



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
REGIONAL AND URBAN POLICY
Administrative Capacity Building and Programme Implementation II
The Director

Brussels,
REGIO.DDG.E.2/JVO/aa

VIA SFC

TO THE MANAGING AUTHORITY

**Reference: Large Infrastructure Operational Programme
CCI no. 2014RO16M1OP001**

Subject: Acceptance of the Annual Implementation Report 2017

Dear Mr Gheran,

On 30 June 2018, the services of the European Commission received the Annual Implementation Report for the year 2017 relating to the Large Infrastructure operational programme (LIOP) as approved by its Monitoring Committee.

On 5 June 2018, the services of the European Commission declared the Annual Implementation Report admissible. Subsequently, the Directorate-General for Regional and Urban Policy assessed the content of the report, also consulting other services of the Commission. On 27 July, the services of the Commission informed the Managing authority of their observations on the content of the Annual Implementation Report 2017.

The Commission then received on 30 October 2018 through SFC2014, in line with article 50(8) of Regulation (EU) No 1303/2013, additional information from the Managing authority, as well as information on the measures taken to address the issues affecting the implementation of the programme.

Having concluded the assessment, I am pleased to inform you that the Commission services can accept the AIR 2017.

However, the report still gives a general impression of slow progress and continuing risks to the successful implementation of the programme, especially when taking the values achieved by the indicators of the performance framework into account. The Commission therefore urges the Romanian authorities to do their utmost to ensure that the 2018 milestones for the programming priorities, as redefined after the programme modification submitted 9 October 2018, will be achieved and not result in the loss of the performance reserve for the priority concerned. It also expects the Romanian authorities to continue expanding and developing the limited administrative capacity of project beneficiaries in order to prepare, tender and

Managing Authority for the Large Infrastructure operational programme
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implement high-quality (major) projects. This includes the training of staff involved in verification and control tasks to limit the risk of fraud.

Where needed, the Romanian authorities should seek the assistance offered by JASPERS, the EIB and other international financial institutions.

The Romanian authorities should take the observations made by the Commission services for the 2017 Annual Implementation Report into account when drafting the report for 2018, notably explaining and analysing the problems that impede with effective project preparation and implementation.

At the end of 2017, the Ministry of Transport concluded performance contracts with the major transport project beneficiaries CNAIR, CFR and Metrorex. It is essential for the administrative capacity of these institutions, and thus for the success of the transport priority axes of the Large Infrastructure programme, that these performance contracts are closely monitored. The Annual Implementation Report 2018 should therefore also contain a summary of their evaluation.

Finally, I would like to refer to the recent DG REGIO audit of performance data reliability 2014-2020, carried out between 8 and 12 October 2018 in the Managing Authority and Intermediate Body of the LIOP. Although the final report has not been completed and communicated at the time sending of this letter, I would like to point out to the urgency of implementing the auditors' recommendations with an eye to the exercise in 2019 of allocating the performance reserve.

Yours sincerely,



Vittoria Alliata di Villafranca

cc.: Her Excellency Mrs. Luminița Teodora Odobescu, Permanent Representation of Romania
to the European Union

DG REGIO.C2 Audit