.2 Weak management of implementation of civil works contracts	5.2.1 Revise HG 1072/2003 to cancel review and approval of feasibility studies and tender documents by ISC.	Enabling	<9 months	MOT	Draft new law	Existing review has no added value	**0**
	5.2.2 Strengthen role of Resident Engineer in technical supervision of works contracts and in facilitating timely processing of contractual payments, variation orders and extensions of time. Ensure budget for Engineer is adequate	Enabling	<9 months	MOT and RC Board	Draft supervision Terms of Reference outlining new requirements	Maybe difficult to implement	**€**
	5.2.3 Clarify role of State Inspectorate for Construction (ISC)	High	<2 years	MOT and SI	Operational Manual of RC and draft	The SI may want to continue its role.	**€**

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	in quality control phase and also role of Engineer in actual legislation (Law 10/1995 – related to quality in construction) where Engineer is not mentioned				legislation.		
5.3 Processing of contractors' payments and claims needs improvements	5.3.1 Review practice of only using Bill of Quantities and unit rates to make contractual payments to contractors on fixed price, design-build contracts, and adjust payments to contractors to better reflect actual progress.	High	<9 months	RC with MOT	Revision to contract conditions and payment certificates.	Consider using design-build contracting only for technically very difficult projects (projects involving tunnels, long bridges).	**Incl. 5.1.1**
	5.3.2 Introducing annual independent technical and financial audits for ongoing and completed road projects covering studies, tender documents and construction stage.	Critical	<2 years	MOT and RC Board	Improved supervision, employer actions and implementation of construction.	To improve project preparation, tender documents, supervision, Employer actions and construction quality. Ref. Road Construction Cost Study by WB for MOT.	**€**
	5.3.3 At project completion, finalize review and decisions on any outstanding claims, variation orders and other implementation issues, and shorten handing over process, release of performance bond and other actions to finalize projects sooner.	Critical	<9 months	RC Board	Reduced time from construction finished to provisional handing over.	With a fully empowered RE in place, this would be easier.	**0**

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Renewable Energy Sector							
1. The National Energy System (NES)							
1.1 Development of National Energy System	**1.1.1** Develop methodology to make NES users more responsible in relation to Transelectrica	Medium	< 9 months	Transelectrica, MOE	methodology prepared for increasing accountability of NES users	Needed for increased predictability of private investments Restrains unsustainable capacity creation	€
	1.1.2 Find financing solutions for Transelectrica investment needs	High	2-4 years	Transelectrica	transmission line upgraded or built	Restricted borrowing capacity for Transelectrica compared to its investment needs Energy security risks unless grid is constantly upgraded and built	€€€
	1.1.3 Stricter monitoring of privatization contracts for distribution companies to upgrade their grids	High	2-4 years	Government/ MOE	grids upgraded or built	Sensitive political decision	0
	1.1.4 Design a sustainable plan for deployment of renewable energy	High	< 9 months	MOE, Transelectrica, ANRE	sustainable plan for deployment of renewable energy	Needed for energy security reasons and economic growth	€
2. Legislation							
2.1 Unpredictable	2.1.1 Update Government strategy	Enabling	< 9	MOE	updated	Increase energy market	€

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legal framework for Green Certificates and State Aid	for renewable energy		months		renewable energy strategy	predictability and influence private investors' expectations	
2.2 Aspects regarding grant application procedures	2.2.1 Streamline grant future application procedures	High	< 9 months	MOE, MAEUR	updated grant procedures	Increase probability of grants absorption rate	€€
	2.2.2 Improve quality of grant applications through technical assistance for potential applicants	Enabling	< 2 years	MOE	sound projects	Decrease probability of funds de-commitment	€€
	2.2.3 Improve administrative capacity for grant application process	Medium	< 9 months	MOE	improved funds absorption rate	Streamline further management and administrative process without affecting system compliance	0
2.3. Procurement	2.3.1 Improve flexibility and simplify procedures for private beneficiaries	Medium	< 9 months	MOE, ANRMAP	improved funds absorption rate	Needed to keep up with frequent technological changes in renewable energy	0
2.4 Permitting	2.4.1 Update procedures and change grant guidelines in order to align procedural deadlines with permits expiration dates	High	< 9 months	MOE	improved funds absorption rate	Needed to save additional non-eligible expenditures on behalf of grants beneficiaries triggered by re-issuing of permits	0
	2.4.2 Amendment to Expropriation Law no. 255/2010 to permit its use by Transelectrica	High	< 9 months	MT, MOE	facilitation of new energy projects	Needed by Transelectrica to start expropriation process for new projects	0

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3. Finance and Economy							
3.1 Lack of private co-financing	3.1.1 Develop use of innovative financial instruments	Enabling	< 2 years	MPF, MOE	new financial instruments in context of next financial perspective	Risks related to poor administrative capacity in using this type of financial instruments	€€
3.2 Lack of PPA	3.2.1 Create legal framework for PPA	High	< 9 months	ANRE	PPA	Needed for energy market development and its predictability, as well as for securing better financing	0
3.3 Proof of funds	3.3.1 Allow issuance of energy permits after proof of finance is obtained	Enabling	< 9 months	ANRE	Permit	Saves time and money for grant beneficiaries	0
3.4 Financial evaluation	3.4.1 Upgrade Government strategy for renewable energy	Enabling	< 9 months	MOE, MPF, MAEUR	updated renewable energy strategy	Increase energy market predictability and influence private investor expectations	€€
3.5 Financial evaluation scoring	3.5.1 Independent economic and financial review of use of financial evaluation in scoring of renewable energy projects to be undertaken.	Enabling	< 9 months	MOE, MPF, MAEUR	Updated scoring rules	Review would need to provide revised scoring system, resulting in more efficient use of public funds.	0