

IMPLEMENTATION EVALUATION REPORT

*Interreg-IPA CBC Romania-Serbia
Programme Implementation Evaluation*

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Consultant SC ACZ Consulting SRL & t33 SRL
Ștefan Velovan Str., no. 23A, Craiova, Dolj Conty, Romania
Tel: +40 351 44 20 44, e-mail: office@aczconsulting.ro
Via Ctalafimi, no.1, Ancona, Italy, Tel: +39 071 9715460, e-mail: info@t33.it

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Drafting team:

Alessandro VALENZA

Team leader

Rebeca NISTOR

Evaluation expert

Roxana DIACONU

Evaluation expert

Cristina COJOACĂ

Evaluation expert for communication activities

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Acronyms

AA	Audit Authority
C	Certifying Authority
CBC	Cross-border Cooperation
EC	European Commission
EP	Evaluation plan
EQ	Evaluation question
ESIF	European Structural and Investment Funds
ETC	European Territorial Cooperation
EU	European Union
ICT	Information and Communication Technology
IPA	Instrument for Pre-Accession Assistance
JMC	Joint Monitoring Committee
JS	Joint Secretariat
MA	Managing Authority
MRDPA	Ministry of Regional Development and Public Administration
MS	Member States
NA	National Authority
NGO	Non – Governmental Organization
OP	Operational Programme
Programme	Interreg - IPA CBC Romania – Serbia Programme
SO	Specific Objective
RO CBC	Regional Office for Cross Border Cooperation for Romania – Republic of Serbia Border
SWOT	Strengths, Weaknesses, Opportunities, Threats
ToR	Terms of References

Executive summary

The following implementation evaluation report assesses the Interreg-IPA CBC Romania-Serbia Programme, the successor of the Romania-Republic of Serbia IPA CBC Cross-Border Cooperation Programme 2007–2013. In order to investigate the evaluation of physical and financial progress of the programme's management and implementation, the evaluation team employed the following set of methodological tools: desk research, interviews, questionnaire survey, case studies and benchmarking.

The main findings of the evaluation are the following:

- The Programme is having a smooth implementation with a low risk of decommitment and high probability to achieve the majority of objectives in terms of output indicators.
- The selection and evaluation of applications respect the standards set out in the programming document, in ensuring a high level of quality and transparency of the processes. The evaluation emphasized the importance of eMS in facilitating the submission of the projects, although the applicants encountered some initial difficulties in familiarizing with the system.
- The beneficiaries have high or very high levels of confidence in the project selection and assessment processes and believe that project assessment, selection and contracting are very efficient or efficient. As well, the eMS system appears to have a high level of accessibility and user friendliness for the beneficiaries and potential applicants and it increased the level of simplification and transparency across the entire monitoring procedural workflow.
- The beneficiaries still encounter issues in project preparation (e.g. identifying the partner, defining the budget and framing the activity) and implementation (e.g. co-financing, public procurement and contracts execution). However, the support provided to the beneficiaries across all the project cycle is consistent for most of the needs of the beneficiaries.
- Overall, the applicant's guide of the programme is practical and informative, as it provides useful information on eligibility, rules of application and selection, evaluation and contracting process.
- The Partnership principle appears to be consistently applied along with the actions and decisions taken at programme level. However, a more diversified composition is highly recommended.
- The information obtained from the managing structures and beneficiaries of the programmes point out that a wider adoption of simplified costs options would facilitate a more effective implementation of the Programme and projects.
- The programme has very high probability to produce positive results in the area in terms of tangible improvement in the quality of life of people and as an intangible asset for the beneficiaries.
- The actions taken to reduce administrative burden and the introduction of simplified cost option proved to be efficient.

All-in-all, therefore, the programme works well, without the need to drastically change elements where the cost of transition / risks of damage to the overall programme may exceed the benefits of the transition/change. As such, future changes are recommended in light of comprehensive *cost-benefit analysis* appraisals.

All these findings and the detailed answers to the evaluation questions have been discussed in a focus group which validated the results of this evaluation.

Prezentul raport surprinde evaluarea modului de implementare a Programului Interreg-IPA de Cooperare Transfrontalieră România-Serbia, succesorul Programului IPA de Cooperare Transfrontalieră România - Republica Serbia 2007-2013. Pentru a evalua progresul fizic și financiar privind gestionarea și implementarea programului, echipa de evaluare a utilizat următorul set de instrumente metodologice: cercetare de birou, interviuri, sondaj de opinie pe bază de chestionar, studii de caz și evaluare bazată pe comparație (benchmarking).

Principalele constatări rezultate din evaluarea programului sunt evidențiate în continuare:

- Programul nu prezintă probleme în implementare, indicând un risc scăzut de dezangajare și o probabilitate ridicată de a-și atinge majoritatea obiectivelor - cu referire la indicatorii de realizare.
- Procesul de selecție și evaluare a aplicațiilor respectă standardele prevăzute în documentul de programare, asigurând un nivel ridicat de calitate și transparență a proceselor. Evaluarea a subliniat importanța sistemului eMS în facilitarea depunerii proiectelor, deși solicitanții au întâmpinat anumite dificultăți inițiale, având în vedere procesul de familiarizare cu sistemul.
- Beneficiarii au un nivel ridicat sau foarte ridicat de încredere în procesele de selecție și evaluare a proiectelor și consideră că evaluarea, selecția și contractarea sunt foarte eficiente și eficiente. De asemenea, sistemul eMS prezintă un nivel ridicat de accesibilitate și este ușor de utilizat pentru beneficiari și potențiali aplicanți, sporind gradul de simplificare și transparență pe întreg fluxul procedural de monitorizare.
- Beneficiarii se confruntă în continuare cu probleme privind pregătirea aplicației (de exemplu, identificarea partenerului, definirea bugetului și încadrarea activităților) și implementarea proiectului (de exemplu, cofinanțarea, achizițiile publice și execuția contractelor). Cu toate acestea, sprijinul acordat beneficiarilor pe întreg ciclul proiectului este suficient pentru a aborda majoritatea nevoilor beneficiarilor.
- Ghidul solicitantului este unul practic și oferă informații utile cu privire la eligibilitate, regulile de aplicare și procesul de selecție, evaluare și contractare.
- Principiul parteneriatului pare să fie aplicat în mod consecvent împreună cu acțiunile și deciziile adoptate la nivel de program. Cu toate acestea, este recomandată o diversificare a componenței membrilor.
- Informațiile obținute de la autoritățile de program și beneficiarii programului evidențiază faptul că extinderea ariei de aplicare a opțiunilor de costuri simplificate ar facilita implementarea mai eficace a programului și a proiectelor.

- Programul are o probabilitate foarte mare de a produce rezultate pozitive în zona transfrontalieră, atât în mod tangibil prin îmbunătățirea calității vieții cetățenilor, cât și ca beneficii intangibile pentru beneficiari.
- Acțiunile întreprinse pentru reducerea sarcinilor administrative și introducerea opțiunilor de costuri simplificate s-au dovedit a fi eficiente.

În concluzie, programul funcționează în mod adecvat, fără a fi necesare schimbări radicale privind anumite elemente - acolo unde, spre exemplu, costurile de tranziție/riscurile de a dăuna programului pot depăși avantajele tranziției/modificărilor. Drept urmare, se recomandă ca modificările viitoare să fie realizate în baza unei analize cost-beneficiu ample.

Toate aceste constatări și răspunsurile detaliate la întrebările de evaluare au fost diseminate și discutate în cadrul unui focus-grup, fiind astfel validate rezultatele evaluării.

Strateșki cilj programa, zasnovan na zajedničkim prekograničnim projektima i zajedničkim akcijama rumunskih i srpskih partnera predstavlja uravnotežen i održiv socio-ekonomski razvoj pograničnog regiona između Rumunije i Republike Srbije.

Ovaj izveštaj obuhvata procenu načina za implementaciju Interreg-IPA programa za prekograničnu suradnju Rumunije i Srbije, naslednika IPA programa za prekograničnu saradnju Rumunija - Republika Srbija 2007.-2013. Za procenu fizičkog i finansijskog napretka u pogledu upravljanja i primene programa, tim za ocenjivanje koristio je sledeći skup metodoloških alata: kancelarijsko istraživanje, intervjui, ankete javnog mnjenja na osnovu upitnika, studije slučaja i vrednovanje.

U nastavku su istaknuti glavni nalazi evaluacije programa:

- Program ne predstavlja problem u implementaciji, što ukazuje na nizak rizik od isključivanja projekata i veliku verovatnoću za postizanje većine njegovih ciljeva – u odnosu na pokazatelje postignuća.
- Proces odabira i evaluacije aplikacija u skladu je sa standardima utvrđenim u programskom dokumentu, osiguravajući visok nivo kvaliteta i transparentnosti procesa. Evaluacija / procena je podvukla važnost sistema eMS-a za olakšavanje podnošenja projekta, iako su se aplikanti susreli sa nekim početnim poteškoćama, imajući u vidu proces upoznavanja sa sistemom.
- Korisnici imaju visok ili veoma visok nivo poverenja u postupcima odabira i evaluacije projekata i smatraju da su evaluacija, izbor i ugovaranje vrlo efikasni i delotvorni. Takođe, sistem eMS ima visok nivo pristupačnosti i jednostavan je za upotrebu za korisnike i potencijalne podnosiocе zahteva, povećavajući stepen pojednostavljenja i transparentnosti tokom celog postupka praćenja.
- Korisnici se i dalje suočavaju sa problemima u vezi sa pripremom prijave (na primer, identifikacijom partnera, definisanjem budžeta i klasifikacijom aktivnosti) i realizacijom projekta (na primer, sufinansiranje, javna nabavka i izvršenje ugovora). Međutim, podrška koja se pruža korisnicima tokom čitavog projektnog ciklusa dovoljna je za rešavanje većine potreba korisnika.

- Vodič za podnosiocce prijave je praktičan i pruža korisne informacije o podobnosti, pravilima prijave i procesu izbora, procene i ugovaranja.
- Čini se da se princip partnerstva primenjuje u skladu sa radnjama i odlukama donetim na programskom nivou. Međutim, preporučuje se diverzifikacija članstva.
- Informacije dobijene od programskih vlasti i korisnika programa naglašavaju da je proširenje opsega pojednostavljenih opcija troškova olakšalo efikasnu implementaciju programa i projekata.
- Program ima veliku verovatnoću da stvori pozitivne rezultate u prekograničnom području, kako opipljivo što se tiče poboljšanja kvaliteta života građana, ali i kao nematerijalna imovina za korisnike.
- Preduzete mere radi smanjenja administrativnih opterećenja i uvođenja pojednostavljenih opcija troškova pokazale su se efikasnim.

Zaključno, program funkcioniše ispravno, bez potrebe za radikalnim promenama na određenim elementima - gde, na primer, tranzicioni troškovi / rizici oštećenja programa mogu nadmašiti prednosti tranzicije / promena. Kao rezultat toga, preporučljivo je da se buduće promene izvrše na osnovu sveobuhvatne analize troškova i koristi.

Svi ovi nalazi i detaljni odgovori na evaluaciona pitanja raspodeljeni su i diskutovani unutar fokusne grupe, i time su potvrđeni rezultati evaluacije.

1. Introduction

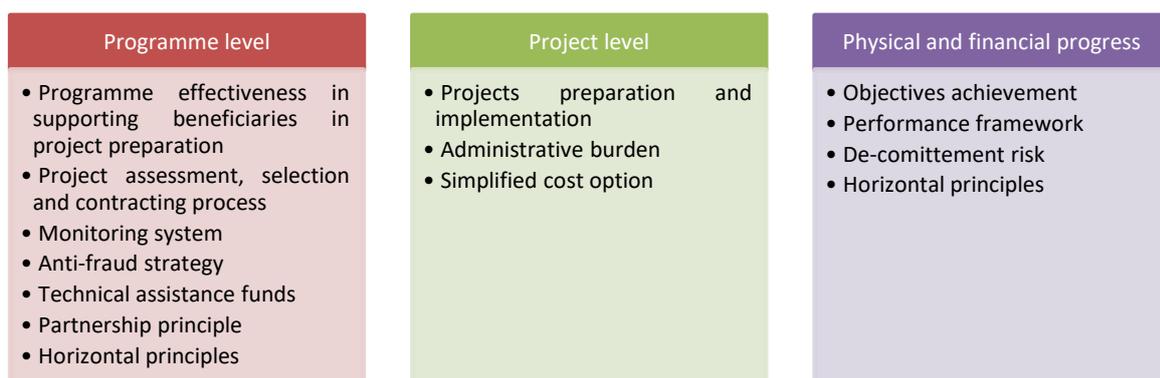
1.1 Evaluation objectives and results

The current Implementation Evaluation Report for Interreg-IPA CBC Romania-Serbia Programme 2014-2020 aims to provide an independent reflection on the programme's relevance, efficiency and effectiveness and to contribute to its management and performance from this perspective.

On a more detailed level, the report was drafted in order to acquire the following specific **objectives**:
i) to assess the physical and financial progress of the programme and the lessons learnt in this respect and ii) to evaluate the effectiveness of the programme, to assess the system functioning and management of the programme focusing on specific efficiency aspects in order to improve the quality of its delivery.

Throughout the evaluation activities performed within the project, a mix of qualitative and quantitative methods and techniques was applied, which substantiated the answers to **13 evaluation questions** and enabled in-depth analyses focused on the following topics: support offered to potential beneficiaries; efficiency and effectiveness of the project assessment, selection and contracting systems; efficiency of the monitoring system; effectiveness of the anti-fraud strategy; TA-related matters; application of the partnership principle; application of the equal opportunities and non-discrimination horizontal principle (programme and projects level); support offered to applicants; efficiency of actions taken to reduce the administrative burden on beneficiaries, including SCOs; level of achievement of objectives/indicators/performance framework indicators and forecasting and the de-commitment risk.

In compliance with the provisions stated in ToR, the evaluation of physical and financial progress and of the management and implementation of the programme follows a **third-level approach**, as illustrated in the figure below.



The implementation evaluation exercise covers all the actions undertaken under the Interreg-IPA CBC Romania-Serbia Programme, related to the programming period 2014-2020, until the cut-off date **30th of June 2019**.

1.2 Scope of the evaluation

The *Interreg-IPA CBC Romania-Serbia Programme 2014-2020 implementation evaluation* has been carried out by the independent evaluator ACZ Consulting SRL&t33 SRL, selected following a public tender procedure, launched by the Romanian Ministry of Regional Development and Public Administration. The evaluation contract was signed on 13th of June 2019, having an overall implementation period of 6 months and a total budget of 226.560 lei.

The evaluation aims to analyse the effectiveness (the extent to which the objectives have been met), efficiency (the optimal relationship between the resources used and the results obtained), relevance (the extent to which the programmed objectives are in accordance with the needs, problems and various other aspects met in the implementation of the programme), and the physical and financial progress of the programme, providing answers to the following evaluation questions:

Programme level

- EQ 1.1.1 Did the applicant's guide and pack enable the potential beneficiaries to prepare well their applications? What can be improved?
- EQ 1.1.2 Are the project assessment, selection and contracting systems efficient? Can project assessment, selection and contracting be accelerated? If yes, which are the proposed adjustments?
- EQ 1.1.3 Is the project monitoring system efficient? What can be improved?
- EQ 1.1.4 Do the anti-fraud activities carried out by the programme authorities lead to the achievement of the objectives set out in the Anti-fraud Strategy? Which actions were the most effective in managing the risk of fraud and dealing with fraudulent activity?
- EQ 1.1.5 Are there any specific factors hindering the effective use of TA funds? Are there any steps in the use of Technical Assistance funds that could be made more efficient?
- EQ 1.1.6 Is the right balance of relevant stakeholders involved in the implementation of the programme, including as regards their participation in the Joint Monitoring Committee, from the point of view of applying the partnership principle?
- EQ 1.1.7 Is the equal opportunities and non-discrimination horizontal principle covered adequately and clearly within the guidelines for applicants and programme monitoring arrangements?

Project level

- EQ 1.2.1 What are the major difficulties faced by the beneficiaries? What measures could be taken to overcome them? Are the beneficiaries sufficiently supported to prepare projects and implement them?
- EQ 1.2.2 Are the actions taken in order to reduce the administrative burden on beneficiaries working? What can be improved?
- EQ 1.2.3 Did the use of simplified cost options prove to be efficient? What can be improved?

Physical and financial progress

- EQ 1.3.1 To what extent have the objectives of the projects financed under this programme been achieved or are about to be achieved? What are the possible internal and external factors affecting the achievement of the objectives (e.g. human resources, financial capacity)?
- EQ 1.3.2 Which is the actual implementation progress as regards each specific objective? Which is the achievement level of programme indicators? Which is the achievement level of (proposed) performance framework indicators as compared to the (proposed) milestones?

EQ 1.3.3 Will the progress to date (given the current trends) lead to the achievement of target values of programme and (proposed) performance framework indicators? If not, which are the main causes and how can they be addressed?

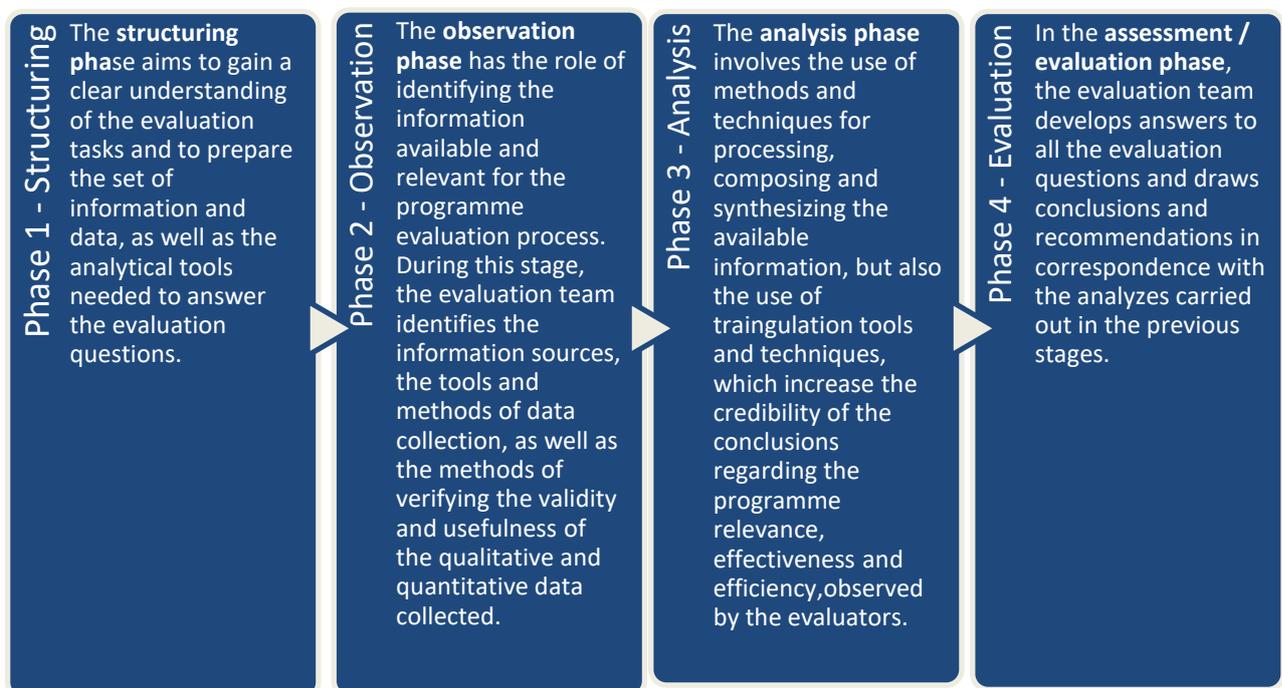
EQ 1.3.4 Is there any de-commitment expected to take place at programme level? What specific actions should be taken in order to minimize the de-commitment risk?

EQ 1.3.5 How do the financed projects contribute to the application of equal opportunities and non-discrimination horizontal principle, especially as regards the equality between men and women?

1.3 Methodology

The implementation evaluation process involved four methodological phases:

Figure Error! No text of specified style in document.-1Methodological phases



Source: figure elaborated by the evaluators

As illustrated by the table presented below, and in order to investigate the evaluation of physical and financial progress and of the management and implementation of the programme, the evaluator used a set of methodological tools to answer the related evaluation questions. Seven different tools were implemented in order to answer the proposed list of evaluation questions for collecting and analysing information: desk research, interviews, questionnaire survey, evaluation matrix, case studies, stakeholder analysis and benchmarking. Evaluation findings formulated based on the above mentioned instruments will be complemented and validated by two focus groups with programme management key stakeholders.

Table Error! No text of specified style in document.-1 Evaluation questions and methodological tools to evaluate the physical and financial progress and the management and implementation of the programme.

Evaluation questions (EQ)	As apprehended by the evaluator	Desk research	Interviews	Questionnaire survey	Case studies	Benchmarking
1.1.1. Did the applicant's guide and pack enable the potential beneficiaries to prepare well their applications? What can be improved?	This EQ will be answered by capturing the satisfaction of the applicant toward the guidance.	●	●	●		●
1.1.2. Are the project assessment, selection and contracting systems efficient? Can project assessment, selection and contracting be accelerated? If yes, which are the proposed adjustments?	This EQ will be investigated through the survey. The applicant will be asked their level of confidence toward the process transparency and the perception of timing and workload requested to prepare the application.	●	●	●		●
1.1.3. Is the project monitoring system efficient? What can be improved?	The EQ is answered by understanding if the needs of the programme authorities are met and the consistency with the requested workload, targeting eCohesion.	●	●	●		●
1.1.4. Do the anti-fraud activities carried out by the programme authorities lead to the achievement of the objectives set out in the Anti-fraud Strategy? Which actions were the most effective in managing the risk of fraud and dealing with fraudulent activity?	The evaluator will investigate if the final beneficiaries are aware of the issue and what they put in place to reduce the risks.	●	●	●		
1.1.5. Are there any specific factors hindering the effective use of TA funds? Are there any steps in the use of Technical Assistance funds that could be made more efficient?	The EQ will be investigated by looking to the performance of the model i.e. how many services are delivered, and which is the administrative cost related. Moreover, the evaluator will propose different alternative governance models.	●	●			●
1.1.6. Is the right balance of relevant stakeholders involved in the implementation of the programme, including as regards their participation in the Joint Monitoring Committee, from the point of view of applying the partnership principle?	Through the documents of the JMC, the evaluator will verify the consistency of the Programme toward the partnership principle.	●	●			●
1.1.7. Is the equal opportunities and non-discrimination horizontal principle covered adequately and clearly within the guidelines for applicants and programme monitoring arrangements?	This EQ will assess the implementation of the equal opportunities and non-discrimination principle in the guidelines for the applicants and in the program monitoring arrangements.	●	●			●
1.2.1. What are the major difficulties faced by the beneficiaries? What measures could be taken to overcome them? Are the beneficiaries sufficiently supported to prepare projects and implement them?	This EQ is strictly connected with the EQ 1, EQ 2 and EQ 5. It is focused on the project level and the evaluator will investigate the main problems and difficult aspects that the beneficiaries faced during the preparation and implementation of the projects.	●	●	●	●	

Evaluation questions (EQ)	As apprehended by the evaluator	Desk research	Interviews	Questionnaire survey	Case studies	Benchmarking
1.2.2. Are the actions taken in order to reduce the administrative burden on beneficiaries working? What can be improved?	This question is linked to EQ 1,2,3. Based on the findings in this field, the evaluators will propose measures for improving the actions taken to reduce the administrative burdens on beneficiaries.	●	●	●	●	●
1.2.3. Did the use of simplified cost options prove to be efficient? What can be improved?	The evaluators will analyse the use of lumpsum and flat rate based on the analysis already made by the MA.	●	●	●	●	
1.3.1. To what extent have the objectives of the projects financed under this programme been achieved or are about to be achieved? What are the possible internal and external factors affecting the achievement of the objectives (e.g. human resources, financial capacity)?	This question will investigate the extent to which the objectives of the projects financed under the programme have been achieved and which are the objectives that are about to be achieved. <u>Moreover, the evaluator will assess also if the objectives of the OP are still relevant.</u>	●	●	●	●	●
1.3.2. Which is the actual implementation progress as regards each specific objective? Which is the achievement level of program indicators? Which is the achievement level of (proposed) performance framework indicators as compared to the (proposed) milestones?	This question will assess the state-of-play of the implementation progress for each of the objectives but also the achievement level of programme indicators and performance framework indicators (as compared to the milestones). <u>Moreover, the evaluator will assess also if the indicators are consistent and propose new result indicators, if deemed necessary, for the purpose of having good examples for the future programming period.</u>	●	●		●	●
1.3.3. Will the progress to date (given the current trends) lead to the achievement of target values of programme and (proposed) performance framework indicators? If not, which are the main causes and how can they be addressed?	Based on the current progress in the implementation, this EQ will assess/estimate whether target values and performance indicators will be achieved.	●	●		●	●
1.3.4. Is there any de-commitment expected to take place at program level? What specific actions should be taken in order to minimize the de-commitment risk?	This EQ is linked with the above and identify whether de-commitment is expected to take place at programme level.	●	●			●
1.3.5. How do the financed projects contribute to the application of equal opportunities and non-discrimination horizontal principle, especially as regards the equality between men and women?	This question will assess the way in which the financed projects have contributed or contribute to the application of equal opportunities and non-discrimination horizontal principle.	●	●	●	●	●

Source: table elaborated by the evaluators

For administrative matters an interim activity report was submitted containing the activities performed and next steps.

2. Evaluation context

2.1 Overview of the programme

Interreg-IPA CBC Romania-Serbia Programme is the successor of the Romania-Republic of Serbia IPA CBC Cross-Border Cooperation Programme 2007–2013 and builds upon the experience gained during its implementation, both in terms of programming and implementing provisions.

The overall strategic goal of the programme is to achieve, based on cross-border joint projects and joint actions by Romanian and Serbian partners, a balanced and sustainable socio-economic development of the border region between Romania and Republic of Serbia.

The eligible area under the Programme comprises three counties of Romania (Timiș, Caraș-Severin and Mehedinți) and six districts of the Republic of Serbia (Severno-banatski, Srednje-banatski, Južno-banatski, Braničevski, Borski and Podunavski).

In order to ensure a coherent and consistent approach to the real needs of the cross-border area, the programme strategy focuses on a set of key challenges derived from the territorial analysis carried out during the programme drafting stage, the extensive consultations with the relevant key actors and the lessons learned from the previous programming experience, namely¹:

- Overcoming specific issues related to the connectedness of the region, both internally between the border regions, and crucially also externally between the border region and neighboring areas;
- Tackling the lack of competitiveness which is a common issue affecting the economy of the border area as a whole, with negative impacts in both the Romanian and Serbian border areas. This includes issues such as entrepreneurship and business activity, innovation, and levels of investment
- Addressing key issues of rural development which are characteristic of the regions on both sides of the border, and which would benefit from joint cross-border action in relation to key areas such as (inter alia) agriculture, rural tourism development, and specific labour market challenges in rural areas.
- Dealing with the significant common challenges in the environment and in specific aspects of local/regional preparedness in relation to cross-border emergency situations
- Overcoming the border as a perceived “division”, and promoting greater cooperation and contact between regions and communities on both sides of the border

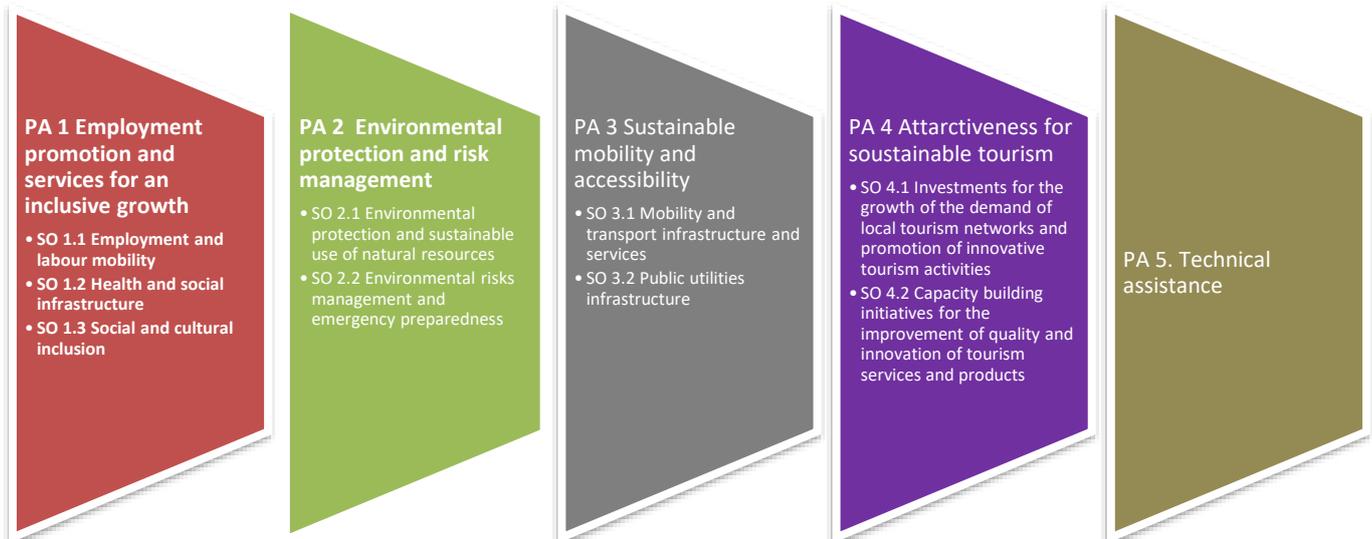
The programme was officially launched on the 15th of September 2015, having an overall budget of 74,906,248 EUR (IPA contribution), respectively 88,125,003 EUR (total budget).

In order to address the challenges faced by the eligible cross-border regions in both countries, four priority axis were designed. Priority axis 1 was developed in order to enhance the potential of the programme for an inclusive growth, Priority axis 2 focuses on the sustainable use of natural resources, Priority axis 3 of the programme tries to rise the quality standard in public transport or to

¹ Romania-Serbia IPA CBC Programme 2014-2020 document, version 3

improve the infrastructures, while the Priority axis 4 tackles the tourism activity in the Romanian – Serbian cross-border area in order to improve the capacities and skills for high quality tourism services. Priority axis 5, technical assistance, aims to promote an effective and efficient programme implementation, ensuring the effective functioning of programme bodies and committees, as well as the efficient execution of all programme cycle and project implementation stages and the proper visibility of the programme strategy and results among target groups and stakeholders.

Figure Error! No text of specified style in document.-2 Programme design



Source: figure elaborated by the evaluators

The first call for proposal within the programme was launched on the 15th of September 2015 and the information campaign took place until December 2015. The deadline for the submission of projects was 1st of February 2016, respectively on 15th of March 2016 for strategic projects.

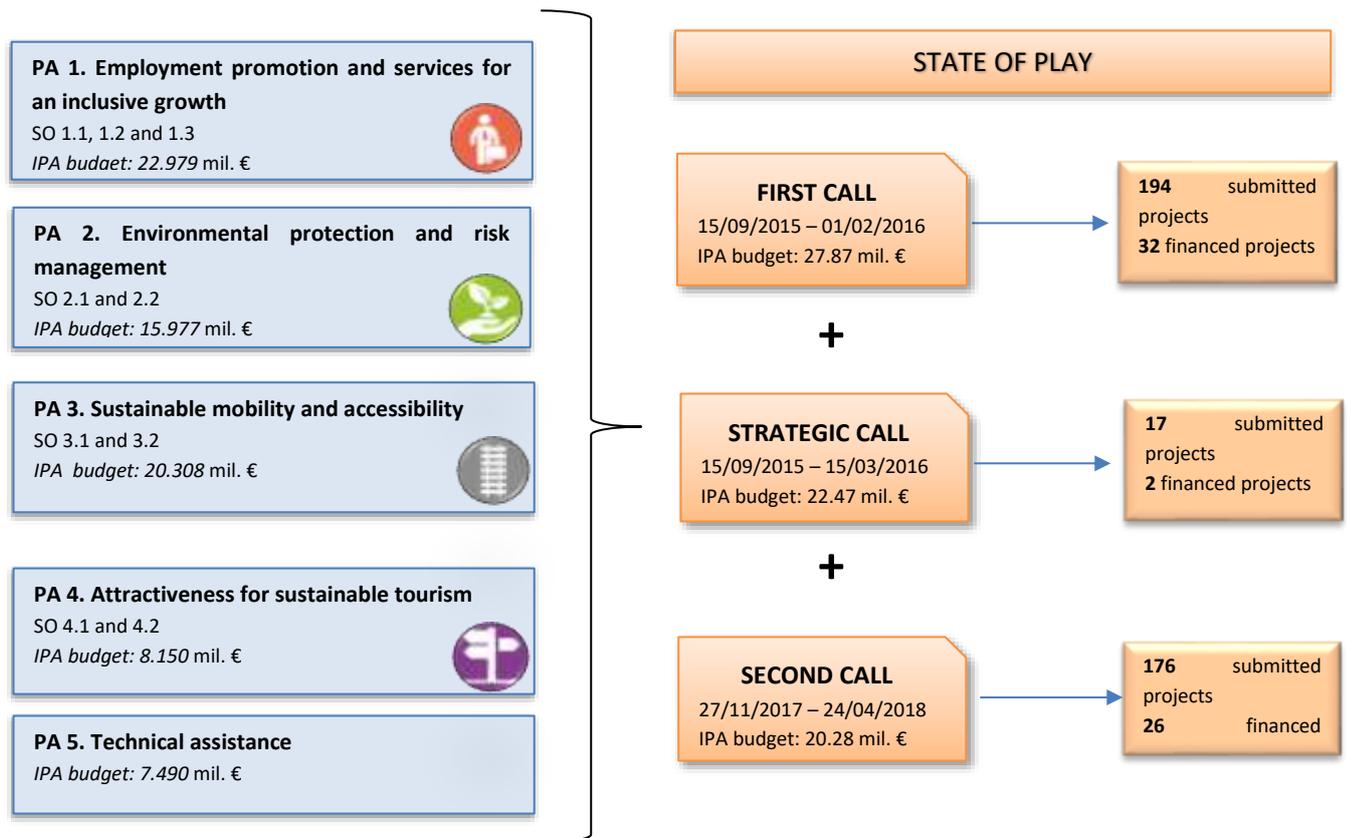
For the **First call for proposals**, a number of 194 projects proposals have been submitted. In accordance with the scores received during the technical and financial evaluation and the available financial allocations, 32 projects proposals were proposed for financing and 65 projects proposals were included on the reserve list.

Within the **Call for strategic project proposals**, a number of 17 projects proposals have been submitted, out of which 2 were contracted and financed.

The **Second call for proposals** was officially launched on 27th of November 2017, the deadline for submission being 24th of April 2018. Within the second call for proposals, 176 project proposals have been submitted, out of which 76 have passed the administrative, technical and financial evaluation and 26 were contracted and financed.

Under the Technical Assistance PA, a number of 7 projects were contracted and financed by the end of June 2019, aimed at providing the necessary support related to the programme implementation (project evaluation and selection, monitoring activities, project implementation, FLC verifications, staff costs, applicants and beneficiaries support, audit, communication and information activities, website administration etc.)

Figure Error! No text of specified style in document.-3 Priority axes and state of play of the Interreg-IPA CBC Romania-Serbia Programme 2014-2020



Source: figure elaborated by the evaluators

2.2 Social-Economic analysis

A socio-economic analysis was developed to understand if the needs identified by the programme are still present and valid i.e. to evaluate the relevance (see section 2.3). Data for indicators has been obtained taking information from “Romania-Serbia IPA CBC Programme 2021 – 2027, Territorial Analysis” (October ‘19), National Statistics Institute of Romania and Serbia and EUROSTAT. The full analysis is displayed in the Annex A7.

In general, the economic situation is improved and the economic development of the whole eligible area, measured with the GDP per capita on the EU average, is in line with national values. The GDP per capita grew by 2.6% from 2012 to 2016 that is below the Romanian national value (4.5%) while it is above the Serbian value (0.1%).

The picture below is a static view of the different levels of GDP per capita based on European average for each single Nuts 3 in the cooperation area in 2016.

Figure Error! No text of specified style in document.-4 GDP in the cross - border area



The following pages show the key findings for each thematic area. Each paragraph contains a table describing the main trend in the specific context. For sake of simplicity the following pictures indicate:

-  a value below -10% (a negative trend)
-  a value between -10% and 10% (no significant changes)
-  a value above 10% (a positive trend)

Social-demographic structure

Table Error! No text of specified style in document.-2 Trends in 2011-2018 for the population and the aging of population in 2011-2017

Indicators	Time frame	CBC	Romania	Serbia
		% Variation	% Variation	% Variation
Population growth	2011-2018			
Share of population over 65	2011-2017			

Source: data processed by the evaluators

In both countries the population follows a downward trend. The decline is more evident in the eligible area (-6% from 2011 to 2018) that is below the national variation of both countries (Romania -3.3% and Serbia 3.5%).

The indicators of aging of the population in the eligible area of 2017 is slightly higher than 2011 by about 2.2%. This variation is in line with the values of Romania (3.8%) and Serbia (1.4%).

Therefore, the needs identified by the programme in this area are still valid and confirmed.

The labour market

Table Error! No text of specified style in document.-3: Labour market

Indicators	Time frame	CBC	Romania	Serbia
		% Variation	% Variation	% Variation
Employment rate (employ/pop)	2011-2017			

Source: data processed by the evaluators

In the programme area the employment rate, calculated on whole population, remained stable in 2011-2017 on 34%. In Romania the employment rate decreased by 4% while in Serbia it augmented by 5%. In the cross border area there was not any change in the labour market, therefore the needs are still relevant and valid.

Health care services

Table Error! No text of specified style in document.-4: Health services

Indicators	Time frame	CBC	Romania	Serbia
		% Variation	% Variation	% Variation
<i>Indicators of health care services: units per 1000 inhabitants</i>	2012-2017			
- doctors				
- other medical services				

Source: data processed by the evaluators

In the cross border area the indicators of health services slightly grew by 9.9% for doctors while they remained stable for other medical services (0.3%) from 2012 to 2017. At national level the indicators grew by more than 20% in Romania while in Serbia the indicators remained stable.

In the health care services there is a slight improvement, but it is not sufficient to fulfil the entire needs in this area in particular for other medical services where there was not any improvement.

Public Transport and ICT infrastructures

Table Error! No text of specified style in document.-5: Concentration of public roads in the cooperation area

Indicators	Time frame	CBC	Romania	Serbia
		% Variation	% Variation	% Variation
<i>Km roads /1000 km2</i>	2011-2017			

Source: data processed by the evaluators

The indicator of road density per unit of surface shows that the availability of road infrastructure in the programme area is lower than the national values. Even if the values of length of public roads in kilometers on surface in square kilometers of programme area has grown by 3.4% from 2011 to 2017, they are pretty far from their respective national values. In fact, the value in 2017 is 324 km/1000 km² in the cross border area while in Serbia it is 489 and in Romania it is 361.

Even the improvement in the programme area was greater than the national one, the absolute value is not close to the national levels. Therefore, the needs identified by the programme in this area are still valid and confirmed.

Environmental resources and infrastructures

The table shows the environmental situation in the eligible area. Given the lack of the data two indicators are reported. Both of them refer to the same argument but the base of calculation is different (one is based on single individuals and the other on households).

Table Error! No text of specified style in document.-6: Environment situation

Indicators	Time frame	CBC	Romania	Serbia
		% Variation	% Variation	% Variation
% of population connected on wastewater collecting system	2011-2017	 (RO)		
% of households connected on wastewater collecting system - Aggregate		 (RS)		

(*) The trend is referred only for the side of the border where data is available

Source: data processed by the evaluators

The percentage of population connected on wastewater collecting system slightly grew by 7% in 2011 – 2017 in the Romanian side of programme area, which equals the national value. In the Serbian side, the percentage of households connected on wastewater collecting system grew by 3.3% in the programme area while the national average grew by 5.8%.

In the environmental infrastructures a significant effort was made from 2011 to 2017, but the needs in the eligible area still remain.

Tourism

Table Error! No text of specified style in document.-7: Flow of tourists between 2011 and 2017

Indicators	Time frame	CBC	Romania	Serbia
		% Variation	% Variation	% Variation
Total number of tourists arrivals	2011-2017			

Source: data processed by the evaluators

The trend of arrivals is positive for both countries in 2011 - 2017. The number of tourists' arrivals increased by 73% in Romania and 49% in Serbia, same as for the Cross-Border area where the number of tourists' arrivals increased by 56%. So, this suggests to reconsider this topic for the new period in terms of sustainability especially in relation to the S.O. 4-1 "Investments for the growth of the demand of local tourism networks and promotion of innovative tourism activities".

Education, research and innovation

Table Error! No text of specified style in document.-8: number of students for each teacher in 2017

Indicators	Time frame	CBC	Romania	Serbia	EU28
Students / Teachers	2017	13.0	15.2	11.9	13.0

Source: data processed by the evaluators

For the education system, the values of number of students for each teacher is equal to 13 in 2017 in the programme area. This value is equal to the value at European level (13) and it is lower than Romania's one (15.2) and higher than Serbia's one (11.9).

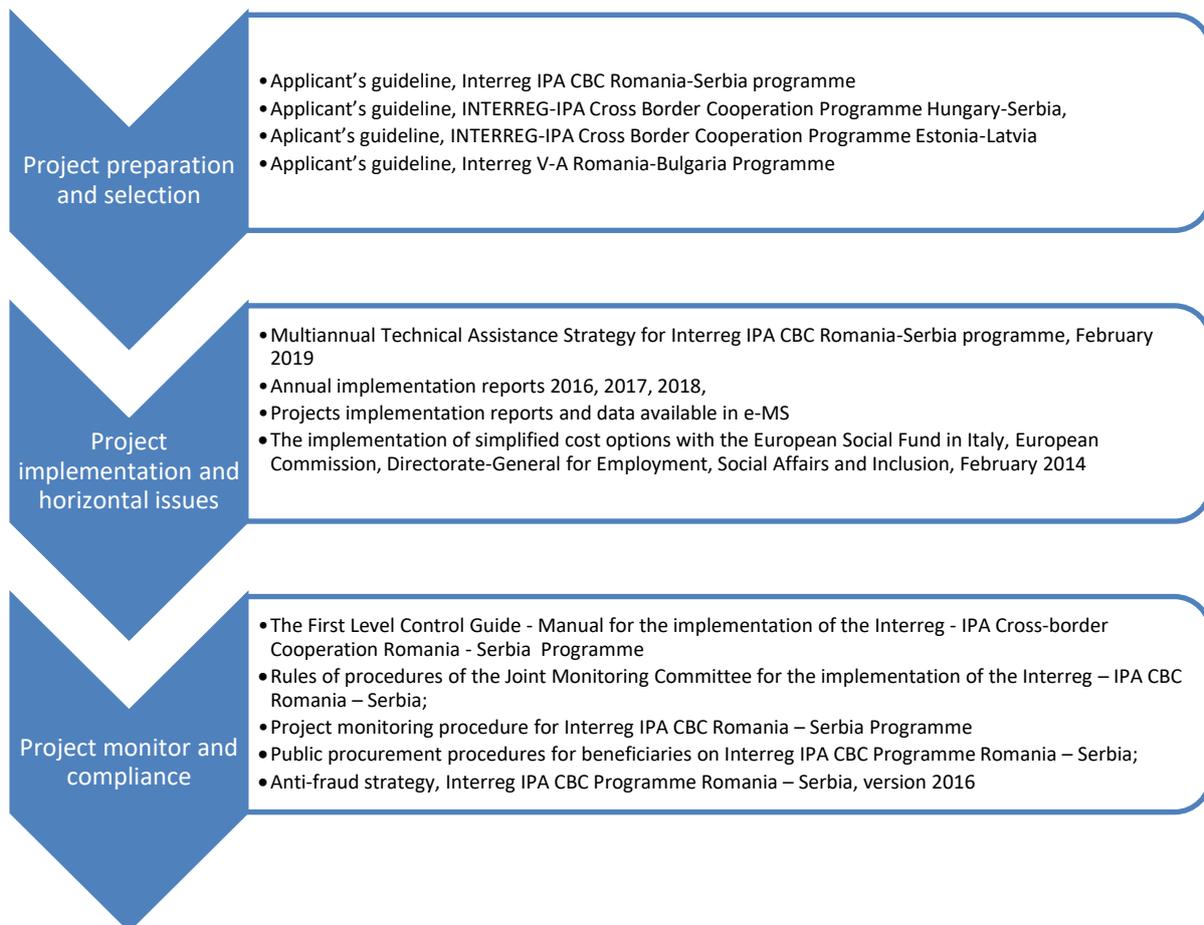
The indicator in the programme area is in line with the European average, so there seems to be a still a priority in the CBC area.

Details on the socio-economic analysis can be found in Annex A7.

3. Key findings of the desk analysis

3.1 The implementation mechanism

The screening aims to collect information on the key steps of programme implementation through the administrative documents:



Project preparation and selection

Overall, the **applicant's guide of the Interreg IPA CBC Romania-Serbia programme** is a practical and informative document. It provides a set of characteristics of the entities that can apply, set of indicative actions for each specific objective of the four priority axes and a large share of it explains how to fill the application form. Each section of the applicant guide is assessed in the following paragraphs.

- *The general information:* the section and the annexes related to it represents a useful source of information for the beneficiaries to learn about the eligible area, set of indicators, the dates of the call, information on the financial allocation and rules on state-aid. Although in the guide for the first call of proposals the section related to horizontal principles was not very much detailed, in the second applicant's guide these aspects were further addressed by adding further information about what is expected to be achieved in this area by the beneficiaries.

- *Rules of the call for proposals:* the section offers detailed information on the eligibility criteria, concerning applicants, actions and expenditures. The indicative examples of potential applicants and eligible actions represents a strength of the guide, as it contributes greatly to the guide's aim of providing clear practical information to the potential beneficiaries.
- *How to apply:* the step-by-step explanation includes concise information on every aspect that the application form must include such as identification, description, activities and budget.
- *Evaluation of applications:* Applicants are provided a concise explanation on the procedure of assessment of the proposed projects and how to appeal the scoring of a project.
- *Project implementation:* besides the subsidy model contract attached to the annexes of the guide, an additional section in the guide or additional annex with information on project implementation will further increase the preparedness of beneficiaries.

Concerning the **process of selection, evaluation and contracting of the submitted projects**, the documental analysis of the rules and procedure found the process to be coherent with the European guidelines.

Project implementation

As the following table indicates, half of the TA funds have been financially contracted. There was a total number of seven projects that submitted financing requests to the Technical Assistance funds.

Table Error! No text of specified style in document.-9 Percentage of finance contracted per authority

	MA	NA	ROCBC	AA	Total
Financing Contracted (2015-2018)	40.63%	42.21%	55.43%	37.72%	49.36%
Financing to be contracted (2019-2023)	59.37%	57.79%	44.57%	62.28%	50.64%
Total Fund (Modified)	1,901,211	1,740,825	5,037,907	132,556	8,812,499

Source: data processed by the evaluators

Compared with the initial allocation, between 2015 and 2018 the Managing Authority and the Audit Authority contracted less funds than initially planned while the National Authority and the Romanian Office for Cross Border Cooperation contracted more funds than initially allocated.

Table Error! No text of specified style in document.-10 Differences in finance contracted between initial allocations and actual contracted

	MA	NA	ROCBC	AA
2015-2018 initial allocations	999,500.00	697,950.00	2,768,094.00	83,624.00
2015-2018 modified allocations	772,411.00	734,849.95	2,792,431.75	50,000.00
Difference	-227,089.00	36,899.95	24,337.75	-33,624.00

Project monitoring and compliance

In compliance with the provisions of art. 125(d) of the Regulation 1303/2013, the Interreg IPA CBC Romania – Serbia Programme functions through an **electronic monitoring system** (eMS). The eMS portal provides programme beneficiaries with the facility to submit their applications and project related information in an electronic format, while for the programme structures the portal facilitates the assessment, approval, contracting, implementation and payment of projects.

The monitoring activity of projects financed within the Interreg - IPA CBC Romania – Serbia Programme is based on a well-defined information system which uses two main tools: monitoring visits/monitoring visits reports and quarterly and final progress reports. Monitoring is primarily performed by examining the information contained in the progress reports submitted by beneficiaries on eMS. On-site monitoring visits, on the other hand, secure the fact that the project exists from the physical point of view and that its progress, as stated in the reimbursement claims and progress reports, is real and is substantiated by supporting documents. With regards to the



procedural workflow, project monitoring system entails several phases:

The **Anti-fraud strategy** of the Programmes was found in compliance with the EU legal provisions and has the role to ensure that the programme management structures take all the necessary measures, including legislative, regulatory and administrative measures, to protect the EU's financial interests, namely by preventing, detecting and correcting irregularities and fraud.

The full analysis is displayed in the Annex A4.

3.2 Theory of change

The evaluator used the Theory of change to describe the set of assumptions linking needs to the result underlying connections between different logic items of the Programme. All the analysis is displayed in the Annex A5.

The **first step** is to design (re-build) the pathway as a set of programme activities (inputs), output and result, which are placed diagrammatically in logical relationship to one another (see the frame “programming” in the figure below). Each of the items along the pathway are also preconditions to the item above them:

- 1) Needs shall be connected with the objective and expected results;
- 2) Expected results need to be in place for activities and output to be achieved.
- 3) The actions foreseen by the programme need to connect to output indicators;
- 4) Output indicators shall inform the result indicators.

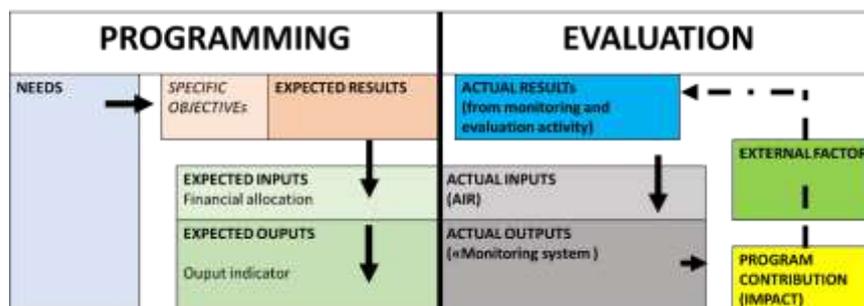
The analysis is based also on the economic and social analysis (see Annex A7). In this first step the evaluator is assessing the:

- Relevance. Based on the socio-economic analysis carried out in section 2.2, the needs are assessed if still relevant.
- Plausibility. It refers to the logic of the outcomes pathway. Does it make sense? Are the items in the right order (needs -> expected result -> planned activities -> expected output)? Are there gaps in the logic?
- Assessability. It refers to the indicators: Are they present? Will they yield sufficient information to evaluate the success of the initiative?

The **second step** (see the frame “evaluation” in the below figure) is used to take in account the achievements of the programme in terms of financial absorption, physical realization and results. The analysis is taken from the TOC analysis and for the “Status of play” of the programme (see annex 6). Two important elements: in this exercise the evaluator is not taking into account the impacts (since it is too early and there will be a specific impact evaluation in the future) and when assessing the achievements, the judgment takes in account also the probability of meeting the target. The criteria in the second steps are

- Effectiveness: the probability of reaching target result and positive increase of the indicator result².
- Performance: the capacity to absorb the resources overall at axis level.

Figure Error! No text of specified style in document.-5 Theory of change



Source: elaboration of the evaluators

For the sake of clarity and simplicity, in the table below each of the results of the TOC is proposed in a multicriteria matrix with the following judgement criteria:

Table Error! No text of specified style in document.-11 Judgement and rationale for the Multicriteria synthesizing the result of the TOC analysis

Judgement in relation of the 5 criteria (Relevance, Plausibility, Assessability, Performance, Effectiveness)	Rationale
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² At this stage of the programme where the majority of the projects are on going it is too early to assess the result. Therefore we limit our assessment on the fact that at least the result indicator has a positive increase.

Judgement in relation of the 5 criteria (Relevance, Plausibility, Assessability, Performance, Effectiveness)	Rationale
HIGH level of attainment of the five criteria	The SO is fully adequate and no changes are needed
MEDIUM level of attainment with the five criteria	The SO is sufficiently adequate but in relation to the new programming period needs to be modified.
LOW level of attainment with the five criteria	The SO needs to be revised in this programming period since it is insufficiently adequate.

Source: elaboration of the evaluators

The results of the multicriteria applied are reported in the table below.

Table Error! No text of specified style in document.-12 Judgement and rationale for the Multicriteria synthesizing the result of the TOC analysis

SPECIFIC OBJECTIVE		R	P	A	E	P
1.1	Employment and labour mobility	High	High	High	High	High
1.2	Health and social infrastructure	High	High	Medium	High	High
1.3	Social and cultural inclusion	High	High	High	High	High
2.1	Environmental protection and sustainable use of natural resources”	High	High	High	Low	Medium
2.2	Environmental risks management and emergency preparedness”	High	High	High	Low	Medium
3.1	Mobility and transport infrastructure and services	High	High	Medium	Medium	High
3.2	Public utilities infrastructure	High	High	Medium	Medium	High
4.1	Investments for the growth of the demand of local tourism networks and promotion of innovative tourism activities	Medium	High	Medium	High	High
4.2	Capacity building initiatives for the improvement of quality and innovation of tourism services and products”	High	High	High	High	High

Source: elaboration of the evaluators

The key findings of the analysis are:

- No major corrections are needed at the level of S.O. in this programming period.
- In relation to relevance, only the S.O. 4.2 needs to be reconsidered and in the prospective of the new programming period. Since the tourism is increasing in terms of arrival, probably the next Program may focus on more qualitative aspects (e.g. sustainability and innovation) more in line with S.O. 4.2.

- In relation to “plausibility”, the theory of change reveals a strong logic connection between needs, objective, expected results, inputs and output.
- Concerning “assessability” all the S.O. are covered by relevant indicators. However in the next programming period some improvement can be done as suggested in the section 3.3.
- The no excellent effectiveness and performance of the S.O. 2.1 and 2.2 can suggest a financial shuffle to the other axis to make an horizontal call for capitalization (as it was done for example in Alpine space in 2007-2013).

Overall the plausibility, assessability, relevance, effectiveness and performance of the Programme is high. As such, it is important to be extremely conscious when changing elements of the programme. While it might be tempting to overhaul certain elements it is recommended in the first place to conduct a comprehensive *cost-benefit analysis* to ensure that the change will positively impact programme performance overall, rather than detract from it.

3.3 Quality assessment of the specific result indicators

The quality assessment criteria were based on key principles of the Better Regulation Toolbox (RACER criteria). Following the assessment that can be found in Annex A8, it was found that the modification to the specific result indicators is probably not appropriate in this last stage of programme implementation as resulted by the focus group. Indeed, changing the result indicators would require new baselines which obviously could not be defined at this point of the programme. However, they can be taken in consideration for the next programming period. Eventually, it is suggested to use the proposed indicators for the ex post evaluation, should a dedicated one be performed at programme level (see Annex A10: Action plan, impact evaluation).

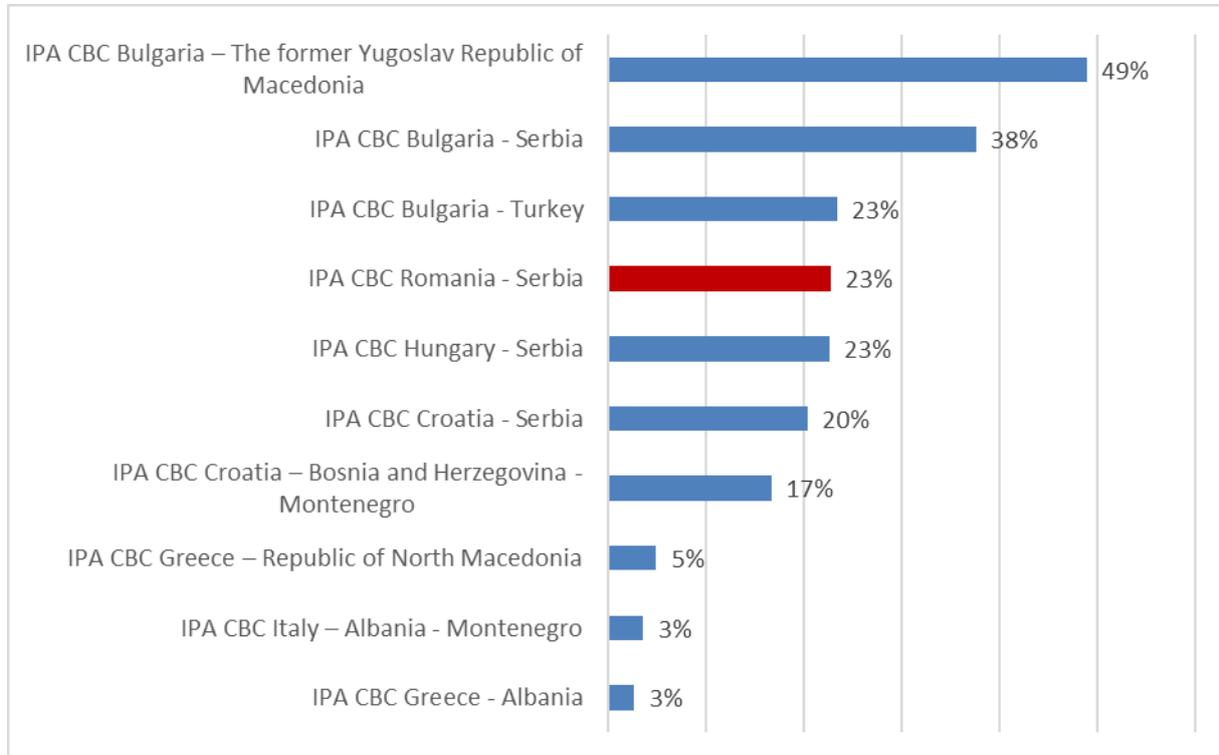
Furthermore, in order to properly evaluate the evolution of the result indicators (current status of the Programme Area), the evaluation team has replicated the same methodology utilized by the Managing Authority to establish the baseline values of the indicators. As a result, the data collection process for measuring the result indicators involved an ad-hoc online survey and secondary data sources. The results of the survey can be found in Annex A12.

3.4 Benchmarking

Progress in the absorption of the available resources

Data provided by the EC (see cohesiondata.ec.europa.eu) facilitate a comparison on the progress made by the Programme with the other Interreg and IPA-CBC Programmes. The figure below is based on the EC data and compares the performance of all IPA-CBC; the percentage represents the amount of eligible costs declared by the beneficiaries in 2019 out of the total Programme budget. The performance of the Interreg IPA CBC Romania – Serbia Programme is above the average percentage of eligible costs declared by IPA CBC Programmes (i.e. 23% against the 20% of the average).

Figure Error! No text of specified style in document.-6 Eligible expenditure declared by beneficiaries out of the total Programme budget



Source: cohesiondata.ec.europa.eu

However, it must be noted that the spending rate of those already at 49% and 38% is most likely connected to the small programme budget (BG-FYROM: 17 mil. EU funds, BG- RS: 30 mil. EU funds, BG-TR: 25 mil. EU funds) compared to the RORS budget which is 75 mil. euro EU funds.

Use of simplification measures

The 2014-2020 regulatory framework introduced the possibility of calculating eligible expenditure not only on the basis of documents certifying the expenditure made (for example invoices) but through simplified cost options (flat rates, lump sums or unit costs). The possibility of avoiding the use of invoices or other expense documents to certify the costs of the operations (or of parts of them) represents a considerable simplification both from the point of view of the programme authorities (no longer forced to check every single expense certificate) and from the point of view of the beneficiaries (no longer forced to provide for verification and keep certificates of expenditure).

In the context of Interreg programmes, a large use of SCO has been observed since the initial phases of the 2014-2020 programming period³. In particular, it is interesting to note that at the end of 2017, 90% of Interreg programmes claimed to use SCO. On the same date, the total amount of "covered" costs by SCP was equal to 17.3% of the available Interreg budget, a percentage considerably higher than the "covered" costs by SCO under the "mainstream" ERDF programs (3,3% of costs). According to data collected by the European Commission, the types of OCS most used in ETC are:

- the option provided by Article 19 of the ETC regulation (see previous table)
- The calculation of the hourly rate for personnel costs by dividing the most recent documented gross annual employment costs (Art. 68 (2) CPR) by 1,720 hours
- the use of lump sum to reimburse, once the approved projects, the preparation costs of the same.

Data collected through desk research and interviews reveal that the Interreg IPC CBC Romania-Serbia Programme is in line with the general trend observed at EU level for Interreg. Beneficiaries of the Romania-Serbia Interreg Programme have in fact also benefited from possibility of using simplified cost options. In particular they have the possibility to cover general administrative costs on the basis of a specific flat rate (administrative costs to be calculated as 5% of the direct costs).

³ See DG Regio study "Use and intended use of simplified cost options in European Social Fund (ESF), European Regional Development Fund (ERDF), Cohesion Fund (CF) and European Agricultural Fund for Rural Development (EAFRD)"

4. Key finding of the on-field analysis

4.1 Interviews with programme authorities

As a preliminary step in the evaluation on field analysis, interviews have been performed with the Programme Authorities. The topics were related to the different phases of the programme cycle: project selection, project implementation, achievement of results and communication (the latter topic is displayed in the Evaluation communication report).

- The Joint Secretariat (JS) for the Romania - Republic of Serbia IPA Cross-border Cooperation Programme (16/09/2019)
- Managing Authority for the Interreg IPA Cross-border Cooperation Programme Romania-Serbia, represented by MRDPA (09/08/2019 - 13/08/2019);
- Serbian National Authority, represented by the Ministry of European Integration (29/08/2019)

Overall the respondents have reported that the Programme is being implemented without main criticalities or challenges, and that the Programme is going to achieve the targets in terms of output and result as well as full absorption.

More specifically, in relation to **project selection**, the respondents agree on the importance of the eMS in facilitating the submission of the project, although the applicants encountered some initial difficulties in familiarizing with the system. For this reason, specific training activities have been implemented by the JS. Also, the structure of the application helps in streamlining the logic of the project making them more consistent with the overall logic of the Programme. Eventually, an incremental improvement of the project proposal quality has been noticed, even if some applicants still have some difficulties when framing the budgets and the activities. Overall it seems that “project culture” has been consolidated along the last two programming periods in the cooperation area. All the respondents agree on the fact that the communication and information activities carried out for potential beneficiaries/beneficiaries were adequate and sufficient to support them in submitting and implementing the projects. This fact was substantiated by the impressive number of communication events and participants and also by the large number of applications submitted on the 1st and 2nd call for proposals.

However, there are still some challenges for the applicants on the Serbian side which find difficulties in the co-financing rate of 15% or who consider sometimes the 15% of advance payment as not enough. One of the reasons is that there is a kind of “competition” among other ETC/EU and national programmes overcrowding the financial resources. One of the main difficulties met by

applicants when developing their project proposals was finding the right partners sharing the same cross-border perspectives and interests.

Table Error! No text of specified style in document.-13 Key answer from the interview in relation to project preparation.

JS		Managing Authority		NA	
Pro	Cons	Pro	Cons	Pro	Cons
<ul style="list-style-type: none"> - eMS: as an effective facilitation - help desk providing potential applicants/beneficiaries with all the information needed 	<ul style="list-style-type: none"> - Co-financing for Serbian applicants 	<ul style="list-style-type: none"> - eMS enabled better structured budgets - overall quality of the projects. - Familiarity of most of the applicants with the application form and the budget. - Adequacy of communication and information activities 	<ul style="list-style-type: none"> - Equal opportunities and non-discrimination horizontal principles not fully understood by the applicants. - finding the right partners. - difficulty caused by budget division on working packages in eMS, - assessing the eligibility of projects. 	<ul style="list-style-type: none"> - introduction of eMS in the current programming period as significant step forward; 	<ul style="list-style-type: none"> - Project assessment procedure expected to be shorter

Concerning the **project implementation**, the interviews reveal several positive aspects as:

- In relation to control and audit, no major or recurrent errors were encountered in relation with the first level control. More important, so far, there hasn't been any case of confirmed fraud registered. This is an evidence that a sound verification system was developed.
- The Joint Monitoring Committee has a very diverse and balanced composition, with representatives from the national, regional and local administrations, NGOs, civil society, academic environment stakeholders etc.
- Simplification was partially gained by the introduction of SCO (in the form of the 5% for office & administration cost) but even more with eMS covering all the phases of programme implementation starting from preparing and submitting project applications, through project assessment to verification and monitoring.

At the programme level, administrative capacity and the number of staff involved meet the programme needs in terms of tasks, responsibilities and specific activities to be undertaken. As well, technical assistance, and in particular help desk, plays an important role in supporting the beneficiaries. Relevant activities of the technical assistance are the strengthening of the

administrative capacity of the public administrations and stakeholders involved in the projects, sharing good practices and assuring the effective functioning of the programme.

At project level, there are some concerns about the lack of internal competences on administrative issues and public procurement. Furthermore, the staff within the partnerships change frequently and this turn-over can affect the continuity of internal management.

Moreover, for projects that envisage infrastructure works, it is difficult to find and contract stable, responsible and professional companies to conduct works. In addition, there are problems during public procurement procedures when often beneficiaries receive offers which exceed the available budget. Also, there are cases when once contracted, the contractor does not respect the timeframes defined and often request to increase the contract value.

Table Error! No text of specified style in document.-14 Key answer from the interview in relation to project implementation.

JS		Managing Authority		NA	
Pro	Cons	Pro	Cons	Pro	Cons
- flat rate of 5% on office and admin. costs is considered as a simplification	- Human Resources part still needs to be further improved.	- No major or recurrent errors were encountered in relation with the first level control. - No case of confirmed fraud. - Very diverse and balanced composition of Joint Monitoring Committee. - Adequate administrative capacity, and number of staff involved at programme management level.		-All relevant stakeholders represented in the JMC. -TA funds contributing to reducing administrative burden and strengthening the administrative capacity	- contract amendment demanding in term of documentation - difficult and risky contracting out for infrastructure works - problems during public procurement procedure - problem in contract execution.

In terms of **financial achievements**, the interviews reveal a high level of optimism. Firstly, the current status of programme implementation shows an advanced level of financial uptake/commitment which allows to expect the achievement of the financial targets; Projects selected under the 2nd call for proposals are currently being contracted, while those selected under the 1st call for proposals are about to get finalised (with beneficiaries submitting their final project reports). Further on, as soon as the finalisation of the projects of 1st call has been completed, based on the total amount of savings calculated, the managing authority will start to contract available savings from the reserve list, to achieve the highest possible absorption rate. Hence, no decommitment issues are foreseen at the moment.

From the perspective of the **physical achievement**, some issues were initially encountered with Priority Axis 3 programme output indicators “Sustainable mobility and accessibility” but they were subsequently solved through the up-date of indicators’ target values and programme revisions. Therefore, according to the opinion expressed by the interviewees, there are currently no problems regarding the achievement of output indicators at any priority axis.

The shared opinion on good level of achievement allows the programme authorities also to reflect in how to capitalise the good result. One idea is the creation of clusters (medicine can be a domain) that will generate projects with higher impact and added value.

Table Error! No text of specified style in document.-15 Key answer from the interview in relation to project achievements.

JS		Managing Authority		NA	
Pro	Cons	Pro	Cons	Pro	Cons
-good results obtained can be capitalized by the creating of clusters (medicine can be a domain) that will generate projects with higher impact and added value.		-the advanced level of uptake/commitment should assure the achievement of the financial targets. No decommitment issues are foreseen at the moment. - No problems regarding the achievement of output indicators at any priority axis.		- No de-commitment is expected to take place at programme level.	

Details on interviews can be found in Annex A2.

4.2 Case studies

Case studies were performed on 6 different projects, 5 of which were at latter stages of their work or otherwise entirely finished. One of the projects had not yet been finalized. Some key information about each of the projects can be noted presently:

Table Error! No text of specified style in document.-16 Case study projects

Overview of Project Work	Specific Objectives	Lead Partner	Value of Project (in EU co-financing €)
Improvement of the abdominal surgery services over the cross-border area	1. Developing a network of specialists in laparoscopic surgery over the cross-border region. 2. Providing free high quality medical services for citizens from the cross-border area with abdominal pathologies. 3. Raising the awareness of the population from the cross-border area with regards to the abdominal pathologies.	University of Medicine and Pharmacy Timisoara	€ 976 859.24
Energy Efficiency	1. Infrastructure, equipment built/ installed/	Territorial	€ 1 150 192.41

Overview of Project Work	Specific Objectives	Lead Partner	Value of Project (in EU co-financing €)
in Romania – Serbia Cross-Border Area	modernized in the field of cross border services for environmental protection. 2. Studies in the field of environmental protection and emergency management. (technical and scientific studies, researches in the relevant fields) 3. Participants to project initiatives and events for information and awareness rising.	Administrative Unit – Municipality of Reșița	
Mobility and transport infrastructure and services - Improvement of Banat Connectivity	1. Improving conditions for movement of people, goods, and services in cross border area for further development of border crossing Nakovo-Lunga; 2. Overcoming the border as a perceived barrier and promoting stronger cooperation and contact between cross-border regions and communities.	Roads of Serbia	€ 1 541 455.89
Investments for the growth of the demand of local tourism networks and promotion of innovative tourism activities	1. Improving the cross-border cooperation structures for tourism services in Borski-Mehedinti cross border area by investments in 2 tourist products; 2. Creation and promotion of a local brand and promotion of good practice exchange in local cultural and rural tourism in Borski-Mehedinti cross border area; 3. Development of a partnership for promotion of joint innovative actions and communication instruments in order to identify and put into value local cultural and rural inheritance in Borski-Mehedinti cross border area.	Municipality of Kladovo	€ 1 969 382.73
Employment and Labour: A new chance for social inclusion of inmates	1. Increasing social inclusion chances of inmates incarcerated in Timisoara Penitentiary and Pancevo Penitentiary by acquiring knowledge and skills for producing and selling dry herbs and medicinal plants, fruit and vegetables 2. Promoting the granting of equal chances to former inmates upon employment, as well as to increasing the potential of inmates to become self-employed	Center for Promoting Lifelong Learning - Romania	178.941,78 €
Strengthening the capacity of the Romanian and Serbian authorities to react in case of flooding and earthquakes	1. To improve capacity of the cross-border area to jointly manage floods and earthquakes situations and rescue by the end of project implementation period 2. To strengthen cross-border cooperation between the two sides in order to reduce the effects of floods and earthquakes by the end of project implementation period; 3. Raising awareness of local population regarding actions and rules to be followed in case of floods and earthquakes.	Ministry of Interior of the Republic of Serbia, Sector for Emergency Management	€ 1 717 514.50

In relation to **Project Preparation**, there was agreement that training and informative actions have been useful in preparation. The same level of consensus was not reached on the overall process of assessment. On one hand, some of the lead partners argued that documentation around project assessment, selection, and contracting ought to be reduced and that site visits before signing the Agreement should not be necessary. On the other hand, others held the opinion that the amount of

documentation was not an issue. The same project lead partner which mentioned these issues around assessment, selection, and contracting stated that improvements had been made in any case since the previous programming period, around project submission/selection/contracting/implementation and monitoring phases.

In the preparation of the implementation stage (preparation phase) difficulties mentioned surrounded initially finding an appropriate partner for the project and delays with contracting. Resourcing issues were also evident.

As with the incident-free preparation aspects, **implementation** has mostly been smooth. The main difficulties were works which were already contracted not being received on time, complying with budget, and lack of logistical support. In only one case, one project partner argued that it did not receive any programme support. A major success in this programme is simplified cost options (SCO). All respondents noted that SCO proved efficient and helpful. The majority of partners mentioned that a flat rate for personnel costs would be an improvement. A couple of them also mentioned a flat rate for travel and accommodation.

In terms of **achievement**, the six projects aim to achieve “hard” results related to physical changes as well as “soft” results entailing changes in the intangible assets of the territories, e.g. in networking professional capacities, technical skills, awareness of the citizens, *inter alia*. Two projects are significant to be mentioned:

- The project *Improvement of the abdominal surgery services over the cross-border area*
The main objective of the project was to improve the quality of life for the population from the cross-border area with abdominal pathologies. The acquisition of the latest generation surgical equipment and advanced training for expert surgeons ensured access for the population of the cross – border area to modern high-quality services of abdominal surgery in Timișoara and Smederevo. Moreover, throughout the project, the partners provided both free investigations and free surgery services for the population of the region, thus contributing to one of the main fields of interest for the population and improving their quality of life. Beside these very concrete and tangible benefits, the project has developed a network of specialists in laparoscopic surgery over the cross-border area around the 2 poles: Timisoara and Smederevo.

- The project on *Energy Efficiency in Romania – Serbia Cross-Border Area*
This project has an interesting mix of “hard” and “soft” results. The main project objectives are the enhancing of energy efficiency, the increase and use of production of renewable energy and reduction of greenhouse gas (GHG) emissions through:
 - o Installation of solar panels on the rooftop of the Swimming Olympic Basin in Reșița
 - o Replacement of all joinery in the regional sports hall in Pancevo
 - o Insulation of walls and roof in the regional sports hall in Pancevo
 - o Upgrading the heating and the cooling system in the regional sports hall in PancevoBeside such “tangible” results, other activities planned were supporting the purpose of raising awareness in the field of energy efficiency and renewable energy. Thus, the communication activities did contribute to the promotion of the project results, while, in combination with educational seminars, it did highlight the significance of such interventions in the society - with the aim of being generally accepted and implemented.

In relation to the application of the **equal opportunities** and **non-discrimination** horizontal principle, especially as regards the equality between men and women, the projects contributed to these ends in different ways. Examples of good practice are the University of Medicine and Pharmacy Timisoara, which set out procedures and requirements in its work around this, and the Territorial Administrative Unit –Municipality of Reșița project, which ensured free access for all of the targeted categories to its activities, with all the outputs designed according to the needs of main target group i.e. young and those who belong to marginalized groups. From the interviews, however, for the rest of the projects is not very clear how the principle was accomplished.

Details on the case studies can be found in Annex A3.

4.3 Survey

The survey targeted project beneficiaries and applicants who have not been successful in order to have a wide spectrum of opinion. In this section, the main findings are synthesized, while in the annex the full analysis is displayed.

In total the respondents were 102. The applicants were in number of 78 while the beneficiaries were 24, 17 from the first, 5 from the second call and 2 from the strategic call. Eventually, all the specific objectives were covered.

At **PROGRAMME LEVEL**, about the **programme effectiveness in supporting beneficiaries** in project preparation the key results emerged are:

Accessibility and usefulness of the applicants' guide Beneficiaries and applicants are satisfied/ very satisfied of the applicants' guide: 88% of beneficiaries and 82% of applicants rated 5-4 (score 0-5) the level of accessibility and usefulness of this supporting instrument.

Volume and complexity of documents to be submitted in the application phase 33% of beneficiaries consider that the documents needed to submit the application form are many and complex. The perception is similar also among applicants (32%). However, most of respondents consider all the required documents as relevant and necessary.

Difficulties in filling the sections of the Application forms 40% of beneficiaries consider that the most difficult part of the Application Form is the one related to the formulation of the project budget, while the second most difficult (35%) is the section on the Project relevance, approach and focus. Some respondents expressed the need to use the native language to fill the AF. Other think that more simulation, training sessions could be very helpful.

Support provided by the programme to applicants in preparing the project 81% of the applicants consider that the support received by the programme bodies in preparing the project was good/ very good.

With regard to the **project assessment and selection process**:

Project assessment and selection system For the beneficiaries: the project assessment is considered efficient/ very efficient by 88% of respondents (none consider it very

inefficient) and, 88% of respondents trust the transparency of the process. Overall, the perception on the selection system is positive/very positive for 90% of respondents even if 54% of beneficiaries have the perception that the process could be speeded up.

For the applicants: 78% of respondents rated the project assessment and the selection process as very trustworthy / trustworthy in terms of transparency; 67% of them think that it should be accelerated.

Project contracting system

The contracting system is considered efficient / very efficient by 87% of respondents and in particular in terms of transparency it is considered as trustworthy /very trustworthy by 92% of beneficiaries.

Regarding the documents to be submitted in the contracting phase 59% of beneficiaries consider them many and highly complex.

In what concerns project submission/selection/contracting/implementation/ monitoring phases, 63% of the respondents stated they have noticed improvements compared with the previous programming period.

Concerning the eMS **and its user friendliness**: both applicants (77%) and beneficiaries (84%) consider eMS system easy/ very easy to use. To be noted that none of beneficiaries think it is very difficult to use. Some suggestions for improvements from respondents are: the storage capacity and the possibility to view all data from one reporting period to another.

In relation to the **Antifraud strategy and whistleblowing instruments**, 58% of the beneficiaries are aware of the instruments set up at programme level for reporting any concern or a suspected fraud or irregularity but none had to use them. 70% did not propose or put in place any internal code of conduct or any other specific measures to reduce the risk of fraud that may occur within the project activities.

At **PROJECT LEVEL**, concerning the **projects preparation and implementation**:

Problems in submitting the application:

In general, 38% of beneficiaries declared to have not encountered any difficulties when submitting the project application while 21% found the use of the eMS platform difficult. Applicants mostly found difficult to understand the applicant's guide conditions (26% of respondents).

Problems in the implementation phase:

46% of respondents did not face any difficulties during the project activities, 25% consider the implementation of the activities according to the Time schedule an issue while 21% make efforts to be compliant with the planned expenditures.

Support by the programme:

88% of respondents considered "very good" the support from the programme bodies during the project activities.

Concerning **the administrative burden**:

Time for project preparation From the conception to the submission the time required to fill the application form is 46,58 working days (median)

Time for project management Beneficiaries estimated that to run project management activities 206,66 working days are needed in one year

Simplified cost options 83% of beneficiaries consider the use of the simplified cost options as very useful.
Respondents would like the programme to introduce or keep in the future the following options: flat rate for office and administrative costs (63% of respondents), flat rate for external expertise and services (58% of respondents) and flat rate for staff cost (50% of respondents).

With regard to **physical and financial progress**

Reachability of target values 75% of beneficiaries declared to have achieved between 70% and 100% of project activities and 87% of beneficiaries consider that the project outputs will be easily achieved.

Factors affecting project implementation Factors affecting project activities are internal (i.e. none face external ones). The most recurrent ones are: human resources and financial capacity,

Horizontal principles:

Horizontal principle According to stakeholders, horizontal principles are integrated in the project initiatives. However, the responses when asking concrete examples were vague.

Equal opportunities All the events/initiatives organised are equally accessible to everyone with no discrimination in terms of gender, age, nationality etc.

Interest for the future programme:

The interest in applying for funding within the 2021-2027 is very high both from the beneficiaries and applicants (respectively 96% and 99% of respondents). The most interesting areas to cooperate are education (57% of beneficiaries and 60% of applicants) and environment (52% of beneficiaries and 53% of applicants).

Moreover, 52% of beneficiaries and 71% of applicants already have project ideas for the future programming period while 83% of beneficiaries and 55% applicants have identified possible partners for developing projects.

Survey graphics can be found in Annex A1.

1.4 Focus group

The focus group day is used to validate the evaluation and provides a platform for interaction between the evaluator and MA, NA, and other relevant public stakeholders, where the evaluator has

the capacity to relay the key findings of the programme and express interpretations of these, and to receive feedback from the various stakeholders for an integrated representation of the implementation status for the final implementation report.

The day was split into two Focus Groups (FG), FG1 and FG2.

- FG1 was subdivided into the following sections: Programme implementation – status of play; Programme Management; Project and Programme Results; and Communication Strategy.
- FG2, on the other hand, presented the overall effectiveness of the Programme and included suggestions for the future.

The attendees of the focus group were 6 evaluators (3 from t33; 3 from ACZ), 4 members from the MA, a couple from the Competition Council and JS each, and others from the NA, Antenna, Romanian Ministry of Transport and ADR SV Oltenia.

Details on the focus groups can be found in Annex A13.

The main assessments from FG1 were as follows:

Programme implementation: status of play

- Financial Performance: All milestones for 2018 reached and often surpassed. Based on the trend on output and financial performance indicators, the targets are likely to be achieved by 2023.
- Physical Performance: In general, projects do achieve target objectives. Main factors limiting this are possible overestimation of initial targets, delays in implementation of public procurement procedures, lack of adequate human resources or lack of financing capacity.
- Forecast: Estimates based on the planned objectives of the contracted projects suggests that there are high chances of reaching the target for most indicators.

Programme Management

- Support in the preparation phase and project selection: The applicant guidance is useful and tailored around the needs of the applicants.
- Monitoring: The eMS system appears to have a high level of accessibility and user friendliness for programme beneficiaries and potential applicants.
- Horizontal and Partnership principle: Recommendation for Programme authorities to revise application guide to emphasize horizontal principles.
- Antifraud and Technical assistance funds:
 - TA funds play important role in contributing to achievement of programme's objectives;
 - Programme body anti-fraud activities led to realisation of Anti-fraud strategy objectives.
 - Measure to reduce administrative burden: Introducing **eMS & simplified cost options (SCO)**, the main simplification measures, represent significant step in reducing administrative burden.

Project and Programme Results

- Achievements in terms of results: The analysis of the result indicators found mixed outcomes. As some indicators overperformed while others decreased compared with the baseline.
- Assessment of the quality of the indicators: result indicators assessed through RACER matrix (Better EU Regulation package). Results are that at least 4 indicators are not fully adequate since phenomena they measure are not directly linked to the changes the projects can actually make. Risk is that the actual results of the Programme are not captured or underestimated.

Communication Strategy

- Progresses towards goals: Until 2018, all output and result indicators for 2019 were achieved, with the indicator “Number of participants in the events” achieving the target value for 2023 as well.
- Effectiveness of communication activities: The website of the programme and events organized, information/training sessions, proved to be most effective in reaching potential beneficiaries.
- Capacity to rise interest: The capacity of the programme to mobilize potential beneficiaries and beneficiaries is high as well as to inform the general public about the opportunity offered by the programme.

The main assessments from FG2 were as follows:

Programme Relevance

That the programme was still highly relevant in general across indicators initially used in Territorial Analysis for conveying Need.

Hints for the Future

- 1, Programme specific objectives are still relevant.
- 2, Beneficiaries and applicants a) are very interested b) already preparing projects and partnerships c) interested in the areas of education, health, environment, cross border management, energy.
- 3, Main results of the Programme are:
 - Raise awareness
 - Create knowledge (pilot test)
 - Boost innovation
 - Provide services -> increase quality of life
 - Improve light infrastructure to Provide services.

These results are mainly affecting “intangible assets” of the territory & improve concretely the life conditions of people.

4, In the same cooperation area, there are different CBC Programmes (e.g. Romania-Hungary, Romania-Bulgaria, Croatia-Serbia, etc). Risk then of not coordination, crowding out, unintended competition.

5, It is important to capitalise Programme results to make programme more specific & building on previous achievement. Important to follow up financially specific projects presenting, for example, feasibility studies or testing innovative solutions exploring the possibility offered by financial instruments also at level of EU (i.e. INVESTEU).

Main feedback from the participants:

- Generally, the focus group agrees with the findings and the suggestions of the evaluator.
- On result indicators, at this stage the re-design of the indicators will be burdensome and particularly difficult to implement due to the current revision of the programme.
- On communication, the programme implemented communication campaigns at national level but they were not successful as expected. The reaction from the media was very slow and this did not off-set the high costs to finance them. In addition to the communication indicators, it does not seem efficient to introduce, at this stage of the programme, new indicators for the beneficiaries.
- Agreement on simplification, MA is already working on the possibility to introduce SCOs, are thinking about capitalisation and follow up activities, through cluster consultations and joint working group.

Conclusion from the evaluator

- Evaluator stresses the importance of taking into account all relevant pros and cons before making changes since programme is working well
- Agreement from evaluator about result indicators that they cannot be changed now, it will not be efficient; but noted that this needs to be taken account in ex post evaluation.
- Therefore, the evaluator proposed that the impact evaluation will design an ad-hoc set of indicators to capture the actual result of the programme.
- Evaluators agree about communication indicators – not to change the indicators now – but notes that they also must be taken in account in ex post evaluation.
- The evaluator guides the programme authorities to focus on capitalisation at present, and to consider what needs to be done / what can be tapped going forward.

5. Answer to evaluation questions

5.1 Programme Level

EQ 1.1.1.	Did the applicant guide and pack enable the potential beneficiaries to prepare their applications well? What can be improved?
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Analysis

From the **desk review**, the main findings are:

- The section on **rules of the call for proposals** offers detailed information on the eligibility criteria, concerning applicants, actions, and expenditures;
- The section **How to apply** provides a clear and practical step-by-step explanation on how the applicants must fill the application form, however, the guide must include more details on activity planning and budgeting;
- The section **Evaluation of applications** clearly informs the applicants on the procedures of project assessment and selection and on the procedure to appeal the assessment of a project;

From the **interview** with both the Programme authorities and project leaders, it has been documented that at project level, the major issues were the aspects linked to the identification of the partner and co-financing. Beside these, the interviews confirm that for some beneficiaries there are outstanding issues related to budgeting and framing of the activities.

The results of the **survey** indicate that both the beneficiaries and the non-beneficiaries are satisfied with the applicant guide. However, the majority of the programme beneficiaries (88%), stated that the volume and complexity of documents in the application phase is high/ very high. Non-beneficiaries noted similar issues regarding the complexity and volume of documents. In general beneficiaries have not encountered difficulties in submitting project applications, except for some finding difficulties in using the eMS system.

According to the survey, the most difficult sections to fill in the Application Form are the “Project Budget” section and the “Project Relevance, Approach and Focus” section, while the major problems and difficulties encountered when submitting the project application were: the number and/or complexity of requested documents; planning the project activities; and using the eMS platform. The suggestions that came from the beneficiaries include more examples of good practice in the applicant guide, particularly concerning the preparation of project budget and logical framework. Among the non-beneficiaries, suggestions included: a clarification of the documents to be submitted; and clear, transparent, coherent, and specific procedures.

From the **Focus Group** further aspects related to the applicant guide have been analyzed and further suggestions were developed (below conclusions and suggestions).

Conclusions and Recommendations

C.PG.1. The applicant guidance is useful and tailored around the needs of the applicants. In general, the support provided by the Programme is adequate and the quality of the project proposals is rising.

R.PG.1 Capitalisation aspects can be specified in the applicant guide so that beneficiaries know from the very beginning they also have to think about a follow-up phase. For instance, beneficiaries should detect the relevant stakeholders (e.g. the policy makers in the relevant field) to be involved to ensure project results can be refinanced and capitalised.

R.PG.2 The applicant guide should include concrete examples of compliance with: a) sustainable development principle; b) equal opportunities principle. These best practices shall be possibly identified within the Programme to stimulate emulation among the other projects.

EQ 1.1.2	Are the project assessment, selection and contracting systems efficient? Can project assessment, selection and contracting be accelerated? If yes, which are the proposed adjustments?
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Analysis

The **desk review** found the rules and procedures on selection, evaluation and contracting of projects to be clear, efficient and transparent. The process complies with the European guidelines and rules.

According to **interviews** with Programme authorities, the introduction of eMS in the current programming period represents a significant step forward and an important improvement to the previous period. All phases of programme implementation, starting from preparing and submitting project applications, through project assessment, to verification and monitoring, are simplified and more transparent for all programme bodies. Furthermore, the interviews emphasized that some simplification measures were realised by using the eMS, which enabled the production of better structured budgets in the applications, with activities directly connected to the budgeted amounts and to the indicators, which were therefore easier to track and monitor by assessors.

According to the results of the **survey** for the beneficiaries of the programme, the respondents are satisfied with the project assessment system, as 88% of them stated that the system is very efficient/ efficient. No one stated in the survey that the system is inefficient or very inefficient. Similar results are available for project selection, as 90% of the beneficiaries are very satisfied/ satisfied with the selection system. Concerning project contracting, the majority of the respondents, 87%, consider the project contracting system as very efficient/ efficient. However, 54% of respondents and 67% of applicants argued that the process could be accelerated. This sentiment is also confirmed by project lead partners interviewed for the **case studies**.

Both the beneficiaries and the non-beneficiaries have high levels of confidence in the transparency of project assessment and selection processes: 63% of the beneficiaries and 45% of the non-beneficiaries have a very high level of confidence, while only 4% of beneficiaries and 8% of the non-

beneficiaries have very low confidence in the processes. Regarding the whole process from the assessment to the contracting phase, 63% of the respondents have noticed improvements compared with the previous programming period.

The **focus group** confirms these findings.

Conclusions and Recommendations

C.PG.2. The programme significantly progressed the project assessment and selection processes compared to the previous programming period.

C.PG.3. More important, the beneficiaries have high levels of confidence in the project selection and assessment processes and believe that project assessment, selection and contracting processes are transparent and efficient.

C.PG.4. During the **focus group**, the evaluator pointed out that so far, the “administrative machine” is working well. Therefore, any changes shall be assessed with cautions by weighing the benefit with the risks and the transition costs.

EQ 1.1.3	Is the project monitoring system efficient? What can be improved?
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Analysis

The **desk analysis** reveals that the programme is in compliance with the provisions of art. 125(d) of the Regulation 1303/2013, regarding the set up of the electronic monitoring system (eMS) to collect information on projects and programme implementation progress. The monitoring system allows to issue financial programme performance and monitoring the horizontal themes (in line with art. 112 from EU Regulation 1303/2013) and also to communicate with beneficiaries.

The quality assessment of the result indicators has also shown that some indicator can be improved in terms of relevance and robustness.

The **interviews** carried out with programme authorities revealed the fact that the introduction of eMS in the current programming period represents a significant step forward compared to the previous programming exercise, as it increased the level of simplification and transparency across the entire monitoring procedural workflow.

When asked about the user friendliness of eMS, most of the programme beneficiaries involved in the **survey** (84%) declared themselves as satisfied or very satisfied with its level of accessibility and usefulness. The most common improvement recommendations were related to:

- increasing eMS storage capacity (e.g. so that larger documents can be uploaded);
- allowing the selected options/information already filled in to be retained from one reporting period to another (e.g. if a WP has started, and selected as such by the beneficiary, this information should be automatically saved for the next reporting period) to allow a centralized visualization of data from two or more reporting periods;

- improving the way of filling in the list of expenses (e.g. when making changes or loading documents for certain expenditure lines, the information once saved, directs the beneficiary to the first page, making the whole process more time consuming)

From the **case studies** it is noted that most projects found eMS to be useful and efficient, though a couple of the projects mentioned that it should be updated in order to have a more simplified version.

These findings were displayed and confirmed during the **focus group**.

Conclusions and Recommendations

C.PG.5. The eMS system appears to have a high level of accessibility and user friendliness for programme beneficiaries and potential applicants. Nevertheless, some drawbacks related to its functionality were identified during the evaluation process, most of them concerning the financial reporting and saving / storing information in the system from one reporting period to another. However, the introduction of eMS in the current programming period increased the level of simplification and transparency across the entire monitoring procedural workflow.

C.PG.6. Eventually the Indicator quality assessment (section 3.3) emphasises the need to revise some result indicators. In the ANNEX, a specific **ACTION PLAN** provides operational suggestions about it for the ex-post evaluation.

R.PG.3. The proposed result indicators do not automatically trigger an Operational Programme modification at this stage – they can be measured as part of impact evaluation. The impact evaluation team can assign an ad-hoc set of indicators to capture the actual result of the programme.

EQ 1.1.4	Do the anti-fraud activities carried out by the programme authorities lead to the achievement of the objectives set out in the Anti-fraud Strategy? Which actions were the most effective in managing the risk of fraud and dealing with fraudulent activity?
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Analysis

The Programme developed in compliance with the EU legal provisions, the anti/fraud strategy and took all the necessary measures, including legislative, regulatory and administrative measures, to protect the EU's financial interests, namely by preventing, detecting and correcting irregularities and fraud.

Based on the opinions of the key actors **interviewed** during the evaluation of the Programme phase, no major or recurrent errors were encountered in relation with the first level control. The Programme authorities also refers about the training sessions conducted with beneficiaries represented an opportunity to raise awareness about the risk of fraud, including by addressing the topics regarding the risk of errors occurring in the preparation of payment documents. Eventually, the Programme management structures have set in 2016 a self fraud risk assessment team, responsible with carrying out the fraud assessment risk at programme level. After the

recommendations of the Audit Authority, in the structure of this team representatives of Joint Secretariat and National Authority were included.

In relation to the **survey**, 58% of the beneficiaries are aware of the instruments set up at programme level for reporting any concern or a suspected fraud or irregularity but none had to use them. 71% did not propose or put in place any internal code of conduct or any other specific measures to reduce the risk of fraud that may occur within the project activities.

Focus group confirms these findings.

Conclusions and Recommendations

C.PG.7. The anti-fraud activities carried out by the programme bodies led to the achievement of the objectives set out in the Anti-fraud Strategy considering the following:

- Through the information sessions, trainings and dissemination of the relevant information related to preventing, detecting and correcting irregularities and fraud the opportunities for individuals to commit fraud were minimized. Furthermore, no relevant cases of fraud have been registered.
- The whistle-blower instrument and the additional measures taken by the programme authorities raised awareness of the fraud risks and ensured that effective anti-fraud measures are in place.
- The human resources involved in the Programme management had sufficient know-how, competences and methodological tools to assess the fraud risk and predict risks in the area vulnerable to fraud.

EQ 1.1.5

Are there any specific factors hindering the effective use of TA funds? Are there any steps in the use of Technical Assistance funds that could be made more efficient?

Analysis

The **desk analysis** shows that half of the TA funds have been financially between 2015-2018 contracted while the **interviews** reveal that technical assistance plays an important role for objective: reducing administrative burden on beneficiaries, strengthening the administrative capacity of the public administrations involved in the management of the Funds, strengthening the capacity of the stakeholders, sharing good practices among the stakeholders, the effective functioning of the programme etc;

Technical assistance is designed so as to fund activities that are necessary for the effective implementation and management of the programme, established in compliance with the operational/logistical needs of programme bodies, but also according to the needs of programme beneficiaries, the latter ones being encouraged to pose questions/express their opinions regarding this during the training sessions and seminars with JS.

The programme bodies consider that TA funds are expected to contribute to a great extent to the achievement of the following objective: reducing administrative burden on beneficiaries,

strengthening the administrative capacity of the public administrations involved in the management of the Funds, strengthening the capacity of the stakeholders, sharing good practices among the stakeholders, the effective functioning of the programme

The **focus group** validated these findings.

Conclusions and Recommendations

C.PG.8. TA funds play an important role in contributing to the achievement of programme's objectives.

R.PG.4. Since the implementation has been smooth, some resources of the TA can be already "invested" in designing the new programme and in capitalization activities (see also the next E.Q.).

EQ 1.1.6	Is the right balance of relevant stakeholders involved in the implementation of the programme, including as regards their participation in the Joint Monitoring Committee, from the point of view of applying the partnership principle?
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Analysis

The **desk analysis** information shows that the JMC performs according to the regulation. It supervises the programme's implementation, effectiveness and quality and the accountability of the selected operations, fulfilling the following types of responsibilities: 1)Strategic - with long term strategic implications on programme implementation (e.g. approving the Communication strategy, Evaluation Plan, Technical Assistance Strategy etc.), 2)Financial – with impact on the programme budget (allocations, reallocations, use of funds), 3)Regulatory - establishing rules for programme implementation (e.g. approving the criteria in the applicant guidelines before launching the calls for proposals etc.), 4)Formal – mainly examination of reports and other information sources, other current decisions regarding programme implementation (e.g. approving the annual and final reports, taking over information about the annual control and audit reports etc.). As regards its composition, the JMC convenes an overall number of 42 stakeholders from the national, regional and local administrations, NGOs, civil society and the academic environment out of which 23 belong to the Romanian side and 19 are representatives from the Republic of Serbia. In general, one mandatory meeting with JMC members is organized on an annual basis (on a rotation principle, alternating between participating countries, in the eligible area of the Programme), at the initiative of the participating countries or of the European Commission. Additional specific consultations are normally carried out via e-mail, whenever necessary.

Analysing the level of diversity among the members/observers appointed by each country, it can be noticed that JMC includes representatives of Ministries responsible for specific areas of intervention defined on programme priority axes, representatives of eligible territorial administrations, as well as representatives of umbrella organizations of Development Agencies and Chambers of Commerce, from each side of the border. Nevertheless, taking into account the structure of the relevant beneficiaries' categories, the JMC appears to have very few stakeholders representing social,

economic, educational, cultural or touristic fields and with an overwhelming majority of national, regional and local public authorities. Thus, from the total number of 23 Romanian members and observers, only two are stakeholders that belong to other categories than public administration entities, respectively one NGO (Intercultural Institute Timisoara) and one educational institution (University Eftimie Murgu Resita). A quasi-similar structure is observed among the representatives appointed by Republic of Serbia, namely out of the total 19 stakeholders, only one is a non-profit body (Standing Conference of Municipalities and Towns).

The Programme authorities agree in the **interview** about the Joint Monitoring Committee (JMC) has a heterogeneous and balanced composition.

The **focus group** was presented with these findings and there was a general consensus.

Conclusions and Recommendations

C.PG.9. Partnership principle appears to be consistently applied along with the actions and decisions taken at programme level. The institutions and organizations selected in the JMC have been engaged throughout the various implementation stages of the programme, including in monitoring, assessment of performance, evaluation and preparation of the annual implementation reports, through specific JMC setup for this purpose.

R.PG.5. Considering the fact that the JMC has a composition with an overwhelming majority of public officials (more than 80% out of the total members and observers), it is recommended to take into account the opportunity of considering a more balanced participation of external stakeholders, representing social, economic, educational, cultural or touristic areas. In the annex a specific **ACTION PLAN** suggests operational steps to enlarge the membership of Joint Monitoring Committee.

EQ 1.1.7	Is the equal opportunities and non-discrimination horizontal principle covered adequately and clearly within the guidelines for applicants and programme monitoring arrangements?
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Analysis

Desk research analysis found that the applicant guide for the first call was not very much detailed on horizontal principles. The applicant guide for the second call addressed the shortcomings of the first one, by improving the structure of the section and adding new information about the concept and requirements of the horizontal principles by employing a Q&A format.

The **interview** to the managing authority shows that the equal opportunities and non-discrimination horizontal principles are comprehensively described within the guidelines, though it seems the requirements were not fully understood by the applicants. According to the managing authority, the lack of understanding of the horizontal principles by the beneficiaries generated difficulties in the evaluation phases.

The lack of understanding of the beneficiaries over the concept and aim of horizontal principles is reflected by their responses to the **survey**. When asked where the project was the most relevant in

terms of horizontal principle and to give a concrete example, the responses were vague and many of them could not provide a concrete example of a situation/action which contributed to a theme.

From the **case studies**, feedback from beneficiaries is that they are all complying with horizontal principle notions, however, this feedback was almost never supported by hard metrics and as such it is inconclusive whether or not, on balance, projects did in fact align with horizontal principles or not.

Focus group confirms these findings.

Conclusions and Recommendations

C.PG.10. The requirements of the horizontal principles were not fully understood by the applicants and this generated difficulties in the assessment phases.

R.PG.6 It is recommended to revise applicant guide and introduce concrete examples of compliance with: a) sustainable development principle; b) equal opportunities principle. The example shall come from the programme itself to show the feasibility as well as to enhance positive emulation among partners.

In the ANNEX, an **ACTION PLAN** proposes some practical step to enhance the adherence to the equal opportunity principle.

5.2. Project level

EQ 1.2.1.	What are the major difficulties faced by the beneficiaries? What measures could be taken to overcome them? Are the beneficiaries sufficiently supported to prepare projects and implement them?
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Analysis

Data from the **survey** indicates that beneficiaries are generally satisfied about the support received during the application and implementation phase. Without prejudice to the generally positive impression concerning the programme procedure, respondents also indicate possible rooms for improvements, in relation to:

- The simplification of the documents requested during the application phase (which are perceived as too complex and numerous by 30% of respondents);
- The support provided in the identification of the appropriate partner to set up the project proposal;
- The definition of the project budget: eMS frames the budget in different packages and some respondents faced difficulties in understanding this approach.

With regard to the implementation phase, respondents mainly underlined difficulties related the public procurement procedures (in particular they stress the problems created by the mandatory requirement that tender dossiers need to be elaborated in English). Some beneficiaries raise the

attention on the procedure for requesting contract amendment which is perceived as too burdensome (in their view too many documents are required). Another main obstacle encountered during the implementation is related to the Serbian beneficiaries' capacity to provide the co-financing rate of 15%.

This issue of co-financing is also confirmed by the **interview** to programme authorities. The interviews identify additional issues as problems related to public procurement and contract execution. These problems are sometimes related to the lack of adequate technical skills in dealing with such administrative matters

In the **case studies**, the difficulties were not uniform, and ranged from delays with contracting and with work which was already contracted not being received on time, to complying with budget, to lack of logistical support.

In the **Focus Group** there was a general consensus on these findings.

Conclusions and Recommendations

C.PJ.1. All in all, the analysis indicates a general appreciation of the programme procedures.

As for the measures to overcome the identified difficulties, some recommendations are formulated below:

- R.PJ.1. More support can be provided during the application phase for helping applicants in identifying the proper project partner.
- R.PJ.2. Technical and more specific support should be devoted on public procurement issue.

In the ANNEX, an **ACTION PLAN** is proposed to help the applicant in finding the right partner.

EQ 1.2.2	Are the actions taken in order to reduce the administrative burden on beneficiaries working? What can be improved?
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Analysis

As emerged from the answers to the previous questions, compared to the previous programming exercise, a series of simplification measures were adopted by managing authorities with the purpose of reducing administrative burdens on beneficiaries. The findings collected during the **interviews** with programme authorities as well as from the **documental analysis** suggest that a significant step forward is represented by the introduction of eMS, the electronic monitoring system which supports the beneficiaries throughout the entire project life cycle, starting from the application submission and continuing with the assessment, approval, contracting, implementation, monitoring and payment. Analyzing the data collected within the **survey**, it can be observed the fact that most of the programme beneficiaries (83%) declared themselves as satisfied and very satisfied with the user friendliness of eMS, as well as with its level of accessibility and usefulness.

In the **case studies**, reflections on this question were generally positive, with responses that training and informative actions have been useful. One lead partner stated that it should be, and mentioned

that improvements had been made in any case since the previous programming period, around project submission/selection/contracting/ implementation/ and monitoring phases.

Focus group confirms these findings.

Conclusions and Recommendations

C.PJ.2. eMS (and SCO, discussed in the next section) represents the main simplification introduced during the 2014-2020 period. Data from the survey reveal that it (and SCO) is appreciated by the beneficiaries for its (their) benefits in terms of reduction of administrative burdens.

EQ
1.2.3

Did the use of simplified cost options prove to be efficient? What can be improved?

Analysis

The programme only implemented the flat rate for general administrative costs (5% of direct costs).

According to the findings of the **interviews**, the adoption of simplified costs facilitates the effective implementation of the Programme and projects. Currently, only one simplified cost option is available at programme level and is related to general office administrative costs granted as a flat rate of 5% for beneficiaries and 15% for technical assistance activities. These rates were established based on the programme bodies' previous experience. No problems could have been encountered as these costs are not being verified but are reimbursed on flat-rate bases representing 5% of direct eligible costs.

The results of the **survey** for the beneficiaries indicate that the adoption of the simplified cost options proved to be a success. The beneficiaries of the programme are very satisfied with the simplified cost options, as 83% of them appreciate them as very useful while 17% as useful. Nobody from the sample appreciated the options as useless or neither useful nor useless. When asked which potential Simplified Cost Options would consider useful to be introduced in the future programmes, most of the respondents selected flat rate for office and administrative costs, flat rate for travel and accommodation, flat rate for staff costs and lump sums for projects preparation. The use of the simplified cost option was explained to potential beneficiaries within the training sessions on how to fill in the application form.

According to the **case study** findings, SCO proved to be efficient and helpful. The majority of partners mentioned that a flat rate for personnel costs would be an improvement. Of those who answered, the majority also mentioned that a flat rate for office and administrative would also be useful. A couple of them also mentioned a flat rate for travel and accommodation.

The **focus group** there was a general consensus on these findings and the suggestion was made to identify possible SCOs to be used, consult with stakeholders on SCO possible advantages, assessing transition cost, defining the appropriate methodology, etc. In the Focus Group there was a general

consensus on all the suggestions. The MA noted it is already working on the possibility to introduce new typologies of SCOs.

Conclusions and Recommendations

C.PJ.3. SCO are perceived as very useful by the large majority of beneficiaries. Managing structures are also convinced that the adoption of simplified costs options facilitates the effective implementation of the Programme and projects. At the current stage, the programme has only one simplified cost option available (i.e. general office administrative costs calculated as flat rate of 5% of direct costs).

R.PJ.3. In the perspective of the future programming period we recommend to extend the use of SCO (e.g. by envisaging the possible use of lump sums to cover the preparation costs of other types of SCO to cover travel costs).

We recommend to already start to reflect on possible additional SCO to be introduced in the new programming period (e.g. keep a SCO for flat rate for office and administrative and introduce one for travel costs). An **ACTION PLAN** on simplification is in the ANNEX.

5.3. Physical and financial progress

EQ 1.3.1	To what extent have the objectives of the projects financed under this programme been achieved or are about to be achieved? What are the possible internal and external factors affecting the achievement of the objectives (e.g. human resources, financial capacity)?
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Analysis

The **desk analysis** (i.e. TOC) emphasise that overall the program is progressing quite well with a high performance and effectiveness.

The result of the **survey** indicates that the great majority (75%) of beneficiaries consider that the selected projects' objectives have been already largely achieved (i.e. by over 70%). Only 12% of respondents consider that they have not achieved even half of the proposed targets/objectives.

Data from the survey is generally confirmed by the analysis of the eMS reports of finalized projects, as the majority of the projects have fully achieved their initial objectives.

In relation to the quality of the results, interesting insights are offered by some of the projects analysed in the **case studies**. In these projects there is an interesting mix of "hard" results related to physical benefit for the people (e.g. better health services, saving in energy consumption) as well as "soft" results (e.g. increase awareness on emerging critical issues, enhancing of professional skills, etc.).

Regarding the internal and external factors that affect the achievement of objectives, the analysis of the outputs of the projects, based on the survey results and case studies, reveals that:

- 1) some projects have overestimated their initial targets. This means that in some cases the underachievement is not due to specific problems faced during the project implementation but, on the contrary, to errors made during the elaboration of the project proposals.
- 2) Some projects underline possible risks due to lack of sufficient personnel for implementation or lack of skilled personnel. Others underlined difficulties due to the lack of financing capacity
- 3) Others made references to problems related to the implementation of public procurement activities.

The **focus group** validated these findings and it was noted that remaining resources should be used mainly for an horizontal call for capitalization aiming in clustering and capitalising the results of the projects. The MA is thinking already about capitalisation and follow up activities, through cluster consultations and joint working group.

Conclusions and Recommendations

C.PFP.1. In general, projects do achieve the targeted objectives. Main factors limiting the capacity to achieve the objectives are: possible overestimation of the initial targets, delays in the implementation of the public procurement procedures, lack of adequate human resources or lack of financing capacity.

R.PFP.1. Tapping on these achievements, the MA should start to set up a capitalization strategy for the next programming period.

EQ 1.3.2	Which is the actual implementation progress as regards each specific objective? Which is the achievement level of programme indicators? Which is the achievement level of (proposed) performance framework indicators as compared to the (proposed) milestones?
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Analysis

The **desk analysis** underlines that, in relation to the common and output specific programme indicators, the average achievement rate is 45.04%⁴, considering all indicators by the end of December 2018, meaning that the programme presents a relatively medium achievement rate towards the 2023 target values. Based on the table included in the annex, it can be noticed that the highest average achievement rates are reached under Priority axis 1 – 59.87% and Priority axis 4 – 59.27%, while priority axis 2 and 3 still present a low achievement level (23.04%, respectively 14.95%). The results are in line with the fact that the managing authorities have encountered some issues under Priority Axis 3 - *Sustainable mobility and accessibility* (most complex in terms of application and implementation), but subsequently solved them through programme revisions.

In view of result indicators, the programme records a positive evolution, comparing to the baseline values established in 2015. In this view, most notably is the fact that RI3-2; RI4-1; RI4-2; RI4-3 have already reached the target values set for 2023. In the case of indicators RI1-1, RI1-2; RI1-3 the values

⁴ Considering that the achievement level can reach the maximum level of 100%

have increased since 2015, but only to a small extent. On the other hand, result indicators RI2-1; R2-2; RI2-3 has recorded a decrease.

The **focus group** confirms this views.

Conclusions and Recommendations

C.PFP.2. The analysis of the common and output specific programme indicators shows that the programme is in line with the initial targets, as the programme presents a relatively medium achievement rate towards the 2023 target values. This suggest that also the progress towards the targeted specific objectives can be in line with what planned in 2014.

C.PFP.3. Further on, the analysis of the result indicators found mixed outcomes, as some indicator overperformed while other decreased compared with the baseline.

EQ 1.3.3	1.3.3. Will the progress to date (given the current trends) lead to the achievement of target values of programme and (proposed) performance framework indicators? If not, which are the main causes and how can they be addressed?
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Analysis

Desk analysis of monitoring data reveals that:

- In PA1, out of 8 output indicators, 7 are estimated to fully achieve the target.
- In PA2, out of 6 indicators, only one is expected to be totally achieved;
- In PA 3, 3 out of 5 indicators will likely reach the target;
- In PA4, the full achievement concerns all the indicators

Overall, the state of play of the projects shows that, by 30th June 2019, there were 47 ongoing projects (70% of the total 67 contracted projects) out of which 26 finalised (40%), while all 20 remaining projects were due to start their implementation before January 2020. It is also expected that the programme will allocate the savings, gathered per axis, to additional projects from the reserve list.

So far, financial performance framework indicators present a 16% achievement rate, but the milestones set for 2018 were fully achieved. Also, the total eligible IPA expenditure for the contracted projects accounts for 70,810,129.64 EUR, or 94.53% of the total financial allocation at programme level, while savings under each priority axis will be allocated to additional projects from the reserve list. All in all, the allocated funds should be fully used if projects' implementation goes according to plan and the targets should reach the 100% threshold.

According to the opinion expressed in the **interviews**, there are currently no problems regarding the achievement of output indicators at any priority axis, indicating progress will likely lead to achievement of programme target values and performance framework indicators.

This sentiment regarding likelihood of success is mirrored in the **case studies**, where most beneficiaries noted that they are on the right track for achievement of these aims. However, one of the projects is yet to start and thus is not on track to do so.

Also, **the focus group** confirmed the idea that the programme will achieve the objectives.

Conclusions and Recommendations

C.PFP.4. All milestones set for 2018 have been reached and even overly achieved. For what concerns the progress towards the final targets for 2023 the analysis does not indicate any major problem. Based on the trend of the data on output and financial performance framework indicators, the targets are likely to be achieved by 2023.

EQ 1.3.4	Is there any de-commitment expected to take place at program level? What specific actions should be taken in order to minimize the de-commitment risk?
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**This EQ is linked with the above and identify whether de-commitment is expected to take place at programme level.*

Analysis

Considering the timeframe of the current evaluation report (until June 2019) and the actual approval date of the programme - 2015, the evaluation accounts for the budgetary commitment for the years 2015-2018, and thus the annual de-commitment for 2018-2021. The programme did not receive any warning letter from the Commission – evidence corroborating this fact can be noted by the payments balance, which evidences that the programme did not face any significant de-commitment issues.

This sentiment is mirrored in the **interviews**, where according to the interviewees' thoughts on the current state of programme implementation suggests an advanced level of uptake/commitment which is likely to ensure financial targets' achievement, and, as such no decommitment issues are foreseen.

In the **focus group** there was a general consensus on these findings.

Conclusions and Recommendations

C.PFP.5. No de-commitment issues were encountered so far at programme level and no de-commitment risk is present for the remaining period.

EQ 1.3.5	How do the financed projects contribute to the application of equal opportunities and non-discrimination horizontal principle, especially as regards the equality between men and women?
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Analysis

In what concerns the contribution of the projects to the application of equal opportunities and non-discrimination horizontal principle, especially as regards the equality between men and women, the main conclusions of the **documental analysis** are:

- The procedures and criteria applied for the procurement process were objective and transparent, treating economic operators equally and non-discriminatory, while complying with the public procurement laws (from Romania and Serbia);
- The target groups' selection process was conducted in a non-discriminatory, transparent and open manner; In some projects, specific disadvantaged groups were envisaged in this project - the cross-border Roma population; citizens with low income that don't have access to extensive investigation services;
- The project staff was, in many cases, set to evenly involve both men and women
- Many projects reflect with their proposed outputs and objectives the aims of the sustainable development theme

From the **survey**, the principle seems to be somehow taken in consideration by the beneficiaries, but the answers are not always very straightforward and there is often the confusion between the different principles. The **interviews** confirm the findings of the survey, as the programme bodies argued that the requirements of horizontal principles are not fully understood by the applicants, despite the information provided in the guide. Also, the **case studies** confirm these findings, as the beneficiaries did not explain with the period reports how the horizontal themes were specifically complied with.

Focus group validated these findings.

Conclusions and Recommendations

C.PFP.6. The analysis shows that principles of equal opportunities and non-discrimination are applied across the different phases of the programming cycle (from the programming phase until the project implementation). However, a certain level of ambiguity and lack of clarity appear at the level of projects.

R.PFP.2. We recommend the Programme to revise the implementation procedures for the next programming period (Applicant's Guides, the foreseen declarations) to better emphasize the respect of the principles of gender equality and non-discrimination in project implementation. An ACTION PLAN (in the ANNEX) has been designed to enhance the up-take of the programme and the project in relation to this issue.

Dedicated recommendations for the applicant guide are included under EQ 1.1.1.