



Building Operational Capacity for a Decentralized Government in Romania

- Water Supply Services Decentralisation Strategy
- Housing Services Decentralisation Strategy
- Employment Services Decentralisation Strategy

Introduction

Publication developed within the project "Building operational capacity for a decentralized government in Romania" financed by the MATRA program of the Dutch Government

Year of publication: 2005

Editors:

Sorina Racoviceanu, IHS Romania srl Carley Pennink, IHS Sharon Welsh, IHS Nigel Browne, IHS

The content of this publication belongs to the authors.

The editors are not to be held responsible for the opinions expressed herein.

Graphic design: Studio Bit srl

Contents

Foreword	1
Introduction: the context of document elaboration	3
0. The decentralisation process in Romania	19
Water supply service decentralisation strategy	27
2. Housing service decentralisation strategy	57
3. Unemployment service decentralisation strategy	85

Introduction

List of acronyms

ACSS - Administration of Community Social Services

AJOFM - County Agency for Unemployment

ANOFM - National Agency for Unemployment

CNFPA - National Commission for Adults Training

CUPAR- Central Unit for Public Administration Reform

FLAR - Federation of Local Authorities in Romania

GMAP - Group for Modernisation of Public Administration

IHS - Institute for Housing and Urban Development Studies

ITSC - Territorial Inspection for Safety in Construction Works

MAI - Ministry of Administration and Interior

MPF - Ministry of Public Finances

MLSSF - Ministry of Labour and Social Solidarity and Family

MTCT - Ministry of Transport, Construction and Tourism

NARCPS - National Authority for Regulation of Communal Public Services

NHA - National Housing Agency

NIA - National Institute of Administration

PSLFPA - Public Service of Local Finances and Patrimony Administration

RWA - Romanian Water Association

SWOT - Strengths, Weaknesses, Opportunities, Threats

Introduction

Foreword

ecentralisation and strengthening of local autonomy are priorities for the Romanian Government.

For supporting these priorities, the Government is currently elaborating a legislative package regarding local public administration, through the provisions of which a real reform of the Romanian administration will be realized. We need a modern and strong administration in order to live up to the European Union's standards. Aware of Romania's needs for having an efficient administration, the EU member states have supported us with

assistance given through international grant programs.

Therefore, in this context, the Minister Administration and Interior benefited through genuine support from the Dutch Government through the MATRA bcd project. This project provides a major contribution towards the enhancement of the relations between public administration's central and local levels, in developing decentralization strategies for three services of high importance for the Romanian citizens and in raising awareness regarding the performance indicators system.

Liviu Radu

Secretary of State, Ministry of Administration and Interior

Introduction

Introduction: the context for document elaboration

Authors:

Hans Teerlink, Project Leader Nicolae Taralunga, National Project Coordinator Introduction

"Every person has the right to a life standard that enables him and his family to be healthy and wealthy, meaning having food, clothes, housing, medical care as well as necessary social services: he is entitled to benefits for unemployment, sickness, disability, widow/widower, age or other cases of lack of living means due to circumstances independent of his will." (Universal Declaration of Human Rights, art. 25 par. 1, 1948).

During 2004 - 2005, the project "Building operational capacity for a decentralised government in Romania" (Matra BCD) developed activities in which representatives of local and central public administration, with Dutch assistance, could project in Romania, through the decentralisation process, an institutional climate capable of responding to these fundamental human rights and to new demands arising from Romania's planned accession to the European Union.

Financed by the Dutch Government through the MATRA programme, the project provides technical assistance, in the field of decentralisation, to the Ministry of Administration and Interior, represented by the Central Unit for Public Administration Reform (CUPAR) and is implemented by the following organisations: Institute for Housing and Urban Development Studies, Rotterdam (IHS), and VNG International the Hague, the Netherlands, Central Unit for Public Administration Reform from the Ministry of Public Administration, the National Institute for Administration, the Federation of Local Authorities in Romania and the Institute for Housing and Urban Development Studies Romania srl.

Project structure and objectives

The project is composed of four components. The first refers to elaboration of strategies for decentralisation of the public services of water supply, social housing and social services (unemployment). For this purpose three mixed teams were formed of representatives of CUPAR, the Groups for Modernization of Public Administration (GMAP) at the level of ministries (the Ministry of Administration and Interior, the Ministry of Transport Construction and Tourism, the Ministry of Labor Social Solidarity and Family), at level of counties (Prahova, Suceava and Timis counties) and City halls (Ploiesti and Suceava). The fourth component, implemented in partnership with the National Institute of Administration, refers to training and contains an e-learning course on decentralisation and local autonomy.

The general objective of the project is to build central and local public administration's capacity to be able to achieve the following objectives:

- Political objective: A new administrative system will be in place within the local administration that responds to local needs through a consultative model of decision making. The project works towards this objective by making strategies and benchmarks for public participation, political representation and transparency of public decisions.
- Socio-economic objective: Local public administration will have the managerial skills to deliver high quality services. This objective will be achieved by establishing benchmarks and institutional mechanisms within the public sector for rationally assigning resources to different functions, objectives and consumers.
- Practical objective: The decentralisation process in Romania is fully implemented and functional. Relevant project activities are human and institutional capacity building for decentralisation.

Through the manner of organization, the project raises issues regarding the evolution of the decentralization process and the institutional structure of public administration in providing public services:

- The first aspect is that the decentralization process does not represent only a technical exercise between central and local administration, but it is measured through the impact produced at the level of each public services' beneficiaries, more specifically at citizens' level.
- The second aspect brings to attention the necessity of implementing a performance indicators system for each public service, through which various public organizations in the country can compare the services provided from the point of view of consumers' level of satisfaction, through efficiency and effectiveness.
- The third major aspect under consideration, with reference to social services decentralisation deals with local public administration, as a reference point for citizens, with the option of organizing within the city hall responsibilities regarding all social services required by a community.

The implementation process

From the methodological point of view, the project has stimulated the decentralisation process of three public services. This was done together with representatives appointed from local and central administration, supported by Dutch and Romanian experts (1). The strategy for political and administrative decentralisation of the water supply service, the social housing service and unemployment, together with an action plan on short-term (2) performance indicators necessary for providing the service and (3) the system for monitoring and evaluation of these indicators at national and local level were put together.

During the period of development, the project followed the following stages:

- The first stage consisted of a 30-day training course that was finalized in Rotterdam by the project teams, at IHS.
- The second stage consisted of a number of public debates organized in the pilot cities, over a period seven months, for improving the strategies based on the local conditions. During these meetings, under the coordination of Dutch and Romanian experts, the working groups have compared their results with the experience of the representatives of local and/or deconcentrated public institutions holding responsibilities in the provision of these services. The action areas for the debates organized in the pilot cities have scanned means of identifying benchmarks and means of monitoring and comparative evaluation of these benchmarks based on the local conditions, as well as analysis of institutional mechanisms involved in the service supply and consumers' satisfaction
- The third step represented the finalization of the first version of the strategies and their public debate on the Internet as well as during a workshop, where representatives of local and central public administration added their contribution. The comments and recommendations of the participants in the public debates led to the improvement of the strategies.
- In the fourth stage, the revised version of the strategies were tested again in a new set of pilot municipalities/counties Botosani city for the water supply decentralization strategy, Oradea city for social housing decentralization strategy and Caras Severin county for the unemployment decentralization strategy, the final version being presented herein.

The document content

The Romanian decentralisation framework, presented in chapter 0, contains a brief presentation of the three decentralisation strategies. The extended version is located and can be seen at the project's partners - the Central Unit for Public Administration Reform from the Ministry of Administration and Internal Affairs, the National Institute for Administration, the Federation of Local Authorities in Romania, IHS Romania, or on the websites of CUPAR and IHS Romania during the first 6 months of the year 2006.

Each of the strategies is structured according to the elaboration methodology, as follows:

- Chapter 1 makes an analysis of the modus operandi of the respective services, focusing on consumers' needs and the answer given to this demand by the public administrations involved. Within a SWOT analysis the problems the service decentralization process is facing is identified.
- Chapter 2 formulates the strategy for improvement of the existing situation by proposing general and specific objectives of which implementation will ensure a service decentralization framework and will lead to increase of the service performance.
- · In view of strategy implementation, chapter 3 is proposing an action plan for the short term, with activities related to achievement of objectives, performance indicators for monitoring the services, as well as for a benchmarking system¹.

Acknowledgements

The management team wishes to thank everyone involved in the project and those who have participated in the activities developed throughout the two years of implementation: the teams and the Dutch and Romanian experts who coordinated and wrote the strategy documents; the Dutch and Romanian trainers and the participants of the training courses; and not least the Dutch taxpayer for financing this project.

See annex 1 for a brief presentation of this system.

Annex 2 presents a list of all persons involved in the project.

Annex 1: The benchmarking system and the public services monitoring and evaluation paper

Authors: Anke Ruige, VNG International Nicolae Taralunga, IHS Romania

Performance indicators

The key characteristic for the administrative system is enhancement of democracy. Local administration should efficiently and effectively respond to local needs and be "accountable" to its own electorate. Although basic services are provided by and in the name of local public administration, the instruments for improving the efficiency and effectiveness of public services are designed by the government.

In the context of decentralisation, services systems of local public administration must be compared between administrative - territorial units, in order to obtain a coherency of leadership from the point of views of the performance of the services provided to the citizens.

Today, local administration has much more to do using ever decreasing financial resources. Citizens expect more both in quantity and in quality while financial resources are decreasing. When it comes to quality of services, though politicians obtain support from the electorate, we cannot forget that the administration does not function according to an important principle of a market economy namely, competition. Even if it is not possible to work as in the private sector, it should at least be possible to borrow tools that this sector is employs, such as performance control and evaluation systems.

Benchmarking

In order to monitor the results of policies formulated by the local administration, or to monitor supply of services, there needs to be performance indicators which ensure a transparent implementation of these policies and provide the possibility to compare results between several municipalities. For a well functioning

performance indicators system related to the services provided by the local administration, it is first necessary to understand the motivation for we creating this system. What is it we want to benchmark and how do these indicators differ?

This benchmarking system has the advantage of providing to local authorities with the possibility of improving their performance (efficiency and effectiveness), as well as being a measurement instrument for the consumers' satisfaction level. The benchmarking process is a transparent, cyclic process and a practical tool that follows several stages, including: data collection, analysis and reports, definition of changes to be made, implementation of changes and reporting the results obtained.

The purpose of the system is to compare, with other organizations, performance and manner of working used to improve this performance. A comparison of a set of numerical indicators can lead to an interpretation of "the story hidden behind the numbers" and can provide examples of what and what not to do, therefore enabling an organization to learn from other organizations' experiences.

The benchmarking system is projected on three elements of the service supply that refer to:

- · Effectiveness: meeting the results proposed
- Efficiency: evaluation costs related to achievement of the results
- Consumers' satisfaction: is the consumer pleased by the service provided?

There are several aspects that can lead to this system to failing:

- First, the political support in the context of decreasing state finance/aid to help those organizations that are performing least well.
- Secondly, perseverance. The system will have to function permanently from the moment of its implementation, in order to allow annual performance benchmarking.
- Thirdly, the system costs money and requires human resources. It is, therefore, necessary to start with a limited number of indicators, relevant for measuring the effectiveness, efficiency and consumers' satisfaction.

The public service monitoring and evaluation

Noting the lack of visibility of public service performance measurement indicators and quality control and evaluation on the central and local public institutions web sites, we hereby propose a guideline for public services monitoring and evaluation.

Generally, a monitoring-evaluation fiche provides an overview of the results obtained from implementation of the law on decentralisation for different sectors of public services, by providing information regarding the performance of the service in question in several municipalities. The project proposes in this annex an example of a guideline for the unemployment service, to be tested by the Ministry of Labour, Social Solidarity and Family.

Based on the lists of performance indicators for the water supply service and for the housing service, both the Ministry of Administration and Interior and the Ministry of Transport,, Construction and Tourism can elaborate similar guidelines. The guidelines will reflect the results of the local policies regarding these services, measured by performance indicators. They are useful to public administration, to employees responsible for the provision of services and the public at large.

In order to use the benchmarking system within a real context, we propose a hierarchy of municipal guidelines according to 351/2001, as municipalities of level 0, level I, level II, level IV and level V. The role of the guidelines is not to punish poor performance but to identify ways for its improvement.

Example of working on unemployment service guideline

- Using an example from the web site of the Ministry of Labour, Social Solidarity and Family, the sector <u>guideline for monitoring and evaluation of the unemployment service</u> is shown.
- On the first page there is the command <u>Select city</u> that, once activated, presents the <u>table with general information and basic data</u>, which enables general benchmarking data with average data from cities of similar level.

• We select, as hypothetical example, Timisoara city (level I) in order to benchmark it with other level I cities from the country and we follow the subsequent tables:

Timisoara General information

	M	Level
	Municipium	Level I
City name	Timișoara	
Number of inhabitants	329.111	200.000 - 400.000
Active population	70.142	87.540
Number of inhabitants bellow the national average income	14.100	33.960
Average income per family (RON)	600	450
Number of inhabitants in search of a job	794	1070

Basic data

year 2005	Indicator	Numerical value	
Number of re	egistered job seekers	794	Particulars
Length of un	employment (days)	228	Particulars
Number of p	ersons enrolled in integration/reintegration activities	684	Particulars
Time necesso	ry for one person's reintegration (days)	176	Particulars
Number of re	eintegrated persons	640	Particulars
The costs for	reintegrating these persons (RON)	22750	Particulars
Number of p	ersons returning in the unemployment system	47	Particulars

For each indicator, from the column "particulars" information regarding the cities of same level can be obtained. The information contains average data regarding the same indicator we wish to benchmark. For instance, under <u>particulars</u>, looking at the indicators <u>Persons seeking a job</u>, we obtain for Timisoara the following overview:

Specific data:

Annual data: The year 2005	Timișoara		City level:
Number of job seekers			
Total	Number	Precent	Precent ³
	794	3,5%	7%
Classification by age		,	
	Number	Precent	Procent
between 16 - 23 years old	340	42,8%	35%
between 23 - 45 years old	79	9,9%	16%
between 45 - 65 years old	375	47,2%	51%
Classification by marital status			
	Number	Precent	Precent
Unmarried	381	47,9	38%
Married	173	21,8	16%
Single - parent family	240	30,2%	25%
Classification by unemployment	length	1	1
	Number	Precent	Precent
Unemployed for less then 6 months	587	74%	80%
Unemployed for 6-12 months	207	26%	38%

• Similarly, by selecting <u>particulars</u> we can compare each indicator within the category <u>cities of level 1</u>. Should a more complex analysis be required (for instance, for the purpose of elaborating a county/regional/national plan for economic development a link from municipality/city/commune to the list of all localities in Romania organized in a similar manner can be made.

The benchmarking system can be used, from the moment of creation for a package of indicators, from every public service irrespective of whether it is operated by public or private organization.

The owners of the web sites that publish the indicator system may also belong to associative bodies (e.g.: the Romanian Water Association, in the case of the water supply service), or to associations of local authorities (the Federation of Local Authorities in Romania).

Annex 2: List of the partners and participants in the project

IHS

Gerard Baars - E-learning Expert
Aloys Bongwa - Social Housing Expert
Ogenis Brilhante - Water Supply Expert
Nigel Browne - Editor Assistant
Doug Mc Callum - Unemployment Expert
Forbes Davidson - E-learning Expert
Leon van den Dool - Lecturer
Carley Pennink - Project coordinator (2004)
Hans Teelink - Project coordinator
Sharon Welsh - Editor Assistant
Maria Zwanenburg - Lecturer

IHS Romania

Aura Campeanu - Project Management Sorina Racoviceanu - Editor Nicolae Taralunga - National Project Coordinator

VNG International

Katja Berkhout - Project Officer
Irina Frimu Stan - Project Management (2004)
Cees van Helvoirt - Social Housing Expert
Norbert Pijls - Project Coordinator (2004)
Bert Roebert - Water Supply Expert
Anke Ruige - Unemployment Expert, Project Coordinator

Ministry of Administration and Interior

Domnica Focsaneanu - Project coordinator on behalf of CUPAR Roxana Nicolae - CUPAR Unemployment expert Marius Profiroiu, Secretary of State (2004) Liviu Radu, Secretary of State Carmen Tatu - CUPAR Water supply expert

Mihai Turturean - Project coordinator on behalf of CUPAR (2004)

Maria Ursuletu - CUPAR Social Housing expert

Ministry of Transport, Social Solidarity and Family

Ileana Tureanu, Secretary of State (2004)

Group for Modernisation of Public Administration

Adrian Babeanu, GMAP Suceava county
Angela Ioanovici, GMAP Suceava county
Adrian Noaje, GMAP MAI
Mircea Onofreiciuc, GMAP Suceava county
Dumitru Ion, GMAP Prahova county
Marina Ionita, GMAP Prahova county
Daniela Neagu, GMAP MTCT
Mihail Pavel, GMAP Prahova county
Daniela Barbulescu, GMAP Timis county
Flavia Bobora, GMAP Timis county
Bogdan Nadastean, GMAP Timis county
Toma Seghedi, GMAP MLSSF

City Halls

Lyana Laura Cupsan Catalin, Suceava City Hall Florina Popescu, Ploiesti City Hall

NIA

Iuliana Albu - Project coordinator on behalf of NIA Adrian Badila, Director General Emilia Cernaianu - Trainer Madalina Cocosatu - Trainer Viorel Coifan, Director General (2005) Miruna Grigorescu - Trainer Pavel Nastase, Director General (2004) Gabriela Popescu - E-learning course coordinator

Local experts

Cristina Dan - Water supply expert
Gabriel Dima - E-learning expert
Simona Munteanu - Social Housing expert
Magdalena Nicoara - Unemployment expert

Participants in the public debate on water supply decentralization strategy

Mihai Airinei	Suceava Local Council	Local councillor
Francisc Boiarciuc	S.C. ACET S.A. Suceava	Engineer technical department
Nicolae Bompa	Suceava County Council	County councillor
Andora Borșan	APA GRUP Botoșani	Chief of office quality - environment
Cristian Brudea	Suceava Prefecture	Councillor
Constantin Burciu	Agency for Environment Suceava	Deputy Executive Director
Loreta Cauteș	GEC Bucovina	Projects Director
Costel Călinescu	GEC Bucovina	Technical Director
Ioan Ciobanu	RAJAC lași	Chief of quality - environment office
Dorel Ciubotariu	APA GRUP Botoșani	Chief of water office
Iluță Cocriș	Agency of Environment Suceava	Executive Director
Dorina Coroamă	S.C. ACET S.A. Suceava	Chief of accountability office
Ioan Cușnir	Suceava Prefecture	Prefect
Constantin Huţupaş	"Environment Guard, Suceava"	Chief commissar
Cristina Iordăchel	Suceava Local Council	Local councillor
Aurel Jescu	Suceava Local Council	Local councillor
Mircea Jitariuc	Suceava City Hall	Chief of office urban management
Jeni Mandachi	Suceava Local Council	Local councillor
Daniel Mateiciuc	S.C TERMICA S.A. Suceava	Chief of technical office
Rodica Nistor	S.C. ACET S.A. Suceava	Financial Director
Orest Onofrei	Suceava Prefecture	Prefect
Viorel Ovadiuc	S.C. ACET S.A. Suceava	Chief of technical office
Ștefan Panțiru	ANRSC Botoșani	Expert
Dumitru Pașniciuc	Suceava Prefecture	Secretary General
Mina Păr	Fălticeni City Hall	Chief of water-sewage office
Constantin Pelepco	Suceava County Council	Inspector technical department
Beniamin Petrea	S.C. ACET S.A. Suceava	Engineer technical office
Liviu Răileanu	S.C. ACET S.A. Suceava	Production Director
Viorica Sandu	S.C. ACET S.A. Suceava	Sub-engineer technical office
Beatrice Ștefănescu	GEC Bucovina	Director General

Radu Vătafu	Suceava Local Council	Local councillor
Elena Zahariuc	Suceava County Council	Chief of technical office
Angela Zarojan	Suceava City Hall	Vice-mayor

Participants in the public debate on housing service decentralization strategy

ITSC Prahova	Chief Inspector
Oradea City Hall	Vice-mayor
"Patrimony Department, Oradea City Hall"	Director
SPFLA Ploiești	Director
Ploiești City Hall	Mayor
ASSC Ploiești	Director
"Social Housing Service, ASC Oradea "	Chief of Office
Ploiesti Local Council's Social Commission	President
"NHA Teritorial Service, Ploiești "	Chief of Office
"Chief Architect´s institution, Oradea"	
Apa Nova Ploiești	
Ploiești City Hall	Vice-mayor
MTCT	Director General
Oradea City Hall	Chief architect
Apa Nova Ploiești	
MTCT	
The Association of People with Disabilities Ploiești	
SC Electrica SA Ploiești	
MTCT	
Romtelecom Prahova	
ASC Oradea	Director
ion of Blind Persons Ploiesti, the Association of War Veter	ans Ploiești, the
	Oradea City Hall "Patrimony Department, Oradea City Hall" SPFLA Ploiești Ploiești City Hall ASSC Ploiești "Social Housing Service, ASC Oradea " Ploiesti Local Council 's Social Commission "NHA Teritorial Service, Ploiești " "Chief Architect 's institution, Oradea" Apa Nova Ploiești Ploiești City Hall MTCT Oradea City Hall Apa Nova Ploiești MTCT The Association of People with Disabilities Ploiești SC Electrica SA Ploiești MTCT Romtelecom Prahova ASC Oradea

Association Youth 'Future Ploiești, the Association A Step Towards the Future Ploiești"

Participants in the public debate on unemployment decentralization strategy

Silvana Andreaș	Radio Timișoara	Editor
Petru Blănariu	ANOFM	Director for international relations
Angela Ciupa-Rad	"CCAS, Timișoara Local Council"	Inspector
Ioan Corcan	ALOFM Resita	Director
Cornel Cris	AJOFM Timiș	Executive Director

Budinca Dănilă	"Department for Social Assistance, Timișoara Local Council	"Chief of Office
Sonia Dianescu	ANOFM	
Cosmin Envica	"Department for Social Assistance, Resita City Hall"	Chief of Office
Elke Erk	ORG Kolping România Timișoara	Referent
Corneliu Gavaliugov	MLSSF	Minister Councillor
Doru Jurchescu	"Department for Social Assistance, Timis County Council "	Director
Ecaterina Kalapiş	Department for Social Assistance Timișoara	Inspector
Manfred Krabbe	SES Bonn	ADETIM Consultant
Dan Lazăr	FRG PPP Timișoara	Consultant
Camelia Mihalcea		Councillor
Sorin Munteanu	AJOFM Timiş	Deputy Executive Director
Sorin Musat	AJOFM Caras Severin	Director Executive
Luminița Nină	NGF Construct Timișoara	Assistant
Clementina Preda	NGF Consulting Timișoara	Assistant
Gabi Rusu		Councillor
lonel Țăran	AJOFM Timiş	Chief of Office
Marta Nora Tărnea	MLSSF	Secretary of State



_

a

_

۵

٥

The Process of Decentralisation in Romania - Characteristics and Trends

Authors:

Domnica Focsaneanu, CUPAR expert
Roxana Nicolae, CUPAR expert
Carmen Tatu, CUPAR expert
Mihai Turturean, CUPAR superior counsellor
Maria Ursuletu, CUPAR superior counsellor

1. General overview

One of the foundations of a democratic and efficient public administration is the consolidation of the administrative and financial decentralisation process. This foundation is enshrined by the Government of Romania within the Government Programme for 2005-2008 and within the Updated Strategy of the Romanian Government regarding the acceleration of the Public Administration Reform¹ in respect of reaching European standards and values regarding transparency, consistency, responsibility, adaptability and efficiency.

These documents establish that the decentralisation process incorporates principles² regarding the responsibilities transfer, the financial system of the decentralised services and the decision-making transfer. The most important principles take into consideration:

- · consistent allocation of rights and responsibilities;
- · clear definition of service outputs and standards;
- · creation of clear and stable regulations that encourage local strategies;
- · consideration of the citizen as "the consumer" of public services;
- acceptance of competition as a means for increasing the efficiency and effectiveness of service delivery.
- · revenue allocation should be adequate for decentralized responsibilities;
- a financing mechanism that can secure the funding for the minimal service standard established by the central government;
- · local autonomy regarding financial management;
- independence in decision-making based on own resources and responsibilities;

¹ Government Decision no.699/2004 of the Romanian Government Strategy for the acceleration of the Public Administration Reform 2004-2006 2 idem

• transparency of the decision-making process based on the citizens access to the public information and their participation in the decision-making process.

The local public administration reform and the administrative and financial decentralisation process are the main target of the legislative framework that is currently being developed by the Ministry of Administration and Interior. This legal framework consists of the draft for amending Law no. 215/2001 regarding the local public administration, the draft for amendments to the Frame Law no. 339/2004 regarding the decentralisation, the draft for amendments to the EO no. 45/2003 regarding the local public finances and the draft for amendments to Law no. 340/2004 regarding the prefect institution.

The draft for amendments to Law no 215/2001 focuses on creating the necessary mechanisms for developing local administration units and on strengthening local autonomy, providing local authorities with the appropriate means for increasing the efficiency and the quality of the administrative acts. The new legal text focuses also on increasing the responsibility of the local elected representatives in their task of managing the communities they represent.

The draft for amendments to the Frame Law no. 339/2004 aims to regulate a set of principles, rules and phases that have to be respected by all the authorities involved in the decentralisation process. The draft proposes a new institutional framework to govern this process, to ensure respect for the basic rules and the coordination of the transfer of administrative and financial responsibilities. The final objective is to ensure the coordination of the separate efforts of the ministries in a coherent, systematic and efficient decentralisation policy. The enforcement of this law will lead to an efficient and coordinated decentralisation process.

The draft for amendments to EO no. 45/2003 provides a new vision on local budgets consisting of an operation section and a development section. The draft regulates a set of rules regarding the financing of the local public administration through transfers from the central level: the criteria and the conditions of allocations have to be established before the allocation itself, the financing of development programs (including the ones that cover a number of years)

2. Objectives and priorities

In order to establish in a realistic way the objectives and priorities for the continuation of the decentralisation/deconcentration process, a diagnostic-analysis of public administration sector has been developed by Romanian specialists with help from foreign specialists regarding 3 domains of the public administration reform: the reform of the public function, the continuation of the decentralisation process and establish public politics³, on which basis solutions were proposed for the rebalance of the identified deficiencies within the local public administration system in Romania.

The Government Programme for 2005-2008 and the Romanian Government Strategy for the acceleration of the Public Administration Reform stress the decentralisation of public services in order to deliver quality services and to meet citizens' needs. In this respect, the following priorities⁴ were stressed:

- · separation of the public utilities from the public services;
- introduction of the quality standards by the competent public authority in order to evaluate and monitor the public services;
- developing and applying of the Public Services Charta which will publish quality standards for the services and evaluation methodologies;
- liberalization of the public utilities market, as well as the elimination from the legislation of all the institutional barriers that are impending investments in public utilities and their privatization;
- defining the scope of the deconcentration of public services.

The continuation of the decentralisation process will ensure an improved management of the public services and of their quality. In this regard the allocation of responsibilities, the allocation of financial resources and respect for the rights and obligations which come with service delivery should be established in a coherent manner.

³ Government Decision no.699/2004 the Romanian Government Strategy for the acceleration of the Public Administration Reform 2004-2006

⁴ Project Decision no.24/2004 regarding the trust given to the Government, chapter 12

Raising the standards of the services delivered to the citizens represents an aim of the present policies of the Romanian Government as well as an obligation, in respect of a genuine approach to citizens' needs. The growth of the services and public utilities efficiency must respond to the priority demands of the population.

3. Immediate actions

In the context of decentralisation/deconcentration in Romania, we can categorize immediate actions to be taken:

- establishing the mechanisms necessary for the coordination of the implementation of the Reform Strategy5, as well as the new measures that should be found in the Government Programme 2005-2008;
- developing an indicator system for the measurement of the performances of the decentralisation process;
- setting up an functioning Inter-Ministerial Technical Committee6 and specific working groups which will elaborate sectorial strategies;
- developing clear responsibilities and working relationships for the national and local implementation bodies;
- setting up a standard system for the measurement of the decentralized services performances;
- strengthening the local public authorities capacity in managing the decentralized services.

⁵ Government Decision no.699/2004 the Romanian Government Strategy for the acceleration of the Public Administration Reform 2004-2006

⁶ Government Decision no.2201/2004 regarding the functioning and the attributes of the Interministry Technical Committee and working groups which are organized according to the Framework Law no. 339/2004 regarding decentralisation

4. Performance indicators for the

decentralisation process in Romania

The Government Programme 2005-2008 stipulates that the decentralisation of the public services must take into consideration the development of an evaluation and quality and performance monitoring system for the public services which is based on the use of performance indicators. Performance indicators are useful for the application of the benchmarking system.

The draft for amendments to the Frame Law no. 339/2004 on decentralisation which is currently being developed by the Ministry of Administration and Interior, takes into consideration aspects related to the cost and quality standards and also the performance indicators system necessary in the decentralisation process.

The performance indicators for decentralised public services represent a priority for the central administration. In order to define performance indicators and monitoring systems, the following international financing projects are relevant:

- The Phare Project RO 01.05.01.01 "Supporting the development and the improvement of the municipalities services management" which stresses the improvement of the standards of the public services and the definition of performance indicators;
- The Phare Project RO 2004/IB/OT/01 "The coordination of the decentralisation and deconcentration process by the central administration" which focuses on defining performance indicators for decentralized services and building a monitoring system for the decentralisation process.

_

0

<u>م</u>

ō

Water supply services decentralisation strategy

Authors:

Adrian Băbeanu, GMAP Suceava county

Ogenis Brilhante, IHS expert

Lyana Laura Cupșan Cătălin, Suceava City Hall

Cristina Dan, local expert

Angela Ioanovici, GMAP Suceava county

Adrian Noaje, GMAP MAI

Mircea Onofreiciuc, GMAP Suceava county

Bert Roebert, VNG International expert

Carmen Tatu, CUPAR expert

Nicolae Tarălungă, IHS Romania expert





0. Introduction

0.1. Strategy context

The Romanian Government Ordinance no. 32/2002 regarding the organization and function of the public service for water and sewage, approved by Law no. 634/2002, modified and completed by Government Ordinance no. 35/2003 defines the water supply service as an economic and public utility activity of general interest, functioning under the local public administration authority and having as main scope the delivery of drinkable water for all citizens. public service water supply includes, in general, raw water capture, treatment, transport and distribution of the drinkable water to the consumers.

According to the present legislation, the infrastructure of the public service water supply belongs to the public domain, the owner being the local public authority. The responsibility over running the public service, as well as the investments, belongs to the local public authority. The functioning of the water supply service is made on a specific legal basis under the supervision of the National Authority for Regulation of Communal Public Services (through deconcentrated regional departments) and of the Ministry for Health (through County Departments for Public Health).

Regarding the juridical status, water operators can be constituted as:

- · Shareholders companies, the main shareholder being the Local Council
- · Departments within the City Halls
- · Private companies

0.2 Objective of the document

Within the aforesaid context, the decentralisation strategy has as objective the creation of an action framework for the public authorities involved in the water supply service, by ensuring:

- A democratic process for the decision-making, through growing participation of the citizens and of the political representation;
- A high quality public management, through improving the quality and the transparency of the public decisions;
- A substantial improvement of the public services quality, through adopting performance indicators for the service.
- Full clarity regarding the role of all the institutions involved in the decentralization process

0.3. Elaboration process of the strategy

The elaboration of the decentralization strategy of the public service water supply was the result of the work of a team of representatives from the Central Unit for the Public Administration Reform and the Group for Modernisation of Public Administration, who have closely collaborated with several authorities, both from the local and central levels.

The analysis of the service supply was based on a pilot case in Suceava City, and on the results of debates/working meetings with local officials, with representatives of the ministries involved, with the Romanian Water Association and with foreign experts. The documents that resulted from the public debates were further on tested on another pilot city, Botosani. The final result is hereby presented.

0.4. Document structure

The document is structured in 3 chapters.

- · Chapter 1 analyzes the demand and the supply of the service, giving information about the clients and about the organization and functioning of the service
- Chapter 2 consists of the formulation of the strategy for service decentralisation, presenting the objectives and the beneficiaries of the strategy, and also the results expected in line with the announced objectives
- · Chapter 3 presents the strategy implementation process, including the performance indicators system, the benchmarking system and the action plan

The Annex contains the proposal for the performance indicators system, the first part contains the context in which the public service water supply is running and the second part contains the performance indicators

1.

Analysis of the supply and demand for the service

1.1. The Clients

According to the Government Ordinance no. 32/2002 regarding the organization and functioning of the public service for water and sewage, approved by Law no. 634/2002, amended and completed by Government Ordinance no. 35/2003, the main categories of consumers are:

- · Commercial companies
- Public institutions
- Households (owner associations and private houses)

1.2. Organization and functioning of the service

The public service water supply was decentralized before 1990 note there was no ministry to coordinate this activity. At county level, there were companies that delivered all the services considered to be of local husbandry, such as: central heating, central water supply and sewage, sanitation and housing, which were not private property but state owned. The owners of the assets of these activities were the county companies, which were also state owned. The administrators of these companies were appointed by political decision-makers. The tariffs included components for operating and maintenance, and investments were made with state funds.

After 1990, these services have remained decentralized, but the service is made through "direct" management (a department within the City Hall) or "indirectly". In the case of indirect management, the assets that belong to the water supply public system are given to a company to be administrated. The functioning of the water supply service is made on a specific legal basis under the supervision of:

- National Authority for Regulation of Communal Public Services, through the deconcentrated regional departments
- The Ministry of Health, through County Departments for Public Health

In Suceava, the water operator is S.C. ACET S.A. Suceava, the main shareholder being the Suceava Local Council. The public system of drinkable water supply belongs to the Local Council of Suceava. S.C. ACET S.A. Suceava is managed by the General Shareholders Assembly, consisting of representatives of the main shareholder (the Local Council) and is administrated by the Board.

In terms of the decision-making process, S.C. ACET S.A. Suceava (according to the Concession Contract signed with the City Hall) makes decisions regarding the

operational functioning of the service in order to ensure the continuity and quality of the service, the Local Council (according to the Law no. 326/2001 regarding the public husbandry services) takes decisions regarding: the rehabilitation programs, contracting loans and guarantees, approval of regulations for service functioning and approval of tariffs, and the Mayor (as chief accountant) monitors that the Local Council Decisions are fulfilled.

As of October 1st 2005, S.C. ACET S.A. Suceava became the county water operator, having in its structure 6 other agencies (Vatra Dornei, Câmpulung Moldovenesc, Gura Humorului, Fălticeni, Solca și Siret), making it now possible to access funds through a SAMTID program to rehabilitate the water supplying systems in these cities. At the same time, S.C. ACET S.A. Suceava and Suceava City Hall made common efforts to access funds through an ISPA program to rehabilitate the water supplying and sewerage system in Suceava City.

In Botoşani County, the second pilot case, the water supply is provided by the water county operator S.C. APA GRUP S.A, their main shareholder is the Botoşani County Council. Also, the water supply system belongs to the County Council. S.C. APA GRUP S.A. Botoşani is managed by the General Shareholders Assembly, consisting of representatives from the main shareholder (County Council) and is administrated by the Board. The chief accountant is the president of the County Council.

The water supply service is structured in two hydrographical basins: Siret basin, which includes the following cities: Botoșani, Dorohoi, Bucecea and Flămânzi, and Siret basin, which includes the following cities: Săveni, Darabani, Ștefănești și Trușești.

S.C. APA GRUP S.A. Botoșani accessed European funds through an ISPA program in order to rehabilitate the water supplying system in Botoșani City and a SAMTID program to rehabilitate the water supplying system in the cities of Dorohoi, Săveni and Darabani.



1.3. The SWOT analysis/problems

The analysis of the current water supply service functioning underlined the following aspects:

Strong points

- Existence of qualified personnel in the drinkable water supply service;
- → Local and county public authorities' are open to attract funds for the modernization of the infrastructure in the water sector
- → The functioning of the water supply public system at the quality parameters foreseens by the present legislation
- → The existence of non-governmental organizations with interests in the field of services provided to the citizens

Opportunities

- → The possibility to obtain grants/co-financing from the European Union for the rehabilitation of the drinkable water supply system
- → Harmonization of the water and environment legislation with the European Union directives (useful in preparing the basis for possible foreign investors)
- → The development of the IT society through the convergence of all the communication channels into one integrated system (with powerful impact on the data transfer needed for the performance indicators)
- → Higher interest from local authorities for promoting public/private partnerships for the protection of the environment

Weak points

- Operating with obsolete networks and installations;
- → Oversized installations that lead to high specific costs
- → Lack of a system to evaluate and to compare the quality with similar services in other areas of the country
- → Lack of measurement instruments at the level of the end users and of automatic equipment for real time monitoring and control of the technological process
- → Poor investments in infrastructure
- → Low financing in the research and development fields
- → Very low cooperation between the academic sector, the research and development institutions and the water operators, leading to poor transfer of technologies and innovations in the water sector

Threats

- → Polluting the environment by the leaking water
- → Poor securing of the installations
- Degradation of the networks and installations due to poor investments in infrastructure as a result of the high costs for the necessary materials
- Difficulties in reducing technological consumptions and water waste

The main categories of problems identified can be structured as follows:

Decision making problems

- Lack of a performance indicators system to analyze the drinkable water supply service;
- Lack of an economic and demographic evolution prognosis regarding the local area covered by the service supply;
- Lack of short-term plans and strategies concerning the evolution of the drinkable water supply system.

Managerial problems

- · Lack of means to evaluate customer's satisfaction
- Partial measurement of the sold quantity of water
- · Lack of equipment to detect water losses

Financial problems

- Limited financial capacity of the Local Council to invest in infrastructure
- Lack of funds for development of systems for quality control of the water service

Technical problems

- Water losses that generate high specific costs
- High damaged components of the drinkable water supply service
- · High energetic consume
- Excessive number of breaks in the drinkable water supply service and a very long time needed to ensure current and capital repairs
- Lack of modern equipment to reduce the physical and intellectual work

Human resources problems

• Lack of short or long term plans regarding the training of the staff, as a consequence of the lack of strategies regarding the evolution of the drinkable water supply system.



Strategy formulation

2.1. Objectives of the strategy

□ Obiectiv general:

Ensuring a quality service for the drinkable water supply, through:

- · Respecting the values of the drinkable water quality parameters
- Ensuring the continuity of the drinkable water supply (24 hours per day)
- Ensuring the access to all the citizens to a drinkable water source
- · Recovery of the operating and maintaining costs
- Improving the communication with the consumers
- Specific objectives:
 - 1. Deliver drinkable water in line with EU performance indicators
 - Develop capacity of the water service operator to work with the new performance indicators approved through:
 - Developing professional skills related to management issues encountered in the efficient organization of service delivery
 - Modernizing the water service operator as a result of the impact generated by new performance indicator and benchmark systems
 - Improving communication between water service operator and local consumers, through the elaboration of a working plan to respond to their needs

2.2. Strategy beneficiaries:

The strategy addresses the following categories of beneficiaries:

- 1. **The consumers** (companies, public institutions and households) will benefit by the improvement of the service and by transparency.
- 2. The water service operator will obtain the following benefits:
 - · Knowledge and analysis of the current situation of the service

- · Orientation of the service towards consumers demands
- Possibility of adopting good practice models by introducing and using benchmarking systems
- Improving the quality of the service by using performance indicators

3. The authorities will obtain the following benefits:

The local administration authority can evaluate the service in order to improve decision-making process. Also, it can evaluate the efficiency of the water service operator. The County Council, the National Authority for Regulation of Communal Services and the ministries, through de-concentrated institutions, will collect information about the functioning of the public service water supply.

- The Local Council: has exclusive competence in setting up, organizing, coordinating, monitoring and controlling the public services of communal husbandry
- The Mayor: is the chief of the local public administration and of the specialized body of the local public administration authority, his main responsibility being to apply the Local Council Decisions and to manage the public services
- County Council: is the authority of local public administration at county level, constituted to coordinate the activity of communal and city councils, in order to ensure the county concern public services
- The National Authority for Regulation of Communal Husbandry Public Services: its purpose is to establish the regulatory frame for monitoring and control at central level all the activities included in public management
- The Ministry of Administration and Interior: ensures the performing of the Government Programme and through the Departments of Communal Husbandry Services analyses the current legal situation of the communal public services and formulates proposals for improvement

• The Ministry of Health: applies the Government's strategy and politics in the field of ensuring the health of the population and is responsible for the sanitary reform. It has among its attributions the monitoring of the drinkable water quality. At county level, this attribution is made through de-concentration of the service to institutions called County Departments for Public Health

2.3. Expected results in line with the announced objectives

In accordance with the aforesaid objectives, the results estimated through the implementation of the strategy are contained in the following table:

Specific objective 1	Specific objective 2
RES	ULTS
Reports on technical/technological, financial and human resources capacity to implement the list of performance indicators	Management staff trained in short term training courses and acquisition of relevant managerial/specific sector bibliography
2. Services Committee Report	Establish a twining program between local water service operator and other similar operators from the EU
3. The Local Council (main shareholder) approves the list of performance indicators and empowers the mayor to act as executive authority	3. Establish a 12 months working plan based on the results and development of a management information system at the water service operator level, supply hard/soft components and trained staff
4. Establish a method for data collection	4. Running of an "on-line channel" functional for all parties interested in the drinkable water delivery system and setting up of a "customer's day" to communicate with owners associations and private companies
5. Establish proper operating procedures to operate the benchmarks system	5. Organize training for the owner association's representatives, to increase their knowledge regarding the organization and functioning of the drinkable water supply system



Strategy implementation

3.1. Performance indicators and a benchmarking system

The performance indicators are widely used as tools in many sectors of industry around the world and working tools, their potential in the water industry being unquestionable. To achieve its goals, the water service operator needs to strive for high degrees of efficiency and effectiveness. Efficiency means that the resources of the operator are optimally utilized to produce the service. Effectiveness means that achievement of the defined objectives (specifically and realistically defined).

The performance indicators for the water supply public system are divided into six categories (the classification of the International Water Association), according to the organizational structure of the water operator: water indicators, personnel indicators, physical indicators, operational indicators, service quality indicators and financial indicators. The interpretation of an operator's performance cannot be assessed without taking its own context into account, as well as the most relevant characteristics of the system and of the region. The informational context is organized as follows:

- · The operator's profile
- · The system's profile
- The region's profile

The operator's profile outlines the framework of the organizations. The system profile focuses mainly on the water volumes, on the physical assets, on the technological means used and on the consumers. The region's profile will be relevant as a comparison between operators because it allows a better understanding of the demographic, economic, geographical and environmental context. For the water supply service the indicators proposed to be part of this system are presented in Annex 1.

Also, it is proposed that these indicators form a benchmarking system to allow studies of other organisations' performances and learn by others' best practices, a system to be implemented at the level of the Romanian Water Association.

For institutions, the benefits of the application of the performance indicators system are the following:

1

i. For water supply service operators

- Facilitates to obtain a better quality of the service and responses coming in time from managers
- Allows easier monitoring of the effects of management decisions
- Provides key information that supports an active approach of the management
- Highlights strong points and weak points of departments, identifying the need corrective measures to improve productivity, procedures and routines
- Assists the implementation of a quality management regime, as a way to emphasize quality in all the activities and efficiency throughout the organization
- Facilitates the implementation of benchmarking routines, both internally, to compare the performance at different locations or systems, and externally, to compare with other similar operators, thus promoting performance improvements
- Provides technical basis for auditing the organization's activities and predicts the effects of any recommendations made as a result of the audit

ii. For national or regional institutions

- Provides a common basis to compare the performance of water service operator and to identify possible corrective measures
- Supports the formulation of policies for water sector, within the integrated management of water resources, including allocations of the resources, investments, and development of new regulating tools

iii. For regulatory institutions

 Provides key monitoring tools to safeguard consumer interests in a monopoly service supplier situation and monitor compliance with the contractual stipulations

iv. For financing institutions

• Assistance in imposing investment priorities and project selection

v. For consumers

 Provides the means of transforming complex processes into simple-to-understand processes and of transmitting the evaluation of the quality service provided

3.2. The action plan

The decentralization process will ensure the improvement of the management and quality of the public services. For this, a coherent allocation of the responsibilities, financial resources and rights related to the offered services have to be established.

On short term, for the strategy implementation, the action plan proposed in table 3.2 coordinated during 2006 - 2010 the activities related to the specific objectives, with the organisations involved in the service supply.

Table 3.2. Action Plan

General objective	Ensoring quality for the	e drinkable water suppl			
Specific objective 1	Deliver drinkable water i	n line with EU performance			
Activity	Results	Indicator for evaluation	Risks involved	Organizations involved	Deadline
The water service operator analyses the impact of implementation of the performance indicators on the internal management and executive staff	Reports on technical/technological, financial and human resources capacity to implement the list of performance indicators	The Board and General Shareholders Assembly of the water service operator decides on the list of performance indicators to be used for 2006-2010		Water operator	2006
Services Committee within the Local Council (main shareholder) will analyze the performance indicators system proposal as a result of the activity no.1	Services Committee Report	List of performance indicators can be applied		Services Committee	2006
Local Council (main shareholder) debates, by commissions, on the list of performance indicators to be accepted	City Council (main shareholder) approves the list of performance indicators and empowers the mayor to act as executive authority	Local Council decision issued and signed		Local Council	2006
Set up technical and financial resources to take over the responsibilities to operate with the benchmarks system	Establish a method for data collection	Collecting data system is operational	Insuficiente resurse tehnice și financiare pentru implementarea sistemului de evaluare	Local Council, Water operator	2006
5 Start evaluating the results	Establish proper operating procedures to operate the benchmarks system	Benchmarks system is operational		Water operator, Local Council, Romanian Water Association	2007

1

Table 3.2. Action Plan (continuing)

General objective	Ensuring quality for the drink	able water supp	ly service		
Specific objective 2	Develop the capacity for the wapproved performance indicate		rator to work a	cording to the r	iew
Activity	Results	Indicator for evaluation	Risks involved	Organizations involved	Deadline
Build capacity on organizational structures to sub-contract, to procure the materials, to price the services, to satisfy the consumer	Management staff trained in short term training courses and acquisition of relevant managerial/specific sector bibliography	Number of training programs implemented	The capacity of training organizations to implement training programs in the administration domain	Public organizations for adminis- tration training	2007
Develop capacity on good practice model operational in EU countries	Establish twining program between local water service operator and other similar operators from the EU	Number of programs established in partnership with training organizations	Limited financial resources	Organizations for training in the requested domain	2007- 2008
Produce an efficiency improvement program and a medium term financing program, all supported with a management information system	Establish of a 12 months working plan based on the results and development of a management information system at the water service operator level, supply hard/soft components and trained staff	Working plan approved by the Board of the water service operator		City Hall,Water operator	2008
Operate on a large scale with various consumers and identify forms to be permanently in touch with the consumers	Running of an "on-line channel" functional for all parties interested in the drinkable water delivery system and setting up of a "customer's day" to communicate with owners associations and businesses	Number of organized meetings	Limited financial resources	City Hall,Water operator	2008
Increase consumers' level of awareness in understanding the economical and environmental impact of a well preserved system	Organize training for the owner association's representatives, to increase their knowledge regarding the organization and functioning of the drinkable water supply system	Number of training courses organized	No risk involved	City Hall,Water operator	2009- 2010

Table 3.3. The process of water supply service decentralisation (2005-2010)

Organisation	Service o			omponents			
	Legislation/ regulations	Finances	Technical	Management	Communication /databases	Monitor /con- trol	
Water operator	Proposes the performance indicators system	Ensures the necessary funds for the creation of a database and data collection	Collects information	Organises data processing	Annually communicates the performance indicators achieved in the previous year	Monitors its own activity	
Local Council / City Hall / County Council	Issues a decision for application of the performance indicators system	Ensures the necessary funds for the data analysis	Analyzes the performance indicators achieved in the previous year	Sets programs for rehabilitation and modernisation of the water supply system	Communicates the results of the analysis	Monitors the water operator's activity	
Ministry of Administration and Interior	Ensures the legal framework for the decentralisation process		Coordinates, implements governmental investment programs in the sector of communal public utilities services	Introduces quality standards and performance indicators for the purpose of monitoring and comparing the communal public utilities services		Monitors the communal public utilities services The project proposes, as alternative, the operation of the benchmarking system by the Romanian Water Association	
Ministry of Public Finances		Grants governmental guarantees for obtaining internal and external loans necessary for the develop- ment of the infrastructure, technical-of public use, of local and county interest				Monitors and controls the use of the funds for investments	

1

Table 3.3. The process of water supply service decentralisation (2005-2010) - continuing

Organization	Service components					
	Legislation/ regulations	Finances	Technical		Communication /databases	Monitor /con- trol
National Authority for Regulation of Communal Public Services	Regulates the conditions for granting license of functioning for water operators					Monitors the water operators using the performance indicators system from GD 1591/2002
Ministry of Environment and Waters	Regulates the rational use of water sources	Ensures the necessary funds for the investments negotiated with the European Union	Analyzes the existing technical conditions of the water supply system	Applies the water sources management according to the results of the negotiation with the European Commission		Monitors and controls the activity of the water operators in relation with quality-environment
Ministry of Health	Regulates the conditions sanitary protection of the population		Analyzes the quality of the drinkable water	Decides the application of emergency measures plans for situations regarding the population's health	Communicates the results of the lab analysis	Monitors and controls the health condition of the population in situations of water caused diseases





Bibliography

Government Decision no. 24/28.122004 regarding the trust given to the Government (the Official Gazette no. 1265/29.12.2004)

Government Decision no. 373/18.04.2002 concerning the organization and functioning of the National Authority for Regulation of Communal Public Services - A.N.R.S.C. (the Official Gazette no. 272/23.04.2002)

Government Decision no. 408/23.03.2004 regarding the organization and functioning of the Ministry of Environment and Water Management (the Official Gazette no. 285/31.03.2004)

Government Decision no. 699/05.05.2004 Romanian Government Strategy for the acceleration of the Public Administration Reform 2004-2006 (the Official Gazette no. 542/17.06.2004)

Government Decision no. 743/03.07.2003 regarding organization and functioning of the Ministry of Health (the Official Gazette no. 490/08.07.2003)

Government Decision no. 2201/30.11.2004 regarding the functioning and the tasks of the Inter-ministerial Technical Committee and the working groups which are organized according to the Framework Law no. 339/2004 regarding decentralization (the Official Gazette no. 1277/30.12.2004)

Law no. 27/17.05.1994 on local taxes (the Official Gazette no. 273/22.07.1998)

Law no. 69/26.11.1991 on local public administration

(the Official Gazette no. 79/18.04.1996)

Law no. 189/14.10.1998 on local public finances (the Official Gazette no. 404/22.10.1998)

Law no. 215/23.04.2001 on local public administration (the Official Gazette no. 204/23.04.2001)

Law no. 326/28.06.2001 regarding public services of communal husbandry

(the Official Gazette no. 359/04.07.2001)

Law no. 340/12.07.2004 regarding the Prefect's Institution (the Official Gazette no. 658/21.07.2004)

Government Decision no. 15/19.08.1992 on local taxes (the Official Gazette no. 209/26.08.1992)

Government Decision no. 63/28.06.2003 regarding the organisation and functioning of the Ministry of Administration and Interior (the Official Gazette no. 462/28.06.2003)

Regulation of the organization and functioning of the National Authority for Regulation of Communal Husbandry Services

Romanian Water Association Statute



Annexes

Annex 1: Proposal of performance indicators system for drinkable public service water supply

1. The context in which the public water supply is running

1.1 Water operator's profile

DATA	(unit)	CONCEPT
Water operator identification		Name, contact person, address, telephone, fax, e-mail
Geographical scope:		Scope of activity of the organization as a whole.
Regional	(yes/no)	One single choice is to be replied as "yes".
Local	(yes/no)	When "yes", specify designation of the supplied area
Type of activity		
Water supply and:		
 No other activity 		
 Waste water 		
 Electricity 		
• Gas		
 District heating 		
Other (specify)		
Type of assets ownership		
Public	(yes/no)	
Private	(yes/no)	
Mixed	(yes/no)	
Type of operations		
Public	(yes/no)	
Private	(yes/no)	
Mixed	(yes/no)	
Number of water supply systems	(no.)	Number of independent water supply systems managed by
		the operator
Total personnel	(no.)	Total number of operator employees dealing with water
		supply (full time equivalent)

- 1.2. Service data
- 1.2.1 Water supply public system profile

DATA	(unit)	CONCEPT
System identification		Name, contact person (if applicable), address, telephone, fax, e-mail
The system contains:		
 Caption 		
 Treatment 		
• Transportation		
• Storage		
Distribution		
Population	(people)	Resident population within the supply area
Population served	(people)	Number of resident population directly supplied by the operator (excluding those supplied through other sources) within the supply area.
Maximum number of population served	(people)	Maximum number of resident and non - resident persons directly supplied by the water operator within the supply area.
Number of registered customers	(customers)	Total number of registered customers
Residential customers	(no. customers)	Number of registered residential customers
Non-residential customers	(no. customers)	Number of registered non - residential customers
Supply area	(km²)	Area that can or is intended to be served by the distribution network
Type of supply	(yes/no)	(One single choice can be replied as "yes")
Full-time supply	(yes/no)	, , ,
Intermittent supply	, ,	

1.2.2. Supply pressure

Minimum	(bars)	Minimum target supply pressure at any delivery point of the network
Average	(bars)	Average supply pressure at the network delivery points
Maximum	(bars)	Maximum target supply pressure at any delivery point of the network

1.2.3 Physical assets

1.2.3.1. Water resources

Yearly abstraction capacity	(m³/year)	Maximum yearly allowance of water abstraction for water supply, based on availability of raw water resources under normal climatic conditions (the value used in abstraction license if any)
Daily abstraction capacity	(m³/day)	Maximum daily allowance of water abstraction for water supply, based on availability of raw water resources under normal climatic conditions (the value used in abstraction license if any)
Abstraction capacity	(m³/hour) (l/sec)	Maximum allowance of water abstraction for water supply, based on availability of raw water resources under normal climatic conditions (the value used in abstraction license if any)
Protection area	(yes/no)	
Protection area	(km²)	If "yes", total area with land use constraints specifically determined for water quality protection of drinkable water resources

1.2.3.2 Treatment plants

Number	(no.)	Number of treatment plants
Level of treatment	'	
No treatment	(m³/zi)	Water delivered to users without any treatment
Disinfected only	(m³/zi)	Water delivered to users with disinfections only
Conventional treatment	(m³/zi)	Water delivered to users from conventional treatment plants
Advanced treatment	(m³/zi)	Water delivered to users from advanced treatment plants

1.2.3.3 Pumping stations

Number	(no.)	Number of pumping stations of the transmission and distribution system (customer pumping systems excluded)
Total installed power	(kW)	Total nominal power of the transmission and distribution system (customer pumping excluded)

1.2.3.4 Storage tanks

Number	(no.)	Number of storage tanks (customer storage excluded)
Total capacity	(m³)	Volume of storage tanks (customer storage excluded)

1.2.3.5 Service reservoirs

Number	(no.)	Number of service reservoirs (customer storage excluded)
Capacitate totală	(m³)	Volume of service reservoirs (customer storage excluded)

1.2.3.6 Distribution network

Mains langth	/l _{em} \	Distribution mains langth (soming source street and the street	
Mains length	(km)	Distribution mains length (service connections excluded)	
Mains materials			
Ductile iron	(%)	Length of ductile iron mains/total mains length x 100	
Pressure iron	(%)	Length of pressure iron mains/total mains length x 100	
Steel	(%)	Length of steel mains/total mains length x 100	
Asbestos	(%)	Length of asbestos cement/total mains length x 100	
Polyethylene	(%)	Length of polyethylene mains/total mains length x 100	
Polyvinyl chlorine	(%)	Length of polyvinyl chlorine mains/total mains length x 100	
Concrete	(%)	Length of concrete mains/total mains length x 100	
Others	(%)	Length of other materials mains/total mains length x 100	
Mains diameters	'		
Dia < 100/110 mm	(%)	Length of mains with internal/external diameter £ 100/110 mm / total mains length x 100	
100/110 < D < 300/315 mm	(%)	Length of mains with 100/110 mm $<$ internal/external diameter $<$ 300/315 mm $/$ total mains length x 100	
D < 300/315 mm	(%)	Length of mains with internal/external diameter 3 300/315 mm / total mains length x 100	
Mains age	'		
With age less than 30 years old	(%)	Length of mains with age less than 30 years old / total mains length x 100	
With age between 30 and 40 years old	(%)	Length of mains with age between 30 and 40 years old / total mains length x 100	
With age between 40 and 50 years old	(%)	Length of mains with age between 40 and 50 years old / total mains length x 100	
With age more than 50 years old	(%)	Length of mains with age more than 50 years old / total mains length x 100	
System flow meters			
Number of flow meters	(nr.)	Number of flow meters permanently or temporarily installed in the distribution system	
Service connections	•		
Total number of service connections	(nr.)	Number of service connections	
Service connection density	(nr./km)	Number of service connections / total mains length	
	1	ļ.	

1.2.3.7 Automatic monitoring and control

Pumping	(%)	Number of pumping stations with automatic control units $\!\!\!/$ total number of pumping stations x 100
Treatment	(yes/no)	Routine use of automatic procedures to control treatment units
Automatic monitoring and control	(yes/no)	Routine use of a automatic monitoring and control facility
Integrated control	(%)	Number of integrated stations / total number of stations x 100

1.3. Region profile of the water supply system

1.3.1 Environment (these statistics relate to the area of water service)

1.3.1.1 Yearly rainfall (average for the past 30 years)

Average	(mm/year)	Yearly average rainfall (average for the past 30 years)
Maximum	(mm/year) Yearly maximum rainfall assessed as the annual maxima of the l	
		years
Minimum	(mm/year)	Yearly minimum rainfall assessed as the annual minima of the last 30
		years

1.3.1.2 Air temperature (average for the past 30 years)

Daily average	(° C)	Average daily air temperature of the year (average for the past 30 years)
Daily maximum	(° C)	Average air temperature for the hottest day of the year (average for the past 30 years)
Daily minimum	(° C)	Average air temperature for the coldest day of the year (average for the past 30 years)

1.3.1.3 System topography

Average high of the water sources	(m)	Average high of the water sources over the see level
Maximum high of water distribution	(m)	Maximum high of water distribution over the see level
Minimum high of water distribution	(m)	Minimum high of water distribution over the see level

1.3.1.4 Type of sources

Surface sources	(%)	Total installed capacity of the surface sources / total annual abstraction capacity x 100
Underground sources	(%)	Total installed capacity of the underground sources / total annual abstraction capacity x 100

2. Performance indicators

2.1 Water indicators

Inefficiency of use of water resources L1	(%)	Real losses / water abstracted x 100
Resources availability L2 (%)	(%)	[Authorized consumption + water losses = annual abstraction] / total yearly abstraction capacity x 100A value of 100% for this indicator means that all available resources are being used
Consumption per capita L1	(l/capita/day)	Total annual billed water for the residential consumers / average number of customers / 365

2.2 Personnel indicators

Employees per connection L1	(No./1000 connections)	Number of full time equivalent employees of the water operator / number of service connections x 1000
Management and support personnel L2	(No./1000 connections)	Number of full time equivalent employees dedicated to administration, strategic planning, legal affaires, personnel, public relations, quality management / number of service connections x 1000

2.3 Physical indicators

Annual electrical energy consumption for drinkable water supply L2	(kWh/m³)	Annual electrical energy consumption for running the water supply system / Annual authorized water consumption
Flow meters density L1	(%)	Number of flow meters / total connections x 100
Metered billed waterL2	(%)	Annual quantity of metered billed water /annual billed quantity of water x 100

2.4 Operational indicators

Water losses L2	(m3/connection/year)	Water losses / number of service connections of the service connections density $< 20 / \mathrm{km}$ of mains (e.g. transmission networks), then this indicator should be expressed in m3/km of water mains / year
Mains failures	(No./100 km/year)	Number of mains failures during the year, including failures of valves and fittings \prime total mains length x 100
Service connection failures	(No./1000 conn./year)	Number of service connection failures during the year / number of service connections x 1000
Tests performed	(%)	Number of treated water tests performed during the year / number of treated water tests required by applicable standards or legislation during the year x 100

2.5 Quality of the service indicators

Drinkable water coverage	(%)	Resident population supplied with drinkable water / total resident population x 100
Continuity of supply	(%)	Number of hours when the system is pressurized during the year / 24 / 365 x 100
Quality of supplied water	(%)	Total number of treated water tests complying with the legislation during the year / total number of tests of treated water performed during the year x 100
Drinkable water service complaints	(No. compl./conn./year)	Number of complaints of quality of drinkable water service during the year / number of service connections
Billing complaints	(No. compl./cust./year)	Number of billing complaints during the year / number of registered customers
Response to written complaints	(%)	Number of written responses within the target time / number of written complaints during the year

2.6 Financial indicators

Unitary tariff	(euro/ m³)	Unitary billing tariff
Total costs of the company	(euro/m³)	(Annual running costs $+$ annual capital costs) / authorized consumption
Unit running costs	(euro/m³)	Annual running costs / annual authorized consumption
Total cost coverage ratio (efficiency)	(%)	Annual revenues / annual costs x 100
Power supply costs weight	(%)	Power supply annual costs / annual costs
Manufacture costs weight	(%)	Manufacture annual costs / annual costs
Investments	(euro/m³)	Annual investments / annual authorized consumption
Debts recovery ratio	(equivalent days)	Annual debts / annual income x 365

_

0

۵

0

Housing Services Decentralisation Strategy

Authors:

Aloys Bongwa, IHS expert

Cees van Helvoirt, VNG International expert

Dumitru Ion, GMAP Prahova county

Marina Ionita, GMAP Prahova county

Simona Munteanu, local expert

Daniela Neagu, GMAP MTCT

Mihail Pavel, GMAP Prahova county

Florina Popescu, Ploiesti City Hall

Maria Ursuletu, CUPAR expert



0. Introduction

0.1. Strategy context

Affording a home represents one of the main (human) rights of a person. Social housing exists in this context and, in Romania, it is regulated as follows:

- According to Law 114/1996, social housing represents "a house distributed with subsidized rent to individuals or families whose financial situation does not allow them to owe or rent a house under the real estate market conditions";
- The clients of this service, the criteria for social housing allocation and the amount of subsidies for rents are set by a number of legal norms such as Law no. 114 / 1996 the law on housing, with subsequent amendments, and the methodological norms for its implementation, (republished in 2000), Law no. 341/2004, Law no. 44/1994, Decree no. 118/1990, Law no. 116/2002 related to preventing and combating social exclusion, Law no. 241 / 2001 for approval of OG no. 40 / 1999, regarding protecting tenants and setting rents for social houses.

0.2. Objective of the document

This document is aimed mainly at central and local authorities involved in the construction and management of social houses.1 The objective of the is improvement of the social housing construction and allocation system as a public service performed by the local governments, through the presentation of an action framework at all levels of decision and implementation. In this respect, the strategy comes with a set of specific objectives which would lead to the elaboration of an action plan and a benchmarking system for this service.

¹ Although currently the contribution of the private sector to social housing is irrelevant, this may become significant in the future, particularly in terms of its financial contribution.

0.3. Elaboration process of the strategy

The methodology used started from an analysis of the present situation in terms of social housing service decentralization, using the example of Ploiesti City as pilot city. Within this analysis, problems were identified and the opinions of the actors involved were sought.

Questionnaires were used to check the level of satisfaction of beneficiaries. Interviews were held with:

- members of NGOs representing the physically and mentally handicapped people
- young men who had left child protection institutional setting;
- · war veterans;
- and former tenants of nationalized houses that had again been returned to their original owners,

Interviews were also held with: representatives of social housing service suppliers:

- · suppliers of public services and utilities;
- · the regional office of the National Housing Agency local office;
- and the State Inspectorate for Buildings.

Information concerning the general status of the applicants (their income, social status, health and age, requests etc.) was processed.

The results of these surveys were interpreted and incorporated in the formulation of the strategy. Subsequently at a later stage, thanks to the support of Ministry of Administration and Interior and of The Federation of Local Authorities, a draft document was published on the Internet for debate.

The strategy debate was also undertaken at a workshop organised with representatives of central and local administration and local and international experts. In parallel, the strategy was tested at the level of another city - Oradea - for which information regarding the present organization of the social housing service was also gathered.

0.3. Document structure

This document has four sections:

- The first chapter describes the analysis of the supply and demand for the social housing service. The clients are defined, the service organisation and functioning is described and a SWOT analysis is made.
- The second chapter deals with strategy formulation, its objectives, the potential beneficiaries and the presumed results.
- The third chapter contains the proposed performance indicators, benchmarking system and action plan, presented in a matrix.
- The Annexes include information regarding the criteria for social housing allocation and the way the service is organised in Ploiesti and in Oradea.

. Analysis of the supply and demand for the service

1.1. Clients

The categories of people qualifying for a Social Housing Service are stipulated in the following legislation:

Law 114/1996, art. 42 and 43:

- · People younger then 35 years old
- · People with disabilities
- · People with low income
- Young people (over 18 years old) who come from an institutional setting,
- Homeless people,
- · War veterans,
- · War widows.

In addition to these categories, Law 42/1990 and Law 341/2004 (art. 5) add to the list people: revolutionaries from 1989, Law 44/1994 (art 5) veterans and the war widows, and Decree 118/1990 persons persecuted by the former regime.

For all above-mentioned categories, iwhen making a list of priorities the following criteria need to be taken into consideration:

- · living conditions;
- number of children and their health status (level of disability, age).
- criteria that, according to the housing law provisions, are approved by the Local Council

For persons younger then 35 years old, Law no. 116/2002 on preventing and combatting social exclusion, section II - access to a home, also sets out a number of fiscal conditions for renting or building/buying a house.

1.2. Organization and functioning of the service

Housing represents a complex concept that includes legal, economic, social and technical aspects. In the past fifteen years the most important element that profoundly affected housing, especially social housing, was the evolution of the national economy,, in terms of restructuring it and the labour market.

An analysis of the present social housing service needs to consider a number of its components:

• The financial component - the increase in house prices in relation to a decrease

² The list of criteria for social housing allocation in Ploiesti city can be found in annex 1.

in income - this influences the number of applicants for social housing;

- The social component the large number of job dismissals during the recent years led to an increase the the level of unemployment , which is reflected in the the number of homeless people;
- The technical component age and earthquake affects the housing stock, leading to its deterioration and subsequent destruction, and thus to an increase in the number of social housing applications.

During recent years, based on information provided by various internal reports from city halls, a steady increase in the number of applications for social houses has been noted, with applications coming from tenants left homeless after their evacuation from the nationalized houses, or from the houses claimed by the former owners. It is estimated that, in the coming years, the number of applications for social houses from these people will increase by more than 50%.

The organization of social housing service has been characterized by change, initially it operated with municipal structures, after 2000, the service was outsourced mostly as a public service under the jurisdiction Local Councils .The following chart shows the organization and functioning of the Social Housing Service2.

- (1) Persons looking for a social house go to the specialized services within the City Halls social housing and NHA houses for youth.
- (2) These organizations make a selection of the applications through prescribed criteria and draw up their own priority list (2,3).
- (4,5) These lists are approved by the Social Committee from the Local Council and submitted for approval, together with the proposals for allocation of the social houses and NHA houses for youth, to the Local Council (6,7)
- (8,9) The Local Council decides and, according to the approved list and available SH units, the two specialized services make the allocations and conclude the rental contracts.
- (10) The number of applications is significantly higher than the number of social houses and therefore there are a large number of people on a waiting list which is being re-evaluated and approved once a year.
- (1a) Persons that are not eligible for a social house or a NHA house for youth are encouraged to find a house in the private market.
- (11-21) Criteria for allocation of social houses and NHA houses for youth, as well as the technical requirements for their construction and the level of the subsidies for rent are stipulated by the central authorities.

³ Annex 2 presents in detail the organization structure of the social housing service within the two pilot cities - Ploiesti and Oradea.

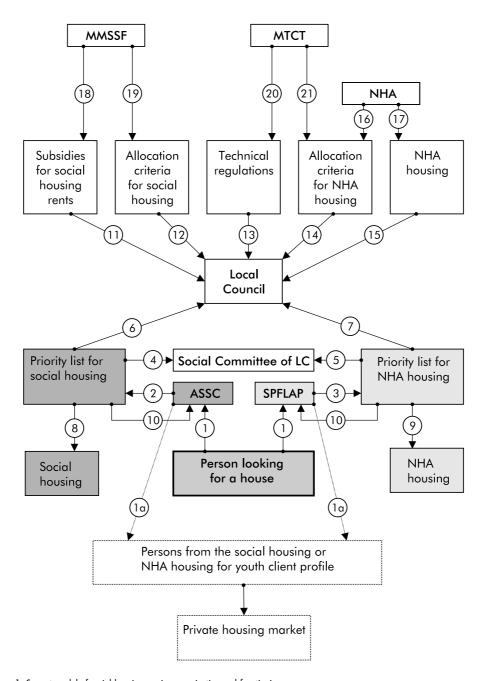


Figure 1: Current model of social housing service organisation and functioning

1.3. SWOT analysis/problems

The SWOT analysis of the legal provisions and practices in the field lead to the following positive and negative points:



Strong points

→ Existence of some good practices in this field at local level in the construction of social housing stock, or the creation of new forms of service organisation;

Opportunities

→ Continuation of the decentralisation process and creation of new financial sources at local public administration level;

Weak points and threats

- → Lack of housing stock and poor quality of the existing stock (age of dwellings, number of rooms, number of bathrooms, number of persons per room, and basic equipment available in dwellings such as mains electricity connection, central heating, gas supply, water supply, and sewerage connection);
- → No clear definition of both the social housing service and of the technical specifications for a social house;
- → Lack of real communication between the institutions involved and the beneficiaries of the service, as well the absence of an efficient institutionalized mechanism for consultation for the beneficiaries of the service;
- → Lack of coordination between the ministries involved MTCT and MLSSF - concerning the integrated approach of the legal, social, technical and financial issues.

Threats

Increase and diversification of applications for social housing and administration's lack of capacity of solving these applications. In the line of the above, a number of problems that need to be resolved can be identified, and are listed below by type of problem:

Decision-making related problems

- · Lack of a national policy in the field of social housing;
- Procedures regarding the planning/building process is long and bureaucratic
- Facilitation of the investment process is slowed down due to the complicated and unsystematic legal framework;
- Lack of a clear definition of the social housing service creates ambiguity regarding the responsibility for and level of decisionmaking.

Managerial related problems

- Lack of appropriate communication between the institutions involved and the service beneficiaries;
- Lack of a consultation mechanism for a wider range of potential service beneficiaries;
- Lack of integrated programmes for financing local activities related to social housing services;
- Rigid procedures for social houses allocation (long waiting time on the priority list, allocation only once a year) and lack of attention to the specific needs of each category of beneficiaries.

Financial problems

- Insufficient funds through the Fiscal Code and through the law on local public finances, for private investments in the social field, or for social housing;
- High interest rates for the loans granted to investors or construction companies that build up social houses;
- Lack of response to financial applications through the law on social exclusion;
- Insufficient financial resources for the social housing service.

Technical problems

• Lack of a proper classification of social houses in relation with clients' needs (different depending on age, health status etc.)

Human resource related problems

• Lack of training programmes for staff of the social housing service at level of local administration.

The immediate problems being short-term priorities requiring immediate attention are the following:

- Very low level of subsidies granted by the government for the rents of a social house designed for low-income families and other disadvantaged groups of households;
- There is no consensus regarding the definition, scope of services and responsibilities already set in the present legal provisions concerning social housing;
- Low financial resources for building a stock of social houses adequate and diverse according to clients' needs (age, disabilities, socio-economic status).

Strategy formulation 2.1. Objectives of the strategy

Overall objective:

Improvement of the social housing construction and allocation process as public service provided by local authorities with minimum costs and assuring a higher level of social housing client satisfaction

■ Immediate objectives:

- · Clearly define the scope and clarify the responsibilities of the decentralized social housing service;
- To ensure efficient reaction of the local administration to social housing demand and to set up an efficient management of the local social housing service.

2.2. Intended beneficiaries

Intended beneficiaries of social housing service are:

- · Individuals with a low or without income who cannot rent or buy a home from the private market(the net income per family member is below the average limit set for a given locality);
- · Individuals with disabilities and in need of social assistance;
- · Socially assisted individuals.

Eligible persons can also be categorized according to the following criteria:

Health status:
 Individuals with health problems (such as people with disabilities, was veterans, war widows etc.) Individuals without health problems
Age
 Young people (individuals younger then 35 years old, young people coming from institutionalized structures) Others
Social profile
 Jobless individuals (unemployed persons, household wives, young people coming from institutionalized settings);

• Individuals with criminal record or antisocial precedents.

2.3 Expected results in line with the defined objectives

Expected results, in line with the defined objectives, are:

From the legal provisions point of view:

- Adopting a set of performance indicators for the social housing service at local level;
- · New legal provisions to facilitate the investments process;
- New legal provisions concerning the social housing service through an integrated approach to the legal, social, technical and economic aspects;
- Establishing three types of social housing units (basic, standard and personalized) to respond, in terms of floor area and facilities, to the different categories of beneficiaries.

From the technical point of view

• Rehabilitation programmes for rehabilitation of social housing units

From the financial point of view

- · Increase funding for social housing service from public and private funds;
- · Identify new financing sources for this service;
- Setting up an emergency fund to create/buy/build emergency social housing units

From the management point of view

- Setting up a unique social housing entity at local level with clear responsibilities, full powers and clearly defined resources (human, financial etc.);
- A database containing relevant information regarding social housing, to be regularly updated;
- Setting up a permanent process of mutual exchange of information between partners with similar interests in the field of social housing, through establishment of an information centre for social housing related problems;
- New allocation criteria for social housing, with the power to amend them at least quarterly;
- Rental contracts with new provisions for the protection of social housing including the observance of a code of conduct for tenants of social housing

The figure below shows the proposed organizational framework for the functioning of the social housing service:

• Persons looking for a social house go to the newly set up Social Housing Service under the authority of the Local Council.

- This makes a selection of the applications using the prescribed criteria and draws up the priority list.
- The list, together with the allocation proposal for social housing, is submitted for approval to the Local Council.
- The Local Council decides and, in accordance with the approved list and available Social Houses units, the Social Housing Service makes the allocations and concludes rental agreements with the applicants.
- The general criteria for social housing allocation, as well as for emergency cases, are established by the Local Council's Decision based on the profile and needs of local applicants.

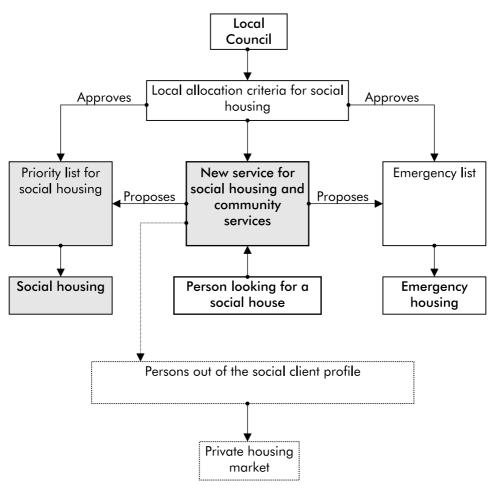


Figure 2: Proposed model of social housing service organisation and functioning



Strategy implementation

3.1. Performance indicators and benchmarking

Improving the quality of the social housing service for tenants represent one of the important tasks for of local authorities. Thus, introducing new performance indicators and benchmarking system represents new instruments for the modern management of public services.

Through this strategy, a proposed system of performance indicators for monitoring the social housing service at local council level is suggested, which includes:

- 1. Number of years between the time of acceptance on the allocation list and the time of the actual renovation of the social housing unit;
- 2. Average time for building a social hosing unit;
- 3. Ratio, between the total number of social housing units, of social housing units made through rehabilitation of a non residential buildings;
- 4. Total amounts allocated from the municipal budget for building new social houses;
- 5. Percentage, from the total number of social houses units, of the social housing units connected to all public utilities (water, gas, sewerage, electricity etc.);
- 6. Ratio between new social housing units and the total number of units;
- Ratio between total number of social tenants and total number of social applicants;
- 8. Real value of the rent for one social housing unit as percentage from the average income of a household/family;
- 9. Ratio between the average income of the social housing tenants and the average income in the city;
- 10. Ratio between the number of existing and potential number of beneficiaries;
- 11. Ratio of existing budget and future private funds attracted to the social housing service;
- 12. Number of social housing units built from private funds;

Considering that in the medium or long term a benchmarking system for the per-

formance of the social housing service, will be established it is desirable from the outset, to make a comparison between the data collected from county capitals and subsequently from the other cities, after testing and validating the system.

Since the basic principles for benchmarking are the effectiveness, efficiency and ensuring consumer's satisfaction, these are reflected in a new system of social housing allocation and are focus on:

- · persons with a low income;
- · reasonable time response for the client;
- · low cost of building, rehabilitation and maintaining social housing.

The initial system of performance indicators proposed for benchmarking are:

- indicators for evaluation of the response time for getting a social house and consumers' level of satisfaction:
 - o number of persons eligible for social housing in the present/in the future;
 - o time (in months) for obtaining a social house;
- · indicators for cost evaluation:
 - o cost (price) per m2 for social housing (for new and old buildings); o monthly cost for maintaining a social house (sum of all costs for utilities and other costs).

The benchmarking will demonstrate:

- Firstly, the actual evolution of the social housing service in a city under the present institutional arrangements compared to social housing services in other cities;
- After completing data in the database, on cities, we can measure and evaluate:
 - Which organizations perform better the operational process and have best practices applicable to policy for the social housing service;
 - Which system is the most compatible for the city that is being benchmarked;

- How is the performance of their own social housing service compared to other comparable institutions, what processes can and must be improved and what are the trends or new tools in the field of their own social housing policy.

For this purpose it is proposed that the benchmarking be simultaneously undertaken at levels of the Federation of Local Authorities in Romania (on a voluntary basis), at the Ministry of Labour, Social Solidarity and Family and at County Councils.

3.2: The Action Plan

Implementation of the strategy has two phases, the first one (short term 2006-2007), is detailed in the action plan at table 3.2. Table 3.3 shows the allocation of powers among the main actors involved in social housing supply, through decentralisation of the service, during the two phases.

In the short term it is proposed that there is a clear legislative delimitation between responsibilities and purpose of this service.. Integration of the responsibilities concerning the communitarian social services at local level with the provision of social houses is the first and most important objective, starting from the premise that the beneficiaries of the above-mentioned service are mostly the same categories of persons.

It is also desirable to adopt the criteria for allocation of social houses that respond to the local needs and social profile of the applicants (new criteria and three types of comfort for social houses are proposed). Furthermore it is proposed the creation of a unique service under the Local Council which will be in charge of both the management of the funds for social houses and of the financing and construction of them. Moreover, the implementation of a local strategy regarding the public service of social housing should be done by this organization, with the coordination from the Local Council.

In the long term, the idea of creating a Local Agency for Social Housing is supported, similar to the existing organization structures in European Union States, to act on the basis of a local strategy regarding social housing approved by the municipality, but integrated with the real estate market.

Table 3.2. Action Plan

Tuble 3.2. Action Fluir					- 11
General objective	Improving construction the local government	n and allocation of soci	ial housing as a pu	ıblic service perfor	med by
Objective no.1	Clearly define the scop	pe and clarify the respo	onsibilities of the d	ecentralized servi	ce
Activity	Results	Evaluation indicator	Risks involved	Organizations involved	Deadline
Laboration of a national strategy for social housing	National strategy for social housingNew definition for social housingSet of performance indicators for social housing service	Strategy adopted by law or Government Decision		MTCT MMSSF	2006
2 Setting up a legal and institutional framework - national and local - which will integrate all issues regarding social housing	Social housing law	Law adopted		MTCT MMSSF	2006
3 Setting up a new social housing service under the authority of the Local Council	New organization set up under the Local Council's authority, well equipped and organized	Functional organisation		Local Council City Hall Current Social Services Administration	2007
Objective no.2		reaction of the local a management of the loc			ind and
Sub objective 2.1	Facilitating the access a correct hierarchy of	to social housing for s needs.	pecific categories o	f persons and esta	blishing
Activity	Results	Evaluation indicator	Risks involved	Organizations involved	Deadline
Ensure access to information for the clients	Setting up a social housing and other social activities and services information centre	Number of applicants addressing to the centre	High organizational costs.	County Council Social housing public service Local Council Utilities suppliers	2007

Table 3.2. Action plan (continuing)

2 Setting up a social housing service database in view of collection, processing, and provision of data to the clients 3 Setting up a local	Complete database, regularly updated Local social housing	Quantity of information collected for the database. Relevant information in database	Delays in receiving data and updating the database	County Council Social housing local public service Local Council Utilities suppliers County Council	2007
set of allocation criteria for social housing related to the local clients structure	allocation criteria	for adopting the new allocation criteria		Social housing local public service Local Council.	
Sub objective 2.2	Improving social hous	ing service through pe	rformance indicato	rs and benchmark	ing
Activity	Results	Evaluation indicator	Risks involved	Organizations involved	Deadline
system of performance indicators based on needs and perception of the client	Creation of a performance indicators system	Number of indicators established and used		Local social housing public service Local Council	2006
2 Setting up the system of performance indicators, use and manage them	Database created	Number of performance indicators used and compared		Local social housing public service Local Council MLSSF	2006 - 2007
Using the benchmarking system, public access to benchmarking results	Functional benchmarking system	Number of users accessing and using the system		Local social housing public service Local Councils County Councils MLSSF, MTCT Beneficiaries	2007

Table 3.3 The Decentralization Process for Social Housing Service

able 3.3 The Decentralization Process for Social Housing Service Stage 1 (2006-2007)										
Organization			Service co	mponents						
	Legislation and legal provisions	Finances	Technical aspects	Management	Communication and data base	Social housing allocation				
MTCT, MPF, MLSSF	Approves the national strategy for social housing Ensuring the integration of social housing and social service legislation	Ensuring special financing sources for social housing (for building and rental subventions)	Pilot projects		Implements and manages the bench- marking and the performance indicators system (at level of MLSSF)	Ensures a flexible legal framework for creating local criteria for social housing allocation				
County Council		Allocation and transfer of funds from the state budget and from special funds			Management and transferring of information from the county data baseImplement ation of the benchmarking system and performance indicators (at level of County Council)					
Local Council, City Hall, AASC, SPFLAP	Approve the social housing local strategyApprove s the system of performance indicators for social housing service	Ensures from the local budget the necessary funds for the social housing service	Approves technical criteria for three types of social houses	Organizes the unique social housing service within the city hall structure	Set up a communication system with the applicants	Sets and adapts the new flexible criteria for social housing allocation				
Utilities Companies		Allocate the necessary funds to built the utilities for social housing units	Built the necessary infrastructure for the social housing units (new and existing ones)	Ensure the utilities (water, sewerage, electricity, gas etc.)						

Table 3.3 The Decentralization Process for Social Housing Service (continued)

	Stage II (2008-2013)										
Organization											
	Legislation and legal provisions		Technical aspects	Management	Communication and data base	Social housing allocation					
Local Council, City Hall, ZAASC, SPFLAP				Creates an organisation under the Local Council's jurisdiction with full powers in the field of social housing (self-financing)	Improve the communication channels clients of the serviceBenchma rk comparing with other social housing services in other counties (county level, national level)	Local organization for social housing service adopts its own criteria for social housing allocation					
FLAR and associative bodies of local administration					Implement and manage the benchmarking and performance indicators system						



Bibliography

Law no. 114/1996 - the housing law, republished, with the subsequent amendments, and the methodological norms for its application (2001), with subsequent amendments;

Law no. 10 / 1995 - concerning the quality of the buildings, with the subsequent amendments;

Government Decision no. 20 / 1994 - concerning the diminishing of the seismic risk for the existing buildings;

Law no. 325 / 2002 - for approval of the Government Ordinance no. 29 / 20000, concerning the thermal rehabilitation of the existing buildings and promotion of energy saving;

Government Ordinance no. 19 / 1994 - concerning the stimulation of investments for realisation of public works and constructions of dwellings, with the subsequent amendments;

Law no. 190 / 1999 - the law on mortgage loans, with the subsequent amendments;

Law no. 330 / 2003 - for approval of GEO no. 200 / 2000 concerning the firms granting mortgage loans;

Law no. 254 / 2003 - for approval of GEO no. 149 / 2000, concerning the finalisation of dwellings' constructions initiated before 1st of January 1990 and not finished until the 1st of June 2002;

Law no. 15 / 2003 - concerning the state support granted to youth for constructions of dwellings, private property;

Law no. 646 / 2002 - concerning the state support granted to youth in rural areas, and the methodological norms for its enforcement;

Government Decision no. 829 / 2002 - for approval of the National Plan for Promotion of Social Inclusion and Fighting Poverty;

Law no. 380 / 2001 - for approval of GEO 98 / 2000 - concerning some measures for acceleration of transfer and use of foreign loans guaranteed by the state, according to GD no. 687 / 1997;

Law no. 243 / 2001 for approval of GEO no. 28 / 2000 concerning the regulation of the legal status of lands allocated for constructions of dwellings through the

National Housing Agency;

Law no. 241 / 2001 - for approval of GO no. 40 / 1999, regarding the tenants protection and setting the rents for dwellings;

Law no. 352 / 2002, regarding the thermal rehabilitees for buildings and stimulation of energy saving;

Law no. 174 / 2002 - regarding the establishing of special measures for thermal rehabilitation of buildings;

GD no. 1070 / 2003 - for approval of the norms stipulated in GO 174 / 2002;

Law no. 500 / 2002 - on public finances;

The National Plan for development 2000 - 2004, the Government of Romania - the Ministry of Development and Forecast, The Official Gazette, 2000

The National strategy for public administration reform, the Government of Romania - the Ministry of Administration and Interior, the Official Gazette, 2004

The National Strategy for Housing 2000 - 2004, the Government of Romania - the Ministry of Transport, Constructions and Tourism, the Official Gazette, 2000

Statistical reports for Ploiesti City 1992 - 2004, County Division of Statistics, Prahova county, 1992 - 2004

Local Agenda 21 - Ploiesti City, Ploiesti City Hall and Ploiesti Local Council, 2002



Annexes

Annex 1: Allocation criteria for social housing in Ploiesti

A. Prescribed criteria:

1. The applicant and his family members need not to own a dwelling or be the beneficiary of a rental contract for a house built for youth.

Documents required: notary declaration about holding a house.

- 2. Renovation of dwellings will be done within the limit of the available fund (existing free dwellings and the ones which will be finish following to the investments program).
- 3. The applicant's work place must be in Ploiesti.

 Documents required: certificate from the work place and a copy of the labour contracts background.

B. Hierarchical criteria:

CRT.	Criteria	PUNCTE
1.	PRESENT LIVING SITUATION	
	1.1. As a tenant: a. the applicant has the residence and the work place in the same locality - dwelling from the public housing stock (the applicant and its family have a rental contract with public services) - dwelling from the private housing stock b. the applicant has the residence in the other locality than the work place 1.2. Geographical location: a. the applicant has the residence and the work place in the same locality. b. the applicant has the residence in the other locality than the work place. 1.3. Dwelling area: - more than 18m²/family member - more than 15m² and less than 18m²/family member - more than 12m² and less than 12m²/family member - more than 8m² and less than 12m²/family member - less than 8m² family member	10 15 5 10 5 0 1 2 3 10
2.	CIVIL STATUS	
	2.1. a. married. b. unmarried with children (single parent family)	10 10 2
	2.2. Number of persons under support: number of under age children - 1 child	1 3 5 7 10 2

Hierarchical criteria: (continued)

3.	HEALTH STATEMENT	
	a. healthy	0
	b. unhealthy - the applicant or the other family member disease require a nursing person or a	
	supplementary room (medical certificate)	10
4.	APPLICATION DATE	
	a. less than 1 year	1
	b. 1-2 years	2
	c. 2-3 years	3
	d. 3-4 years	4
	e. more than 4 years	4
	note: - for more than 4 years every year counts a point	
5.	MONTHLY AVERAGE INCOME/FAMILY MEMBER	
	a. less than minimum income on the national economy	5
	b. more than minimum income and less than average income on the national economy	
	c. more than the average income on the national economy	4
		3
6.	STUDIES	
	a. without studies	0
	b. graduate from gymnasium and occupational schools of 3 years (certificate or diploma)	2
	c. graduate from high school (diploma)	5
	d. graduate from college	10
	e. graduate from university or upper	15
7.	WORKPLACE	
	a. public institution of national or local interest	15
	b. companies of national or local interest	10
	c. private companies	10
	d. others	2
8.		2
8.	d. others	5

Annex 2: The existing organizational framework of social housing activities in Ploiesti and Oradea

Presently Ploiesti Local Council social housing activities are not limited to one department or public service. There are three sections related to the service, each one of them with well defined responsibilities:

- Community and Social Services Administration-social housing service under the authority of Local Council
 - 4 persons exclusive responsibilities for social housing allocation
- → Public Service for Local Finance and Real Estate Management

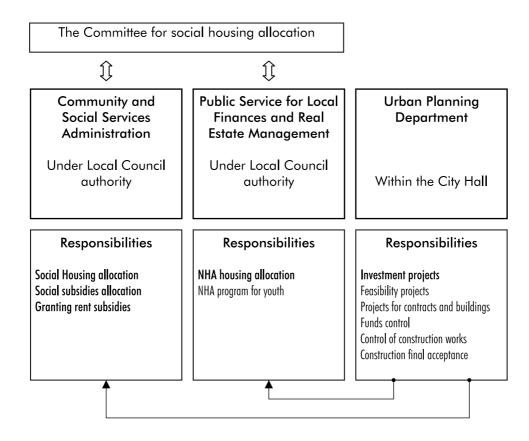
Department for real estate management under the authority of Local Council

- 4 persons exclusive responsibilities for NHA housing allocation
- Ploiesti City Hall- Urban Planning Department Residential development section
 - 4 persons exclusive responsibilities for housing projects

The organizational charts related to each one of the above institutions are shown.

They are mentioned below with the links between the three departments mentioned - relevant information includes:

- · The informational flow between services
- · The relevant responsibilities related to social housing
- The type of social housing units resulted from their own activities.

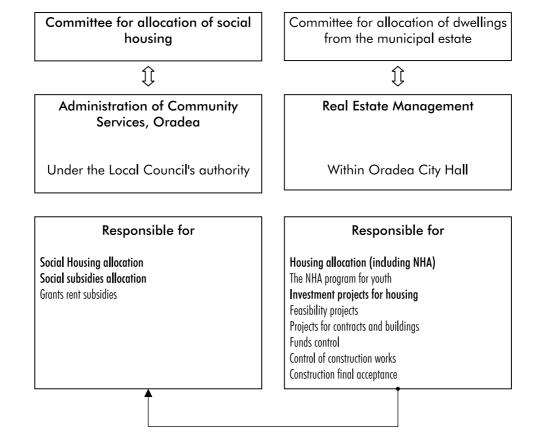


In Oradea, the current situation, which is considered by the local authorities more flexible and more respondent to the continuous fluctuation of the applications for social housing, has a similar organization to Ploiesti through the dissolution of the Real Estate Administration, that three years ago was in charge of all social housing service related responsibilities - financial, management, dwelling allocation.

The existing situation is the following:

- Community Social Administration Oradea the Social housing service under the authority of Oradea Local Council
 - 6 persons exclusive responsibilities for social housing
- → Oradea City Hall -Real Estate Department
 - 4 persons exclusive responsibilities for NHA youth housing and municipal estates.

The current general context is shown in the below graphic:





_

0

٥

_

Employment Services Decentralisation Strategy

Authors:

Daniela Bărbulescu, GMAP Timiș County
Flavia Bobora, GMAP Timiș County
Doug Mc Callum, IHS expert
Bogdan Nădăștean, GMAP Timiș County
Magdalena Nicoară, local expert
Roxana Nicolae, CUPAR expert
Anke Ruige, VNG International expert
Toma Seghedi, GMAP MLSSF



1. Introduction

0.1. Strategy context

Within the last decade the labour force market in Romania has suffered major changes with implications upon the level of employment, in particular unemployment rate. The changes that have occurred have created a need to set up organizations to manage the unemployment related issues. The National Agency for Employment was set up according to the provisions of Law 145/1998 and it is an organization of national public interest, which effectively started its activities on January 1, 1999.

By Governmental Government Decision no. 294/2000, the Law 145/1998 was amended and given a new name: the Agency for Unemployment (AMPFM). Its purpose is to organize and coordinate specific activities at county level and in Bucharest. ANOFM has units that are legal entities. The county agencies have the right to set up sub-units for provision of services. The main objective of these institutions is to increase the level of employment and consequently, decrease the unemployment rate.

At central level, there is no difference between the National Agency for Employment and the Ministry of Labour, Social Solidarity and Family (MLSSF). ANOFM functions under the authority of the Ministry of Labour, Social Solidarity and Family. Within the MLSSF there is a department for employment policies that issues policies and strategies at national level. The Secretary of State under the MLSSF is the head of ANOFM's board. On an annual basis, ANOFM concludes a contract with MLSSF with regards to objectives/actions and performance indicators.

0.2. Objective of the document

The strategy for unemployment services is decentralisation, they target all institutions at local, county and central levels they are involved in the provision of support services for job seekers and facilitation for their reintegration in the labour market.

The main objective of the present document is to guide the public administration and the authorities involved in the service delivery, in the decentralisation process, by providing an action framework at all decision-making levels and implementation through the development of an action plan, a system of performance indicators as well as a benchmarking system.

0.3. Elaboration process of the strategy

Timis County was chosen as a pilot study. The process of strategy elaboration was based on the analysis of the general framework of the unemployment decentralisation services and the current service delivery process.

Included in the elaboration of the strategy, interviews with representatives from the ministries of national and local agencies, the private sector, local authorities and other actors involved in the service delivery process were organized.

There were elaborated questionnaires for the following target groups:

- The clients of the unemployment services (those who visited the AJOFM and the working point at the time the survey was conducted) (see annex 1)
- Representatives of city halls/local councils within Timis county (see annex 2).

The opinions expressed during these interviews, were included in the strategy document and at a later date the strategy was publicly debated on the internet and within a seminar where key factors of the decentralisation process in Romania were invited.

The debates and recommendations that resulted from the discussions and debates led to the present form of this documents, which was also tested in AJOFM Caras-Severin and the City Hall of Resita in the final stage of the strategy elaboration process.



0.3. Document structure

The results of the unemployment decentralisation strategy elaboration process are comprised in the present document, which is structured as follows:

- The first chapter describes the current organization structure and functioning of the unemployment services by analyzing the demand and supply
- The second chapter presents the unemployment decentralisation strategy, stating the general objective, the specific objectives and the expected results
- The third chapter proposes the implementation stages, including a set of performance indicators, the basis of a benchmarking system and the proposed action plan
- The annexes contain the questionnaires and the results of the survey undertaken in Timis County

Analysis of the unemployment service supply and demand

1.1 The clients

According to the current legislation, the unemployment services address those people seeking a job. Law no. 76/2002 regarding the system of unemployment insurances and labour force stimulation states that an unemployed person is one who fulfils the following criteria:

- · Aged between 16 and 65
- · Unemployed and actively seeking a job
- In an appropriate health condition to work
- Does not have any source of income or the income is lower than the unemployment allowance
- · Is available to start working immediately
- · Is registered with ANOFM

Unemployment is an economic phenomenon caused by crisis or economic recession and is characterized by the fact that a percentage of the employees are loosing their jobs as a consequence of supply and demand on the labour market. To be unemployed is therefore the state of a person who is not employed because he/she is not able to find a job (Romanian Explicative Dictionary).

Unemployment service clients can be grouped in the following categories:

- Registered unemployed: the People meeting the above-mentioned criteria, according to Law 76/2002 regarding the system of unemployment insurances and stimulation of the labour force
- People who are assimilated with the unemployed and are beneficiaries of the unemployment allowance: 16 years old young graduates with an income below the level of half the minimum salary, which could not find a job within 60 days from graduation; 16 year old young graduates who do not have any legal sustainers, or who's legal sustainers cannot fulfil their legal obligation of sustaining them, young men who did not work before they joined the army and who could not find a job within 30 days of leaving the army; graduates of special schools for disabled People, who do not have a job
- People who lost their jobs due to industrial reorganization
- People that are not the beneficiaries of allowances according to the legal provisions, but are registered with the agencies as job seekers
- · Those who have a job but they would like to change it

- Refugees and beneficiaries with any kind of international protection
- Foreign citizens and working stateless
- Those who did not find a job after their repatriation or release from detention.

1.2. Main aspects concerning the service delivery

The current unemployment service delivery process for people seeking a job functions according to the following scheme:

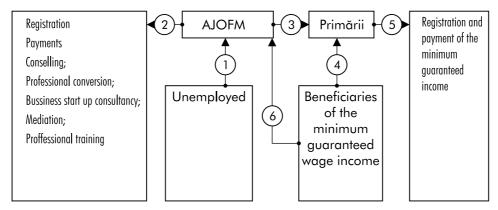


Figure 1: Current unemployment service delivery process for job seekers

- 1. People seeking a job go to the AJOFM in order to become beneficiaries of the unemployment services
- 2. AJOFM delivers, directly or through private companies, services of employment (registration, unemployment allowances payments, counselling, professional reorientation, business start up consultancy, labour mediation, professional training)
- 3. People who are not qualified to receive unemployment services may address the city halls in order to receive the minimum guaranteed income
- 4. There are also People seeking employment that are not registered with the AJOFM. An example of an unregistered person is an unemployed person, who is not entitled to receive unemployment benefits and has not registered him/herself on a voluntary basis with AJOFM. These People may benefit, under certain conditions of the provisions of the law regarding the minimum guaranteed income, to financial support from Local Councils
- 5. People entitled to receive minimum guaranteed income benefit from registration service and payments of the minimum guaranteed income service. Currently, the city halls are not delivering reintegration or/and reconversion services

6. Beneficiaries of the minimum guaranteed income are required to come on a regular basis to the unemployment agencies in order to get the minimum guaranteed income. They have to present a certificate issued by the Local Agency for Unemployment, that states that the person was actively seeking a job but was not able to find a job according to his/her professional background

The unemployment services currently delivered by AJOFM to clients are:

Payments. This service is provided exclusively by the County Agency for Employment. It keeps the records for the unemployed people, forecasts the budget for unemployment allowances and grants the unemployment allowances.

Direct Services. These services include professional counselling and re-orientation, information, training and (re) qualification.

- Information and professional counselling services: Is represented by a group of services: provision of information regarding the labour market and jobs evolution, evaluation and self-evaluation in view of professional reintegration, developing the abilities and self confidence of the unemployed people for making a decision regarding their carrier, training in the field of methods and techniques of searching for work (presentation at interview, drafting a CV etc.).
- Professional training: AJOFM organizes qualification and re-qualification courses for the unemployed.
- Consultancy for starting up a business: consultancy and assistance for starting an independent business are delivered upon request to unemployed people looking for a job, in the form of: Legal advise; marketing; financing; management methods and techniques
- Labour mediation: mediation services connect employers with job seekers, in order to establish labour or work relations. AJOFM must identify the vacancies, and attendance in the mediation services is compulsory for the beneficiary of the unemployment allowance ANOFM is not the only organization that delivers unemployment services. The training courses can be/are given by: Private companies; NGO-s; provided that they are authorized by The National Commission for Adults
- Training. According to the legislation, private companies can deliver counselling services as well and presently in Timis County, there are companies authorized to perform activities of providing information, mediation and counselling. These companies develop their activities on the basis of contracts concluded with AJOFM.

Indirect services. Include development of special programs and strategies, participation in finding solutions for fighting the unemployment, as well as organization of job-shops. Most of these services are provided by the County Agency for Employment in partnerships with private companies, NGO's or other public institutions.

The unemployment insurance budget is composed of contributions from the employers (3%), individual contributions from the employees (1%), other sources (that include interests, penalties, taxes set by ANOFM for the services of professional training and for the accreditation of employment services providers, fines, external funding). In case these contributions do not cover total expenditures, the deficit is covered by the state budget subventions. The unemployment insurance budget is mainly used for the following expenditures: payment of unemployment allowances, payment of contributions to the state social insurances budget and to the health social insurance (for the unemployment allowance beneficiaries), financing measures for employment stimulation and for prevention of unemployment, financing measures for professional training for people seeking a job, financing studies, reports and analyses regarding the labour market, organizing and functioning of the National Agency for Employment, and other expenses. It is worth mentioning that as of 2004, the collection to the unemployment insurance budget is made by an institution subordinated to the Ministry of Finance. ANOFM is currently only collecting the contributions from people who pay the insurance on a voluntary basis.



1.3 SWOT Analysis/ Problems

The unemployment service delivery process and the institutional analysis were primarily based on a review of the existing legal framework, as well as on the competence of all actors involved in the supply of services. The conclusions of this analysis are presented in a SWOT type matrix (see table 1)

Strengths

- Establishing the Technical Inter-ministerial Working Groups on decentralisation
- Existence of quality standards in the field of unemployment services
- The existence of the private/NGO's sector in the training system
- Government's priority for the decentralisation of social services

The existence in the 2005-20082 Governing Program of active measures to decrease the unemployment rate (eg.: the functioning and development of counselling desks and employment of only specialised people that are able to perform these jobs)

Weaknesses

- Gaps between the supply and demand in the fields of qualifications/training courses on the market
- The existence of a group of people not included in the system
- · Lack of personnel because of legislative constraints;
- Lack of information on people who are not entitled to receive unemployment benefits and have not registered on a voluntary basis at AJOFM

Opportunities

- · The possibility of accessing pre-joining funds;
- Unification of the labour market and experience exchange with EU countries

Threats

- Lack of human resources and financial means for ensuring efficient functioning of the processes
- Delays in the implementation process due to the lack of capacities of the local authorities to implement the present strategy

The main problems identified along the service analysis and through processing the questionnaires filled in by the clients and local actors are:

- Lack of including into the system for reintegration, people who do not receive unemployment benefits anymore nor are entitled to receive the minimum guaranteed income
- Lack of training programmes in response to the demand in the labour market
- · Lack of financial resources for reintegration activities
- Lack of practice in monitoring the effectiveness and the efficiency of the services, and therefore improvement of the services

2.

Strategy formulation

The strategy was elaborated in the context of Romania's accession into the European Union and unification of the labour market. In this context it became necessary to come in line with the unemployment services standards to those adopted by the European Union, of which efficiency and effectiveness is based on a performance indicators system and the use of a benchmarking process.

1				•	T	ŀ	٦	e	•	(3	6	9	r	١	e	1	r	а	١	(١	0	i	e	9	C	1	ti	İ١	/	e	١.	

To improve the efficiency of the services and help the clients.

Specific objectives:

- 1) Improving the registration, information, reintegration and counselling services
- 2) Facilitating the access to the labour market
- 3) Improving the quality of the unemployment services by using performance indicators and a benchmarking system.

The main expected results by implementing the strategy are:

- · Lower costs for accessing the service
- More people are reintegrated into work
- More people applying for training courses
- · Extension of training courses in other cities
- · Addressing training programmes to different categories of people
- Improving the performances of training programmes
- Elaboration and use of a performance indicators system
- Improvement of the management based on the outcomes of the benchmarks system.

In order to achieve the objectives a model is proposed containing a distribution centre, which shall be newly set up within the city hall. This model starts from the present situation where people that are no longer registered with AJOFM and are not qualified for the minimum guaranteed income no longer benefit of reintegration services disappearing from the system on the black labour market.

Coordination of demands for unemployment benefits and reintegration services, as well as taking over the bank of data of the two institutions - AJOFM and city hall - shall answer the following issue:

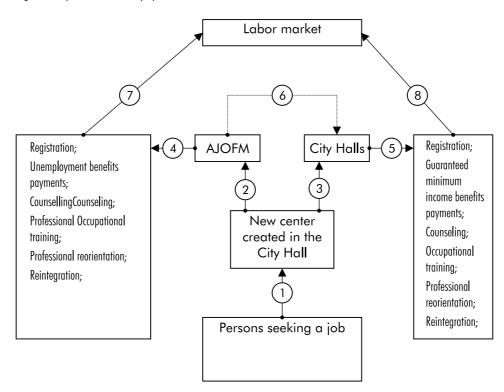


Figure 2: Proposed model for employment services

- 1. People seeking a job address the departments newly created in the City Halls
- 2. The staff of the newly set up departments will establish whether a person is legible to receive the unemployment benefit
- 3. A person not qualified to receive unemployment benefit but qualifies to receive the minimum guaranteed income is sent to the city hall's specialized departments
- 4. The people registered with AJOFM will benefit from: unemployment allowance; training; counselling; re-qualification; reintegration on the labour market, offered directly by the agency's employees or/and by private companies specialised in training, re-qualification and reintegration
- 5. People registered with the city halls will benefit from minimum guaranteed income services (if he/she is qualified according to the legal provisions), as well as training, qualification, counselling, re-qualification, and reintegration into the labour market services offered directly by the city hall's employees or/and by private companies specialised in training, re-qualification and reintegration
- 6. People that do not succeed in reintegrating into the labour market during the period of receiving the unemployment allowance will be trained to the

specialized services of the city halls in order to benefit of registration, counselling, re-qualification, training, reintegration and eventually (provided that they meet the legal provisions) receive the minimum guaranteed income benefit

- 7. People that benefit from unemployment services provided by AJOFM and reintegrate into the labour market
- 8. People that benefit from employment services provided by city halls and reintegrate into the labour market



Strategy implementation

3.1 Performance indicators and benchmarking

Currently there is a performance indicators system for unemployment services established by ANOFM and calculated / collected at local level by every local & county agency.

Within the implementation of the current strategy a set of monitoring indicators are proposed for the unemployment services provided by AJOFM and city halls, indicators that are related with the expected outcomes from meeting the specific objectives.

It is also proposed that the indicators form a benchmarking system that allows the AJOFMs and city halls to benchmark their performances in order to improve their efficiency, effectiveness and increase the consumers' level of content. The performance indicators will be calculated at the AJOFM and city hall levels, and reported to the Ministry of Labour, Social Solidarity and Family which will publish them on the ministry's website.

Within the employment services efficiency, effectiveness and the consumers level of content are evaluated using specific indicators.

Effectiveness reflects the achievement of the expected results - in this case - reducing the unemployment rate due to improving the performances of the reintegration in the labour market services. In order to verify if the expected results were achieved the following data need to be collected:

- Number of people seeking a job (registered)
- · Duration of the unemployment
- · Number of people following reintegration activities
- The time necessary for reintegration
- Number of people successfully reintegrated into the labour market

Efficiency refers to achieving results against costs, in this case meaning:

- How many people were reintegrated into the labour market
- · What are the costs of reintegration

Customer contentment is periodically measured (once a year) through questionnaires / interviews designed to reveal if the customer is content with the quality of the services delivered.

These questionnaires include a number of categories of questions:

- Access to information related questions (Is the information readily available, accessible? How did you get the information (newsletter, helpdesk, leaflets, Internet)?
- Treatment related questions (How friendly/open/helpful are the staff members with the clients?)
- Training activities related questions (Is the client content with the training activities? Do training activities meet his/her level of education? Is the client offered enough logistical support?)

3.2 Action plan

For implementing the strategy an action plan is proposed, on a short-term basis, which envisages meeting the specific objectives (see table 3). In addition, table 4 describes the method for allocating responsibilities to key actors involved in service provision, within the decentralisation process.

Table 3.1: Performance indicators

Expected result	Performance indicators for measuring effectiveness (achievement of the proposed results)	Data needed for calculating the performance indicators	Indicators for measuring efficiency (which costs were made in order to achieve the results)	Data needed for calculating the performance indicators
Lower costs for accessing the service	Are the costs lower for accessing the service? What are the costs before decentralisation per person, costs after decentralisation	What are the costs the unemployed person has to make in order to access the service? How many employees/ personnel are involved? How much time has been used? (minutes/hours per client), salary scale, operational costs (building, computers, communication, etc)	What did it cost us to achieve the lower costs? We can also find out: Are there any differences in costs between cities? Why is city A cheaper than city B? Can the outcome can be used for other decentralisation operations?	The costs of the decentralisation: shifting the services, train the employees, endow the new departments, etc.
More people registered, informed, and reintegrated (improvement of the accessibility)	Number of people registered for and after service decentralisation, groups/reason for registering ¹	Number of people registered, reason for registering, reasons why they did not register before.	What are the related costs?	Number of employees, salary scale, time needed, operational costs etc.
More people have access to the labour market instruments like training courses etc.	Number of people who have used the services before and after service decentralisation/groups of instruments (vocational training, type of training, duration of training, counselling services, etc.)	Number of people who have access to these services / type of services / number of registered people and reason why they did not have access to these instruments before decentralisation	What are the costs needed for keeping the balance between demand and supply? What are the benefits of an improved correlation?	Extra-costs: new training courses or improvement of the existing ones Benefits: how many people found a job after attending a training course compared with the number of people who found a job in the old system?

¹ Trebuie clarificat dacă cifrele cresc datorita factorilor externi (e.g. declinul economiei, închiderea unor întreprinderi), sau datorită faptului că au acces la serviciu grupuri sau persoane care nu au fost cuprinse anterior în sistem.

Table 3.1: Performance indicators (continued)

Expected result	Performance indicators for measuring effectiveness (achievement of the proposed results)	Data needed for calculating the performance indicators	Indicators for measuring efficiency (which costs were made in order to achieve the results)	Data needed for calculating the performance indicators
Correlation between the supply and demand of the training courses	What are the results of the training / qualification courses: how many people get a job after following the training?	Numbers of people who follow training / type of training / number of people who found a job after having followed training, how many have not / reasons why they have not found a job? / Why do the employers not hire people who have followed training courses?	What are the costs of improving the correlation between the supply and the demand, and what are the benefits of a better correlation?	The (extra) costs: development of new training, or improvement of existing training. The benefits: How many people have found a job after following new training in comparison to the number that found a job after training in the old system?
Elaboration and use of performance indicators system in order to improve the results	What type of implementation has the best results? Which city has the best results?	Measure the results / above - mentioned item / city. Find out why city A is performing better than city B.	What are the costs that several cities make to implement the system? Is the best practice the most expensive one? Or the cheapest one?	The implementation related costs; the results achieved and mentioned before
Improvement of the management, based on the outcomes of the benchmark	Does a city improve its performance after using the benchmarking system?	Did the results improve?	What are the costs of management improvement?	The costs the cities make in order to improve the management system.

Table 3.2. Action plan

General objective	Improve the officiency	of the unemployment	convices and bring	tham claser to the	clionte
General objective	improve the efficiency	of the unemployment	services and bring	them closer to the	cilents
Specific objective no 1.1	Improving performan	ces of the registration,	-	integration service	
Activity	Results	Indicator for evaluation	Risks involved	Organizations involved	Deadlin
Formulation of the decentralisation sect oral strategy	Existence of a frame document	The strategy approval		MLSSF, ANOFM, AJOFM, City halls	2007
2 Establishing new centers within the city halls for studying customer's files and its distribution, depending on the case, to AJOFM or the municipality	Newly created and equipped centers within the city halls	Number of functioning centers	Financial constraints	City halls and AJOFM	2006
Specific objective no 1.2	Facilitating the access	to the labour market			
Activity	Results	Indicator for evaluation	Risks involved	Organizations involved	Deadlin
Creating an unitary database for AJOFM and the newly created centers in order to collect, analyze and deliver information of the unemployed	A database designed and prepared for being completed	Number of city halls that agree with the contents of the data banks The quantity of information collected for thedatabase Relevant information included in the database	Delay in providing information and completing the database	AJOFM, Newly created centers within the city halls Database specialists Companies in every area	2006- 2007
2 Local information campaign as regards the opening of new centers within the city halls and the services provided	Brochures, TV shows, Radio shows, results published on the internet	Number of distributed brochures and leaflets, web page designed, number of TV shows		AJOFM, City halls	2006
Continuation of information, counselling and reintegration activities	Counselled people, easier access to information, closer to home	Number of people counselled		AJOFM, City halls	2006- 2007

Table 3.2. Action plan (continued)

Specific objective no 1.3 Improving the quality and efficiency of the unemployment services by using a performance indicators					
Activity	Results	Indicator for evaluation	Risks involved	Organizations involved	Deadline
Performance indicator system based on the needs and perceptions of the beneficiaries	Performance indicators system designed	Number of established and used indicators		AJOFM City halls MLSSF	2006
2 Creation of a database/ information system that generates the requested information for the indicators calculation	Database elaborated	Number of used and compared indicators	No risk involved	AJOFM City halls	2007
3 Utilization of the benchmark, public access to the results	Functional benchmarks system	Number of users that access and use the system		AJOFM ANOFM City halls MLSSF Private sector NGO-s Beneficiaries/une mployed people	2007

Table 3.3. Unemployment services decentralisation (2005 - 2010)

Organization	SERVICE COMPONENTS					
	Registration	Payments	Direct services	Indirect services		
MMSSF	Elaborates the decentralisation strategy for the unemployment services; drafts the law on service decentralisation; establishes the performance indicators that will be used and administers the benchmarking system.					
ANOFM		Monitors and manages the unemployment allowance budget; manages the budget of unemployment insurances	Financing programs and training services	Implements programs financed by different donors		
AJOFM	Registration of up to 12 months for the unemployed entitled to receive unemployment benefits, and up to 12 additional months to remain registered.	Monitors and manages the amount of unemployment allowance; Manages the budget of unemployment insurances; Makes unemployment allowance payments	Delivers training services to the unemployed; delivers occupational reintegration programs; delivers consultancy for starting up companies; provides labour mediation services	Collects data necessary for calculation of performance indicators, calculates indicators, elaborates special programs and promote strategies with the partners on the labour market, organizes job fares		
Newly created centers within the city halls	Registers unemployed people seeking for a job and distributes them to AJOFM or to social assistance services within city halls, according to their records	Monitors and manages the budget of minimum guaranteed income; manages the budget of unemployment insurances; makes unemployment allowance payments	Provides counselling and information services; provides reintegration services	Collects data and calculates the performance indicators		
Social assis- tance depart- ments within city halls	Registration of job seekers who are not entitled to receive unemployment benefits but are entitled to receive the minimum guaranteed income.	Monitors and manages the budget for the minimum guaranteed income payments; manages the budget needed for their payments	Provides counselling and information services; provides reintegration services	Collects data and calculates the performance indicators		





Bibliography

Law 145/1998 - regarding the set up, organization and functioning of the National Agency for Employment, the Official Gazette, Part I no. 261 of 13 July 1998

Law 76/2002 - regarding the unemployment insurance system and stimulation of the labour force, the Official Gazette, Part I no. 103 of 6 February 2002

Law 107/2004 - which modifies and complements the Law 76/2002 regarding the unemployment insurance system and stimulation of the labour force, the Official Gazette, Part I no. 338 of 19 April 2004

Government Decision no. 937/2004 regarding the amendment and completion of the Procedures for access to measures for labour force stimulation, means of financing and their implementation instructions, approved through Governmental Government Decision no. 377/2002, the Official Gazette, Part I no. 558 of 23 June 2004; the Official Gazette, Part I no. 103 of 6 February 2002

Government Decision no. 174/2002 for approval of Methodological Norms for enforcement of Law no. 76/2002 regarding the unemployment insurances system and labour force stimulation; the Official Gazette, Part I no. 181 of 18 Marc 2002

Government Decision no. 377/2002 for approval of the Procedures for access to labour force stimulation, means of financing and instructions for their implementation, the Official Gazette, Part I no. 310 of 10 May 2002

Government Decision no. 934/2004 for amendment and completion of the Methodological Norms for enforcement of Law no. 76/2002 regarding the unemployment insurances system and labour force stimulation; approved through Governmental Decision no 174/2002, the Official Gazette, Part I no. 558 of 23 June 2004

Government Decision no. 936/2004 regarding the procedure and criteria for granting grants from the unemployment insurances budget, the Official Gazette, Part I no. 558 of 23 June 2004

Government Decision no. 278/2002 for approval of the Procedures regarding the access to unemployment prevention measures, means of financing and implementation guidelines, Official Gazette no. 223 of 3 April 2002

Government Decision no. 277/2002 regarding the approval of criteria for Accreditation of providers of specialized services for labour force stimulation, the Official Gazette, Part I no. 224 of 3 April 2002

Government Decision no. 790/2004 regarding the amendment of the criteria for Accreditation of providers of specialized services for labour force stimulation, approved by Governmental Government Decision no. 277/2002, the Official Gazette, Part I no. 474 of 26 May 2004

Government Decision no. 1090/2002 regarding the method of payment of part of the rights provided from the unemployment benefits, the Official Gazette, Part I no. 741 of 10 October 2002

Government Decision no. 85/2002 regarding the approval of the Procedure for registration and handling job applications and unemployment benefits, approved by ANOFM President's order no. 85/2002, the Official Gazette, Part I no. 181 of 18 March 2002

Order no. 281/2004 regarding the amendment and completion of the Procedure for registration and handling job applications and unemployment benefits, approved by ANOFM President's order no. 85/2002, the Official Gazette, Part I no. 714 of 6 August 2004

Order no. 284/2002 for approval of Methodological Norms regarding the issuance, administration and archiving the qualification certificates and graduation certificates issued for the training courses/programmes organized by ANOFM, the Official Gazette, Part I no. 733 of 8 October 2002

Order no. 186/2003 for amendment of part of the Methodological Norms regarding the issuance, administration and archiving the qualification certificates and graduation certificates issued for the training courses/programmes organized by ANOFM, approved by Order of the Ministry of Labour, Social Solidarity and Family' Minister and Ministry of Education and Research 'Minister no. 284/4.248/2002, the Official Gazette, Part I no. 430 of 19 June 2003

Order no. 186/2002 regarding the approval of the System of statistical indicators of the labour market and methodology for their calculation, the Official Gazette, Part I no. 323 of 16 May 2002

Order no. 87/2004 regarding the abrogation of Order no. 237/2002 of the MLSSF'

52

Minister for approval of the List of professions (trades) and simple activities, the Official Gazette, Part I no. 202 of 8 March 2004

Order no. 279/2004 for approval of the Control Procedure, of fulfilling the preventive measures as well as conducting foreclose upon debts resulted from lack of observance the legal provisions of Law no. 76/2002 regarding the unemployment insurances and labour force stimulation with subsequent changes and completions, the Official Gazette, Part I no. 725 of 11 August 2004

Order no. 288/2004 for approval Regional Adults Training Centers, the Official Gazette Part I no. 714 of 6 August 2004

Order no. 405/2004 for the approval of the Procedure for monthly declaration of

employees regarding the records of the insured employers and obligations of payments to the national unemployment budget, the Official Gazette Part I no. 765 of 20 August 2004

Order no. 280/2004 regarding the approval of the framework-model of contracts concluded between beneficiaries of credits, of grants, and the AJOFMs or Bucharest AOFM, the Official Gazette, Part I no. 742 of 17 August 2004

Order no. 171/2004 for the approval of the Procedures for granting job seekers' rights for the duration they attend training courses, the Official Gazette, Part I no. 725 of 11 August 2004

Order no. 608/2004 for amendment and completion of the Procedures for granting job seekers' rights for the duration they attend training courses, approved by Order no. 171/2004 of the MLSSF' Minister, the Official Gazette Part I no. 1129 of 30 November 2004

Government Decision no. 406/2004 for approval of the Procedure for Evaluation and Selection of employees that benefit of the provisions of art. 481 Law no. 76/2002 regarding the system of unemployment insurances and labour force stimulation, with its subsequent amendments and completions, the Official Gazette Part I no. 721 of 10 August 2004

Methodological Norms no. 2560/2004 regarding the granting of advantageous credits/grants from the unemployment insurances budget, to small and medium enterprises, cooperative units, family associations and natural people independently undertaking economic activities, the Official Gazette Part I no. 706 of 5 August 2004

Government Decision no. 210/2002 regarding the exception on non-constitutional grounds of the provisions at art. 2 paragraph (1) of Law 146/1997 regarding the legal stamp taxes, with its subsequent amendments, of the provisions of art. 9 paragraphs (1) and (2), art. 10, 11, 12, art. 13 paragraph (1), art. 14, 15 and 17 of Law 333/2001, as well as art. 1, art. 53 paragraph (1), art. 1920 paragraph (1), art. 1922 (3) and of art. 1923 paragraph (1) and (2) of Emergency Governmental Government Decision no. 51/1998, the Official Gazette, Part I no. 803 of 5 November 2002

Performance Measurement, Training Material No.3 issued by Metropolitan

Research Institute, June 2002

Benchmarking for local authorities according to comparison circles methodology, Drs. Piet C.A. Severijnen

Performance measurement in local government, Anke Ruige SGBO, Training material, course support, IHS Rotterdam, May 2004

Performance Indicators used by AJOFM Timisoara, internal document

ANOFM / activity report 2003

Communitarian legislative tools in the field of social protection, Vol. I and II,

Consensus Programme - PHARE, 2000





Annexes

Annex 1. MATRA-BCD Project: DECENTRALISATION STRATEGY FOR THE UNEMPLOYMENT SERVICES 2004 - 2007

QUESTIONNAIRE

1) Overall information
a) Age years .
b) Sexmale/female
c) Since when you are unemployed? months
d) Are you the beneficiary of the unemployment allowance? YES / NO
2) The accessibility of the service
How did you get the information about the unemployment services?
a) From newspaper
b) From the city hall (through social assistance departments)
c) From another unemployed person(relatives, friends)
d) Other means
3) How many ours did you travel in order to register as unemployed?hours
4) How long did it take you to register as unemployed with the AJOFM?hours
5) How long has it taken since you registered yourself until you received your first unemployment allowance? days/months
6) How long has it taken since you registered yourself as unemployed until you first received reintegration service/activity? (counselling, training courses, etc) Months/days

3

- a) How satisfied were you with these services? Mention your satisfaction on a scale from 1 to 5 (1 =unsatisfied, 5 = very satisfied).
- b) How many trips did you take in order to benefit from the unemployment services? Visits.
- 7) Currently, information regarding the unemployment services is delivered by NANOFM, AJOFMs, the local agencies and working points. Under this condition, do you consider it necessary that at least a part of the information should be delivered by some other institutions to which you address in order to benefit from other social services? YES/NO
- 8) If you answered question 7 with "YES" please mention those institutions that you believe should or could deliver information about the unemployment services?
- 9) What type of information do you consider would be the most useful to a person that become unemployed?

THANK YOU!	DATE

Centralization of Questionnaires

GENERAL INFORMATION		
AGE	18-30 years	5 PEOPLE
	30-40 years	9 PEOPLE
	More than 40 years old	6 PEOPLE
SEX	Women	14 PEOPLE
	Men	6 PEOPLE
UNEMPLOYMENT PERIOD	1-6 months	10 PEOPLE
	6 months - 1 year	9 PEOPLE
	over 1 year	1 PERSON
Beneficiary of Unemployment Benefits	yes	11PEOPLE
	No	9 PEOPLE
SERVICE ACCESIBILITY		
INFORMATION ON UNEMPLOYEMENT SERVICES	Newspapers	2 PEOPLE
	City halls	2 PEOPLE
	"Friends, relatives"	5 PEOPLE
	Other	11 PEOPLE
HOW MANY HOURS DID YOU TRAVEL	no more than 1hour	10 PEOPLE
TO REGISTER AS UNEMPLOYED	1 - 3 ours	6 PEOPLE
	3 - 7 hours	2 PEOPLE
	over 7 hours	2 PEOPLE
HOW MANY HOURS DID YOU	No more than 1 hour	7 PEOPLE
SPENT TO REGISTER WITH AJOFM	1- 2 hours	5 PEOPLE
	2- 4 hours	5 PEOPLE
	Over 4 hours	3 PEOPLE
REGISTRATION - PAYMENT BENEFIT	no more than 1 month	6 PEOPLE
	1 - 2 months	7 PEOPLE
	2 months	2 PEOPLE
	no answer	5 PEOPLE
REINTEGRATION		
REGISTRATION - REINTEGRATION	no more than 1 month	2 PEOPLE
	1 - 6 months	6 PEOPLE
	6- 12 months	7 PEOPLE
	over 12 months	1 PERSON
	no answer	4 PEOPLE

THE QUALITY OF THE SERVICE	LEVEL 1	-
	LEVEL 2	1 PERSON
	LEVEL 3	-
	LEVEL 4	3 PEOPLE
	LEVEL 5 (very good)	9 PEOPLE
	no answer	7 PEOPLE
HOW MANY VISITS IN ORDER TO	One visit	3 PEOPLE
BENEFIT OF UNEMPLOYEMENT SERVICE	2-3 visits	-
	over 3 visits	12 PEOPLE
	no answer	5 PEOPLE
INFORMATION ON UNEMPLOYEMENT SERV	'ICES	
INFORMATION ON UNEMPLOYEMENT SERV ARE THEY NECESSARY?	YICES yes	10 PEOPLE
		10 PEOPLE 10 PEOPLE
	yes	
ARE THEY NECESSARY?	yes no	10 PEOPLE
ARE THEY NECESSARY? WHO SHOULD DELIVER THESE SERVICES	yes no The House of Pensions	10 PEOPLE 2 PEOPLE
ARE THEY NECESSARY? WHO SHOULD DELIVER THESE SERVICES	yes no The House of Pensions The Employment Inspectorate	10 PEOPLE 2 PEOPLE 2 PEOPLE
ARE THEY NECESSARY? WHO SHOULD DELIVER THESE SERVICES	yes no The House of Pensions The Employment Inspectorate The City Hall	10 PEOPLE 2 PEOPLE 2 PEOPLE 8 PEOPLE
ARE THEY NECESSARY? WHO SHOULD DELIVER THESE SERVICES	yes no The House of Pensions The Employment Inspectorate The City Hall Newspapers	10 PEOPLE 2 PEOPLE 2 PEOPLE 8 PEOPLE 1 PERSON
WHO SHOULD DELIVER THESE SERVICES EXCEPT AJOFM	yes no The House of Pensions The Employment Inspectorate The City Hall Newspapers Companies	10 PEOPLE 2 PEOPLE 2 PEOPLE 8 PEOPLE 1 PERSON 3 PEOPLE

Annex 2. Matra - BCD Project: THE UNEMPLOYMENT STRATEGY FOR DECENTRALISATION 2004 - 2007

QUESTIONNAIRE

1. Under the conditions of the decentralisation of the unemployment what are the responsibilities deriving from these services that should remain at the central level and what should go to the local should remain at the central level and what should go to the local should be	in yo	ur c		
2. Do you consider that your institution should be involved, one vin the process of providing certain services to the unemployed pethese services?	-			-
3. Do you consider that the services regarding the qualification , / and consulting of the unemployed people could be provided and / or by other services within the city halls, or do you conservices should remain the exclusive responsibility of the Could Employment? Give your reasons.	by tl sider	he ci tha	ty h	alls ese
4. Have you ever been the beneficiary of some founds from the for Employment in order to use the unemployed to work for the		-	_	-
5. Are you aware of the facilities that AJOFM has to offer to the	e une	emple	oyed	l?
THANK YOU! Project team	D	a	t	е

