



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

Brussels
REGIO /

Subject: Acceptance of the Annual Implementation Report 2019

Ref.: Programme Large Infrastructure
CCI no. 2014RO16M1OP001
Annual Implementation Report 2019

Dear Mr Maristeanu,

On 25th September 2020, the services of the European Commission received the annual implementation report for the year 2019 relating to OP Large Infrastructure as approved by the monitoring committee.

On 2nd October 2020, the services of the European Commission declared the annual implementation report admissible.

The Commission received additional information from the Managing Authority on 5th October 2020.

The Commission services have now finalised the qualitative assessment of the report with the conclusion that **the report is accepted**.

However, in line with Article 50(7) of Regulation (EU) No 1303/2013, the Commission services ask for your attention regarding the following issues concerning the contents of future reports:

During the assessment of the report, we noted that in Table 5, the 2018 value of output indicators was that for the selected projects and not for the actual implementation. Consequently, comparison between 2018 and 2019 figures is misleading for the respective indicators, as progress appears to be negative. Other inconsistencies were found between values of the 2023 targets in Table 5 and in Tabel 3A by PA for several indicators¹. In response to the inquiry by the geographical unit with regard to these findings, the Managing Authority sent through SFC additional information with the corrections to the erroneous data and explanations on the correlations between values of different indicators or for the same indicator at different years. In the future reporting the

¹ CO13a (PA 2), CO18 and C)19 (PA 3), 2S38 (PA 4), CO30 and 2S58 (PA6), 2S62(AP 7 CF)

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Managing Authority should ensure the quality check and consistency of the values entered for indicators and include in the report the necessary explanations on the correlations between values, as the case may be, using for this purpose the warning information automatically generated in SFC at the end of the report.

We would also ask that the next reporting is more detailed on the reduction of risks on Major Projects submissions by the remedy measures put in place for improving implementation of biodiversity conservation measures under Priority Axis 4.

In addition, the programme could report on the use of Arachne, 'red flags' or any other measures to identify and address risks.

We also expect that, as we approach the end of the implementation timeframe for the 2014-2020 programme period, the presentations in the next AIRs sections 2 and 3 are more qualitative, linking results and their causes, rather than a mere presentation of numbers.

In line with Article 50(8) of Regulation (EU) No 1303/2013, the Commission services would like to make the following observations concerning issues, which significantly affect the implementation of the programme:

We take note of the progress in the project selection rate at the programme level, from 90.48% in 2018 to 125.23% in 2019, which could constitute a good basis for absorption of the allocation through implementation.

However, progress in PAs 4, 6, 7-CF for which performance was evaluated as poor in 2018, was not sufficient to provide assurance that set objectives will be achieved at the end of the programme period. By 2019, project selection and implementation rates in these priority axes were respectively 44%, 13% and 0% and 9%, 2% and 0%. These are priority areas with climate component and impact in clean energy transition with significantly increased relevance in the context of the recent economic and policy developments, i.e. the need for a green recovery, and the ambitious EU policy in the framework of the EU Green Deal, aimed to decarbonise the European economy by 2050. Therefore, we would like to encourage the programme authorities to accelerate the pace of contracting and implementation. At the same time, we would like to ask the Managing Authority to provide, for each of these PAs, a follow-up on the usefulness and efficacy of the measures taken in 2019 to improve implementation, how they led to increased performance, quality and absorption and whether they were considered to be sufficient or which other measures were taken in 2020 to further accelerate implementation.

Similarly, we would like to ask the Managing Authority to provide a follow-up on the impact of measures to accelerate implementation under PA 3 for which the rate of expenditure declared was very low (14.2%) compared to the contract selection rate (123.7%). As for the previous three PAs, please present whether/ how the measures taken contributed to accelerated implementation and whether these were sufficient or which other measures were taken in 2020 to further accelerate implementation.

We would also ask the Managing Authority to review the cases of indicators for which the value from actual implementation is already beyond the target value for 2023 and to consider revising upwards the target value for these indicators taking into account the current level of implementation. In addition, the Managing Authority should correct those cases of indicators in Table 5 for which the 2023 targets do not correspond to those in Table 3.A by PA approved in the last OP modification of 7 July 2020. Please ensure

these revisions and corrections are included with the first upcoming modification of the OP but no later than the end of 2021.

Likewise, Table 27 should be updated to reflect more accurately the number of Major Projects foreseen still to be transmitted to the Commission for this programming period and the date for transmission.

While the annual implementation report 2019 is hereby accepted, in line with Article 50(8) of Regulation (EU) No 1303/2013, you are requested to provide through SFC2014 to the Commission services, no later than three months from the receipt of this letter, the information on the measures addressing the above issues.

My services remain available to support you in your efforts.

Yours sincerely,

(e-signed)

Vittoria Alliata di Villafranca

c.c.: Permanent Representation of Romania to the European Union,
Units E2, F1, B2 of DG REGIO