

**United Nations Development Programme
Project of the Government of Romania
Project Document**

Project Number: ROM/00/006

Project Title: Beautiful Romania

Start date: June 2003
Estimated end date: May 2006
Executing Agency: NEX
 Ministry of Culture and Religious Affairs

Other Government Counterparts: Ministry of Labour and Social Solidarity/National Agency for Employment
 Ministry of Public Works, Transport and Housing
 Ministry of Development and Prognosis

Implementing Agencies: Brasov County Council
 Municipality of Alba-Iulia
 Municipality of Braila
 Municipality of Medias
 Local authorities of Constanta, Focsani, Iasi, Sibiu, Sighisoara, Targoviste

Summary of UNDP and cost-sharing inputs	
UNDP	
TRAC(1&2)	\$ 400,000
Cost sharing	
Central Government	
Ministry of Culture and Religious Affairs	\$ 400,000
Local Government	
Brasov County Council	\$ 66,000
Alba-Iulia Municipality	\$ 65,862
Braila Municipality	\$ 60,000
Medias Municipality	\$ 90,000
Other local authorities*)	\$ 360,000
Regional Development Agencies*)	\$1,000,000
Financial Institution	
Third Party	
Council of Europe Bank*)	\$1,500,000
European Commission*)	\$6,000,000
TOTAL	\$9,941,862
*) Subject to securement of funds	
Parallel financing	
National Agency for Employment	\$1,100,000

Classification Information

ACC sector and sub-sector:

- 123 Urban development
- 152 Employment promotion
- 153 Management development, technical and vocational training
- 172 Integration of social groups
- 181 Preservation and development of culture

DCAS Sector Classification:

- 001 Economic management – Employment/livelihood policy and planning
- 004 Human resources development – Technical & managerial education & training
- 013 Social development – Urban development, Housing, Culture

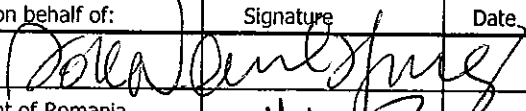
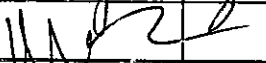
Primary areas of focus/sub-focus:

- u1 Poverty eradication and livelihoods for the poor – Generation of employment and sustainable livelihoods opportunities, Enhancement of income-earning potential
- 03 Environmental resources and food security – Improvement of the urban environment

Primary target beneficiaries:

- 01 Target groups – Unemployed or without livelihoods, Minority populations, Urban women poor
- 02 Target organizations – Local governmental organizations
- 03 Target place – Urban settlements
- 01 Capacity building – Direct training
- 02 Direct support – Investment-oriented

Patterns of intervention:

Approved on behalf of:	Signature	Date	Name/Title
UNDP			Soknan Han Jung – Resident Representative
Government of Romania			Razvan Theodorescu – Minister of Culture and Religious Affairs

Government of Romania

United Nations Development Programme

Ministry of Culture and Religious Affairs

Ministry of Public Works, Transportation and Housing

Ministry of Development and Prognosis

Ministry of Labour and Social Solidarity

National Agency for Employment

Local authorities of Alba-Iulia, Braila, Brasov, Medias,
Iasi, Sighisoara, Constanta, Sibiu, Focsani, Targoviste

“Beautiful Romania”

Capacity Building & Job Creation in Heritage Protection

The Beautiful Romania project aims to generate urban employment while initiating a process of revitalisation of currently neglected and degraded historical centres of Romanian cities.

The project will provide training and employment opportunities for vulnerable youth, support the Romanian government and municipalities in the rehabilitation of the country's valuable urban heritage, and contribute to the Government's efforts for social and economic development.

Several large grants and loans have been awarded to Romania to implement actions in response to growing unemployment and related social problems. The Beautiful Romania Project aims to demonstrate through a series of urban renewal subprojects, that this aid can be rapidly disbursed and effectively benefit vulnerable target groups.

Part 1. Situation Analysis

Since 2000, the Government has proved committed to reform processes aimed at establishing the conditions for Romania's accession to the EU. With regards to the economy, the current Government has been more committed to implementing tight macro-economic policies and imposing financial discipline on enterprises than any of its predecessors. It has signaled its commitment to macroeconomic stabilization and structural reform by concluding an 18-month stand-by arrangement with the IMF in October 2001 and has also agreed to a second public-sector adjustment loan (PSAL-2) with the World Bank. Despite this, the European Commission's report on Romania's progress towards accession in October 2002 concluded that transition-related reforms still need to be completed and that Romania does not yet have a functioning market economy.

In line with the EU *acquis communautaire*, the Government has also made fighting social exclusion and poverty a priority. As a result, the past two years have witnessed intense legislative activity in these areas. This has included a law on employment insurance and employment stimulation, the Law on Preventing and Combating Social Exclusion, the National Plan on Poverty Prevention and Social Inclusion Promotion, and an inter-ministerial commission concerning social assistance.

This project will support selective Government measures to address economic and social issues that will contribute to the establishment of conditions for Romania's future integration into the EU.

1.1 Problems to be addressed

Renewal of urban national historic centers

Preservation of historic centers is a priority in Romania where most towns and cities urgently require assistance with the repair and renewal of their historic landscape, including buildings, monuments, city parks, pedestrian areas, and recreation areas (such as squares). As buildings decay, empty and unkept plots are being used as deposits of garbage and debris. The challenge is to address urban renewal of these historic landscapes and their sustained development/upkeep as part of a sensible and moderately conducted rehabilitation scheme of cities.

The historical centers in many Romanian cities are suffering the effects of decades of neglect and degradation due to lack of preservation measures, the effects of earthquakes, and numerous problems that occurred during the period of economic and social change in the '90s (insufficient urban infrastructure, decaying mono-industrial cities, high unemployment rate, etc.), which hindered their economic growth. Renewal measures would have an important psychological effect not only for the local population, but could also have important economic side effects through attracting investment and tourists.

Urban unemployment

The fight against unemployment is at the heart of the Government's social policy. A basic component of human development, employment proved to be one of the biggest challenges during the transition process, characterized by accelerated rapid industrial restructuring process and growing job insecurity. The privatization and decentralization of the Romanian economy has had a significant influence on the labour market, generating massive lay-offs and unemployment. The economic decline reduced employment opportunities, which in turn led to a decrease in both the number of employed persons, as well as a decrease in the activity and employment rate. Largely attributable to the restructuring of the industrial sector, the drop in the number of employed is a countrywide phenomenon, although differentiated in extent and depth from one region to another and from one county to another.

The most affected by unemployment is the 16-24 age group. In end March 2003 the proportion of under 25 year-old unemployed reached 17.7%, as compared to the 76.2% figure for unemployed between 25-55 years old. ILO unemployment rate for youngsters is 2.6 to 3 times higher than total unemployment. The project will target particularly vulnerable groups, namely post-institutionalized young adults (see section below), and youth generally, while ensuring the equitable participation of women and ethnic minorities (Roma).

Social Reintegration of Post-Institutionalized Young Adults (PIYAs)

According to December 2002 statistics, 19,300 children over 14 years of age were living under full institutional care in Romania. When these youngsters reach the age of 18, they are requested to leave their institutional homes and live an independent life, for which they are neither psychologically nor professionally prepared. There is no social safety net for them, nor follow-up and/or monitoring of what is happening with these young adults after they leave the full care institutions. As most of them do not have the adequate skills and knowledge for applying to and/or keeping a job, they are often left homeless and jobless once leaving the institutions.

The project addresses, as a matter of priority, the issue of Post-Institutionalized Young Adults (PIYAs), who are particularly vulnerable to social exclusion. The training and employment opportunities will constitute a channel for their reintegration into society.

Strengthening the existing Small and Medium Enterprise (SME) construction sector

Construction has started to rally as the economy has recovered since 2000, growing by 3.9% in 2000 and 5.2% in 2001. Construction grew by 6.8% year on year in the first nine months of 2002, but nevertheless remains below half of its 1989 level. There is an optimistic outlook due to expected investment-led economic recovery (need for modernization and restructuring) and an expected surge in large-scale construction projects. This project will work on reinforcing the capacity of construction sector SMEs who will be able to undertake work and increase in size and capacity as the economy improves and investments increase.

Although experienced construction specialists are available in Romania, the SME construction sector, like many other SME sectors, remains characterized by weak management. This project will strengthen their capabilities in order to enhance their economic viability, the sustainability of the jobs they provide, as well as to reinforce their future job creation potential. The project will also create a specific market for companies, which will enhance their market position, increase their competitive capacity and may diversify their activities.

Supporting public-private partnerships to implement labour market policies.

A law on Unemployment Insurance and Employment Stimulation was adopted and entered into force March 2002. The law aims to develop active measures for fighting and preventing unemployment. In August 2002, the Government approved the National Action Plan for Employment. The project specifically aims to build the sustainable capacities of central and local government and other public and private institutions to implement jointly, and in a participatory way, active labour market policies in support of the new law and Action Plan.

Further, the project will strengthen Romanian decentralized institutions to absorb EU Structural, as well as other donor and international funds. The project will seek to achieve sustainability by building the national capacities for implementing and monitoring labour-intensive urban renewal projects, by establishing partnerships between local communities and investors and donors, and by ensuring compliance with internationally recognized standards (tender procedures).

1.2. Relevance to UNDP Romania Priorities / Millennium Development Goals

The project fully addresses UNDP's central priority theme of poverty eradication through sustainable development. The project contributes to efforts to reach reduction of poverty and the Millennium Goal 8, Develop a Global Partnership for Development, specifically with a focus on Target 16: to develop and implement strategies for decent and productive work for youth.

The project's main objectives: the provision of jobs, social integration of vulnerable groups, and the regeneration of the urban environment, specifically contribute to the Country Cooperation Framework's programme work in "Enabling Environment for Sustainable Livelihoods". Further, the project also supports good governance by building the capacity of decentralized institutions, creating capacities for sustainable development by ensuring national ownership of the development objectives of the project, and increasing citizen's participation.

1.3. The National Institutional and Legal Framework

The objectives crosscut the mandates of several Ministries and National Agencies, as well as several legal frameworks.

The Ministry of Labour and Social Solidarity and the National Agency for Employment

Issues related to employment fall within the Ministry of Labour and Social Solidarity and the National Agency for Employment. The latter has Local Agencies for Employment that provide services at the municipal level. Their work related to employment of youth and vulnerable groups are defined in Law 76/2002 and Law 116/2002 regarding the protection, training, and social integration of PIYAs and young unemployed, as well as the implementation and funding of relevant structures. Of particular note are the subsidies for training and those provided to employers hiring vulnerable groups such as PIYAs.

The Ministry of Culture and Religious Affairs

Issues of urban renewal predominantly fall within the mandate of the Ministry of Culture and Religious Affairs, and the Ministry of Public Works, Transportation and Housing. The Ministry of Culture and Religious Affairs is responsible for implementing the measures established by Ordinance 77 of July 31, 2001 and Decision 732 of July 3, 2002, including providing fiscal incentives for the restoration of buildings in designated preservation areas and the creation of a Special Fund for the Rehabilitation of Historic Centres.

The Ministry of Public Works, Transportation and Housing

The Ministry of Public Works, Transportation and Housing's key areas of focus are:

- re-launching the private building sector, as well as providing dwellings to young people;
- decentralization of specific activities and a more active involvement of local communities, in agreement with the present requirements concerning territorial planning and the creation of new jobs;
- the development of the roads network, focusing on extending the expressways network, the rehabilitation of the existing roads, bridges and all the modern adjacent facilities.

According to the existent legislation, the Ministry of Public Works, Transportation and Housing retains one of the main roles in the process of rehabilitation of the Romanian built heritage, especially on structure reinforcement interventions.

As per Art.7 of Law 453/2000, the following procedures will be followed when authorising construction works in areas protected by law (such as historic centres), as stipulated in town planning documentations and programmes:

- a) For architectural ensembles and town-planning reservations, archaeological sites, parks and gardens representing historical monuments, which are included in the lists approved by law, as well as in the case of any kind of works on areas declared monuments, the applicant must obtain permits from both the Ministry of Culture and Religious Affairs, and the Ministry of Public Works, Transportation and Housing, according to the jurisdiction these fall into;

b) In the case of interventions on buildings declared historical monuments, an additional approval concerning construction quality must be obtained besides the one from the Ministry of Culture and Religious Affairs, according to the law.

National Strategy for the Social Integration of PIYAs

All issues related to the protection of institutionalized children are managed directly by the Government, through the National Authority for Child Protection and Adoption (NACPA). On 1 August 2002 the Government created a specific ministerial Working Group coordinated by the Ministry of Youth and Sports for drafting and implementing the National Strategy for the Social Integration of PIYAs. This Working Group consists of the following ministries and agencies: Ministry of Youth and Sports (MYS), General Secretariat of the Government (Department for Social Policies), Ministry of Labor and Social Solidarity (MLSS), Ministry of Public Works, Transport and Housing, Ministry of Public Finance, Ministry of Public Administration, National Agency for Employment, Ministry of Development and Prognosis, and National Institute of Statistics. In February 2003, the Working Group submitted the first draft of the Strategy to the Government for validation.

The Ministry of Development and Prognosis

The Ministry of Development and Prognosis has the role to elaborate analyses and prognoses regarding the development of the Romanian economy, to apply the governmental strategy and programs, to promote policies of economic and social development, as well as foreign investments in Romania. It is the Ministry of Development and Prognosis that has ultimate responsibility for implementing the National Development Plan (section 2.1).

This Ministry is also responsible for regional development, as per Law no. 151/1998. This Law sets the objectives, the legal framework, the authorities and the specific instruments for achieving regional development in Romania. The overall objectives of the regional development policy are: decreasing the current regional differences, promoting sustainable development, revitalizing disadvantaged zones, preventing the creation of new imbalances, stimulating internal and external inter-regional co-operation, and contributing to economic and social progress. The strategies and plans of the eight regions are incorporated as an integral part of the National Development Plan (further details in section 2.1). The following key mechanisms for development are identified:

- Development of enterprises and businesses;
- Development of Human Resources;
- Promotion of the potential development of each region.

In addition, tourism development remains one of the most important strategic priorities for regional development in Romania.

The plan calls for national priorities for regional development to be financed in large part from domestic sources, concentrated in the National Fund for Regional Development, and from external sources, represented mainly by the financial assistance granted by the EU in the context of the Phare National Programme (the economic and social cohesion component).

It should be noted that these *Development Regions are not territorial-administrative units and have no legal status*. They are the evaluation frameworks of the regional development policy, categorising regions rather than administering them.

1.4. Intended beneficiaries

PIYAs and Unemployed Persons, with a particular focus on youth

PIYAs are recognized as young adults, above 18 year olds, who have been released from institutional care. They typically have few skills, no job experience and no family safety nets to rely on.

On a numeric base, Romanian young people (16-29 years) represent almost a quarter of the total population, an important resource for development. The project is estimated to generate a total of 2,500 person/months of temporary jobs for the ten cities. Efforts will be made to ensure employment opportunities are provided to minorities (particularly Roma persons) and women.

Construction SMEs

The SMEs working in the construction sector will have the opportunity to bid for and implement the project works. They will benefit from the project by learning how to work in coordination with the public sector and international agencies. It is estimated that each city will work with approximately three SMEs.

Central and Local Government

The government of Romania will benefit from the project through the creation of new active partnerships with international institutions. This will be an invaluable asset in Romania's preparation phase to EU accession. Specific capacity building work will be undertaken with the municipalities, local development agencies, local directorates for child protection, Ministry of Culture and Religious Affairs, and the Local Employment Agencies.

Urban Population

The citizens of the cities will benefit as important urban areas will be refurbished and a sense of optimism will be generated among the population. They may also benefit from future increased activity in the city's urban center.

1.5. Related Projects & Lessons Learned

The first municipal vocational training and employment scheme through urban renewal was implemented under the UNDP-supported Beautiful Bucharest project. Similar successful projects have been undertaken in Bulgaria under Beautiful Sofia, and Beautiful Bulgaria I & II. The positive outcome of these projects and the experience accumulated during their implementation have resulted in several (approximately 10) municipalities in Romania wishing to implement similar projects with the support of UNDP.

The goal of the above projects was to reduce urban unemployment by offering jobs in public works dedicated to upgrading the decaying urban environment in cities. The

projects generated jobs, implemented vocational training, executed urban refurbishment projects, and built capabilities for execution of similar projects at the central and local administrative levels. In many cases, the urban refurbishment activities exceeded project expectations, leading to a feeling of renaissance in the city centers. Results included:

- Urban renewal: improved image of areas, attraction of private investments, refurbishment of important and visible monumental buildings and important sectors of the historic centers and an interest in further urban renewal projects.
- Capacity building of national and local institutions: increased capacity of local employment agencies to manage a large demand and supply of labour, acquired experience to implement inter-institutional labour intensive projects, and acquired experience in working with international institutions and donors. This experience and newly acquired capacities will be of great use for the effective disbursement of future pre-accession funds made available to Romania by the EU Communities as well as the World Bank Loans oriented to this kind of projects.
- Unemployment and social priorities: provision of temporary employment, provision of vocational training that could contribute to future employment, and in one case, efforts were made to convert some of the buildings being renovated and belonging to the municipality into homes for PIYAs successfully participating in the programme.

Lessons learned from the Beautiful Bulgaria program that should be considered and applied to the current project include:

- The need for special schemes to promote female employment. This may be done by selecting activities that facilitate the achievement of gender balance (such as work on monuments and parks).
- Ensure that technical specifications and materials that meet the standards set by the Government (in Romania, by the Ministry of Public Works and the Ministry of Culture and Religious Affairs) are used in the restoration of historical buildings and sites.
- Provide market wage payment to those PIYAs employed under the project.
- Allow for a realistic ratio of unemployed unskilled to skilled workers on a project by project basis as determined by the project's technical staff and included in the tender documents (n.b. estimated in this project at approximately 20%).
- Adapt business training to specific needs of construction companies.
- Ensure appropriate timing for the initiation of works.
- Use of appropriate materials and technology in work on historic buildings and monuments.
- Building of appropriate facilities, depending on the type of works implemented, for persons with disabilities (ramps for wheel chairs, adequate space, etc.).

1.6. Gender and environmental considerations

All activities will be in line with the new Equal Opportunities Law passed in 2002. According to the Open Society Institute Analysis 2002, while the legal provisions related

to the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training promotion and working conditions apply to both the public and the private sectors, the laws are poorly enforced, especially in the private sector, and indirect discrimination against women in terms of training opportunities, employment opportunities, promotion and remuneration persists. Efforts will be made to include women, whether in the management of the project, or among the unemployed who will benefit from the activities. In particular, special urban regeneration programmes will be designed and implemented to facilitate the participation of women in the project.

Though the project is not expected to have negative environmental effects, environmental impacts will be considered in the identification, design, implementation and evaluation of the project. It will be the job of the technical engineer and National Coordinator to ensure environmental and sustainable development considerations are integrated in the project. Positive environmental side effects are expected through the enhancement of the urban environment in terms of improved visual landscape, sanitary improvement and increased safety.

Part II. Strategy

2.1. National strategy

Romania's current economic and social strategies focus on meeting the requirements in the *acquis communautaire* for EU accession, in particular the economic criteria established at Copenhagen, with significant financial support from the EU, as well the World Bank, the International Monetary Fund (IMF), and the Economic Bank for Reconstruction and Development. One of the key national strategy documents is Romania's National Development Plan 2002-2005. The overall objective of the Plan is to guide and stimulate the country's economic and social development, with the aim of ensuring sustainable economic growth and creating secure jobs. This plan was designed in accordance with the strategic directions, development objectives and economic forecasts set out in other key documents, namely Romania's Medium Term National Strategy for Economic Development, the EU Pre-accession Economic Programme (PEP), and Romania's National Programme for Accession to the European Union (NPAR). The National Development Plan is the expression of the Government's full commitment to finalize the necessary reforms for integration into the EU. The project specifically supports measures outlined within these strategies, namely:

- The June 2002 Action Plan for Employment. The Plan includes measures aimed to decrease the unemployment rate of vulnerable groups of the population (long-term unemployed, young persons, persons with disabilities), entrepreneurship development, job creation, etc.
- Public investments in the refurbishment/improvement of key tourist attraction sites (cultural heritage sites, historical buildings, natural landscapes, etc).
- Establishment of strong and competitive cities with particular regard to: a) Urban development, including habitat improvement, and b) supporting infrastructure projects oriented towards the development of urban districts.

- The Youth National Action Plan to provide targeted attention to the young population who are a vulnerable group within the current Romanian economic context. The Plan details active measures that prepare youth for real demands on the labour market.
- The National Development Plan that specifically calls for measures targeting specific categories of the population (e.g., youth) & focuses on active measures in the area of employment and protection of the unemployed.
- Government Plan and Strategy concerning “the Protection of the child in difficulty (2001–2004)” that identifies specific measures regarding PIYAs.
- The Equal Opportunities law, which regulates the measures for promoting equal opportunities between men and women, in order to eliminate the direct and indirect gender based discrimination, at all levels of Romanian life, including the field of labour.

2.2. National commitment to achieving outcome

This project is demand driven. It stems from a demand from the Ministry of Culture and Religious Affairs, the Ministry of Public Works, Transportation and Housing, the Ministry of Labor and Social Solidarity (National Agency for Employment) and several local authorities for support to implement a social inclusion and national urban renewal of historic landscapes project.

The Ministry of Labor and the National Agency for Employment are committed to the project as it supports their efforts to target PIYAs and young unemployed and provide good training and job creation opportunities, as per Law 76/2002 and Law 116/2002.

The Government more generally is supportive of the project as it supports measures outlined in their key strategic plans, frameworks and laws (refer to sections 1.3 & 2.1). For example this project will support the Government’s efforts to develop the country’s cultural heritage to be able to improve Romania’s tourism potential, as per Romania’s National Development Plan.

2.3. UNDP support to policy development

The project avoids prescriptive large-scale solutions for cities as a whole. Large urban scale problems involve the repair and restoration of city infrastructure such as heating, electrical supply, gas, water, sewage and the completion of a great number of new buildings which were never completed after their structural frame was built. These large-scale problems require a different order of funding and implementation time and are not covered in any aspect of the current project. Nor does the project tackle the serious problems of restoration and conservation of historical monument buildings requiring highly skilled labour. Such work inevitably involves the use of highly qualified persons, close supervision and expensive materials, none of which form a priority in the current project strategy.

The project focuses on labour intensive works that are not demanding of high-level skills. It also focuses on sustainability through institution building, strengthening partnerships at the local level and improving the performance and competitiveness of local construction SMEs. The project will be divided into a number of small-scale high priority subprojects

that will have a visible impact. Rehabilitation will allow cities to build for the future and will provide urban landscapes with new potential social (recreational) and economic forces. Works will consist of urban revitalization, including urban historic sites and locations, renewal of public buildings, rehabilitation of city parks, pedestrian areas and recreational areas (e.g., markets and squares).

The Ministry of Culture and Religious Affairs, the Ministry of Labour and Social Solidarity, the National Agency for Employment, the Ministry of Development and Prognosis, the Ministry of Public Works, Transportation and Housing, in consultation with UNDP and other concerned partners, have selected the beneficiary cities. The cities were selected on the following grounds:

- Endowment of historic centers/sites which are currently facing urban decay but after being refurbished could potentially favour the development of tourism activity;
- Focus on cities with a (urban development) strategy to use “old towns” for new uses (e.g., reutilizing and bringing new life to marginal inner city areas for economic activity, tourism, living quarter, etc.);
- Concentrate on towns in which the local authority involvement and that of the citizens concerned is likely to allow a quick implementation of the measures required;
- High (absolute and relative) general and long-term unemployment (see table below);
- Regional coverage.

In March 2003, the unemployment rate in the selected cities was:

Cities (County name, if not same as city name)	Year of Implementation	Region	Unemployment rate (%) of county
Alba-Iulia (Alba)	2003	Centre	11.4
Medias (Sibiu)	2003	Centre	7.6
Braila	2003	S-E	9.1
Brasov	2003	Centre	10.6
Constanta	2004	S-E	8.3
Focsani (Vrancea)	2004	S-E	6.3
Iasi	2004	N-E	8.5
Piatra-Neamt (Neamt)	2004	N-E	9.2
Sibiu	2005	Centre	7.6
Sighisoara (Mures)	2005	Centre	7.7
Targoviste (Dambovita)	2005	S	8.7

The selection of sites in each city will be effected by the respective local authorities in the framework of their urban development priorities and taking into account the need to:

- maximize labour intensity and thus employment generation impact;
- maximize visibility and thus psychological impact;

- ownership and occupancy status;
- promote the tourism potential of the city.

A key element for UNDP within the project will be to ensure the capacity building of various persons and institutions. This will include:

- Provision of training for selected unemployed persons in construction skills. These skills will be essential for the temporary employment opportunities provided to them, as well as for future employment possibilities.
- Provision of training for the SME construction sector. This will provide selected SMEs with new management skills and capacity to work with large private and international donors.
- Provision of support to Local Employment Agencies and officials from other involved Government Institutions on the project implementation and management of urban employment schemes.

Further, as a measure of support to the particularly vulnerable group of PIYAs, UNDP will undertake specific efforts, in cooperation with the Ministry of Public Works, Transport and Housing, to find apartments for homeless PIYAs proving to be particularly successful in their work.

2.4. Partnerships

Concepts for urban renewal must be discussed on a partnership basis by experts from the local governments, the National government and its relevant Ministries, businesses and citizens. This project aims at initiating a public-private partnership in the revitalization of each city fabric.

Specifically the project will support the development of mechanisms for broad public participation to ensure that the people of the concerned cities are provided with the possibility to express their views and preferences and thus better own programmes affecting their city's development. Contacts will be developed with interested citizen groups and non-governmental organizations (NGOs), and seek their participation in decisions related to the activities of the project. The project will seek partnership with professional associations, namely the Romanian Order of Architects and the Romanian section of the International Union of Architects. Partnerships with the private sector will be sought for input in the selection of sub-projects, for implementation (construction SMEs), as well as for ad hoc support, in-kind contributions and/or Project funding support.

The project will also work to create partnerships between cities involved in the renewal and management of preserved areas. This is in line with UN Secretary General's message on the occasion of World Habitat Day on 7th October 2002:

“City-to-city cooperation adds a new dimension to the learning process. Given their increasing power and influence, cities are beginning to recognize the importance of working together to face common challenges.” Opportunities to exchange experiences and lessons learned between cities will be facilitated through monthly meetings of all

Project Directors. These meetings will be convened in a different participating city each month and each Municipal Project Director will report on activities in his/her city. Further opportunities will be provided through trainings and workshops, as well as other networking opportunities created by the project.

UNDP's partnership with local authorities will further be strengthened through its supporting their access to the public works component of the Phare programme – Social and Economic Cohesion, based on UNDP's experience and expertise in this respect (several applications drafted by UNDP were submitted to PHARE–RICOP component in 2000). As it is expected that over the next five years the most important source of funds for local level development projects will be from the European Union, this partnership will form an important component of UNDP's capacity building work with the local authorities. Partnerships will also need to be built with the Regional Development Agencies as it is these Agencies who administer the funding of the Phare programme, and will therefore receive the municipal applications requesting funding.

The Phare programme – Social and Economic Cohesion, focuses on two priorities:

- **Institution Building** - for which 30% of the Phare funds will be allocated for *"the process of helping the candidate countries to develop the structures, strategies, human resources and management skills needed to strengthen their economic, social, regulatory and administrative capacity"*.
- **Investment** - for which the balance of 70% of the funds will be allocated for *" a) Investment to strengthen the regulatory infrastructure needed to ensure compliance with the acquis and direct acquis-related investments. Investment in economic and social cohesion through measures similar to those supported in member states through the European Regional Development Fund and the European Social Fund. This will promote the market economy and the capacity to cope with competitive pressure and market forces within the European Union"*

The projects selected to apply for EU funding will be defined in Project Applications that will be agreed on by the partners and implemented through the Local Project Offices that are put in place to monitor the works. Within this overall framework, the selected projects will meet the objectives of UNDP, the programme objectives of EU accession, and, as per this project document, focus on job creation and vocational training carried out in the context of the restoring urban heritage.

Partnership with other UN Agencies

The project will coordinate and cooperate with UNICEF given UNICEF's experience and strength in working with young people (18 years and over) leaving institutions.

UNICEF will be invited to assist at the project's National Steering Committee meetings related to the social activities in order to review the progress of the project. This may also include UNICEF's input into the selection of project services and any ad hoc meetings called to discuss the project. In addition, UNICEF and UNDP will collaborate and meet

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Romania's current economic and social strategies focus on meeting the requirements in the *acquis communautaire* for EU accession, in particular the economic criteria established at Copenhagen, with significant financial support from the EU, as well the World Bank, the International Monetary Fund (IMF), and the Economic Bank for Reconstruction and Development. One of the key national strategy documents is Romania's National Development Plan 2002-2005. The overall objective of the Plan is to guide and stimulate the country's economic and social development, with the aim of ensuring sustainable economic growth and creating secure jobs. This plan was designed in accordance with the strategic directions, development objectives and economic forecasts set out in other key documents, namely Romania's Medium Term National Strategy for Economic Development, the EU Pre-accession Economic Programme (PEP), and Romania's National Programme for Accession to the European Union (NPAR). The National Development Plan is the expression of the Government's full commitment to finalize the necessary reforms for integration into the EU. The project specifically supports measures outlined within these strategies, namely:

- The June 2002 Action Plan for Employment. The Plan includes measures aimed to decrease the unemployment rate of vulnerable groups of the population (long-term unemployed, young persons, persons with disabilities), entrepreneurship development, job creation, etc.
- Public investments in the refurbishment/improvement of key tourist attraction sites (cultural heritage sites, historical buildings, natural landscapes, etc).
- Establishment of strong and competitive cities with particular regard to: a) Urban development, including habitat improvement, and b) supporting infrastructure projects oriented towards the development of urban districts.

- The Youth National Action Plan to provide targeted attention to the young population who are a vulnerable group within the current Romanian economic context. The Plan details active measures that prepare youth for real demands on the labour market.
- The National Development Plan that specifically calls for measures targeting specific categories of the population (e.g., youth) & focuses on active measures in the area of employment and protection of the unemployed.
- Government Plan and Strategy concerning “the Protection of the child in difficulty (2001–2004)” that identifies specific measures regarding PIYAs.
- The Equal Opportunities law, which regulates the measures for promoting equal opportunities between men and women, in order to eliminate the direct and indirect gender based discrimination, at all levels of Romanian life, including the field of labour.

2.2. National commitment to achieving outcome

This project is demand driven. It stems from a demand from the Ministry of Culture and Religious Affairs, the Ministry of Public Works, Transportation and Housing, the Ministry of Labor and Social Solidarity (National Agency for Employment) and several local authorities for support to implement a social inclusion and national urban renewal of historic landscapes project.

The Ministry of Labor and the National Agency for Employment are committed to the project as it supports their efforts to target PIYAs and young unemployed and provide good training and job creation opportunities, as per Law 76/2002 and Law 116/2002.

The Government more generally is supportive of the project as it supports measures outlined in their key strategic plans, frameworks and laws (refer to sections 1.3 & 2.1). For example this project will support the Government’s efforts to develop the country’s cultural heritage to be able to improve Romania’s tourism potential, as per Romania’s National Development Plan.

2.3. UNDP support to policy development

The project avoids prescriptive large-scale solutions for cities as a whole. Large urban scale problems involve the repair and restoration of city infrastructure such as heating, electrical supply, gas, water, sewage and the completion of a great number of new buildings which were never completed after their structural frame was built. These large-scale problems require a different order of funding and implementation time and are not covered in any aspect of the current project. Nor does the project tackle the serious problems of restoration and conservation of historical monument buildings requiring highly skilled labour. Such work inevitably involves the use of highly qualified persons, close supervision and expensive materials, none of which form a priority in the current project strategy.

The project focuses on labour intensive works that are not demanding of high-level skills. It also focuses on sustainability through institution building, strengthening partnerships at the local level and improving the performance and competitiveness of local construction SMEs. The project will be divided into a number of small-scale high priority subprojects

on the issue of integration of young people into community life through UN coordination mechanisms such as the thematic groups.

2.5. Sustainability

The sustainable impacts of the project will be realized through:

- Capacity building work, primarily through training, and on-going support of the project team. This will have longer term effects for institutions with greater ability to manage international donor funds, for (vulnerable) youth looking for future employment possibilities, and for construction SMEs seeking new contracts (see section II. III).
- Success of an urban rehabilitation project that may generate interest to replicate the project in other cities or to other sites within the selected cities.
- Replicable methodologies used that will demonstrate and introduce local (and National) government institutions to ways and means of implementing job creation projects, not only linked to urban renewal, but any process which is new, innovative and targeted for specific sections of the community.
- Relevant institutional building, through the creation of new partnerships between the public sector, the private sector and international organizations.

2.6. Risk Assessment and Management

Several risks are involved in the undertaking of this project. However, they can all be properly managed to ensure successful results.

- 1) Complications due to ownership relationships of buildings, permit procedures, and traffic problems. These will be dealt with by ensuring strong relationships with local authorities and a consultative and thorough process in the selection of urban landscape renewal projects.
- 2) Coordination among the various actors at all stages. The project has multiple actors meaning that ineffective co-ordination among them could lead to bottlenecks that could delay activities. To minimize the risk, the project will: a) establish co-ordination mechanisms at the central and local levels such as technical coordination and National Steering committee meetings, b) ensure project specific administrative procedures are set up prior to implementation by municipalities, ministries and government agencies, c) enforce a maximum duration to be respected by each partner for each implementation step (information gathering on urban historic landscapes; permit/authorization; tenders; payments), d) use of project document which all parties (including project staff) will review to ensure all administrative and financial management mechanisms for project implementation are clear.
- 3) Timely funding. The activities of this project require that certain crucial actions must be carried out by Government authorities (National and local levels) related to the endorsement of the Project Document, acceptance of the implementation arrangements laid down in it, and the remittances of the co-funding amounts into the financial stream of the project in a timely and coordinated manner, to ensure

that the activities can be properly implemented to reach the desired outcome. To manage this risk, the number of cities in which project activities will commence will be limited by the amount of funding received. For activities to begin in a municipality, both the legal and financial prior obligations will need to be met.

- 4) Funding from the Regional Development Agencies. If the RDAs will not accept or approve the financial applications, the project implementation in 2003 will be seriously affected. To address this risk the UNDP team and the Municipalities technical staff should coordinate the preparatory phase of the project in order to comply with the RDAs timeframe and requirements.
- 5) Lack of management experience at the central and local levels. In particular, risks exist during the implementation phase related to possible administrative failures for bodies not familiar with international donor projects, not experienced with participation in projects consisting of several actors, as well as difficulties in meeting set deadlines. To mitigate this risk, the project will organize a seminar to provide preparatory training for all basic actors in the project on objectives, strategies, normative frameworks and procedures, and donor's requirements. The seminar will be an opportunity to discuss the management mechanisms. In addition, the Project Manager working at the municipal level will play an important role in keeping the project's deadlines so as to ensure that the conditions for financial transfers and the respective undertaking of activities are met.
- 6) Deterioration of urban renewal works undertaken. Local communities at the project sites will be galvanized to support renovation work, take sufficient pride in the restored heritage results that they will provide requisite action to maintain sites and react creatively to tourism development opportunities. This mitigation strategy relies in large part on a strong communications and public relations strategy for the project (see activities below in Part III).
- 7) Desire to undertake projects requiring significant technical expertise. A number of technical issues constitute risks for the project, such as the skill requirements for certain types of works, and the technical risks involved in the repair of buildings of historical importance. These risks are known to UNDP and have been taken into account in the design of the project. UNDP will not agree to work on any project that requires highly skilled workers, extensive technical expertise, expensive and specialized material, or specialized knowledge.

2.7. Prior Obligations and Prerequisites

The following legal agreements need to be in place prior to project commencing:

- Signature of the Project document by the Minister of Culture and Religious Affairs, the UNDP Resident Representative and the local authorities that will implement the project.
- The Memorandum of Understanding (MOU) between the UNDP and the Ministry of Labour and Social Solidarity and the National Agency for Employment regarding the

identification of the unemployed and the in-kind financial contribution of the MLSP towards the training to unemployed who will be hired by the project and will constitute approximately 20% of the workforce.

- The MOU between the UNDP and the Ministry of Development and Prognosis regarding the financial support that the regional development agencies will provide to the project.
- The MOUs and the cost-sharing agreements between the UNDP and the local authorities. These agreements will define the mechanisms, conditions and deadlines for the transfer of funds from the local authorities to the UNDP account, its transfer to the Project account and the dual signature system for disbursements. Working procedures and requisites will be defined in the MOU. The MOU shall include details of provision of adequate project facilities and designation of local government staff to participate in technical and committee meetings, and decision-making processes.

UNDP assistance to the project will be provided subject to UNDP receiving satisfaction that the prerequisites listed above have been fulfilled or are likely to be fulfilled. When anticipated fulfillment of one or more prerequisites fails to materialize UNDP may, at its discretion, either suspend or terminate its assistance.

Part III. Results Framework

Outcome & Outputs:

Outcome 1. Increased number of jobs in selected cities in Romania. Job creation includes employment for urban employed, particularly of youth and disadvantaged groups (PIYAs & equal opportunities provided for women and minorities).

Output 1.1 An estimated 1,200 person/months of unskilled temporary workers, PIYAs, and other unemployed young adults trained in basic building and architectural restoration skills.

Output 1.2 An estimated 2,500 person/months of temporary jobs generated in the refurbishment of the urban historic landscape of selected Romanian cities over a period of 36 months. Approximately 20% of job to be awarded to PIYAs and registered unemployed persons.

Output 1.3 150 participants (selected advanced students and SMEs participating in the project) provided with knowledge and management skills oriented to enable them to start and manage their own independent businesses.

Outcome 2. Social Integration of PIYAs. In addition to the provision of vocational training and temporary job opportunities (as per objective 1), the project will provide additional support for the social integration of PIYAs.

Output 2.1 Support independent life counseling and career counseling programme provided by specialists to PIYAs.

Output 2.2 Development of counseling programmes to facilitate the possibilities of PIYAs to live independently and socially integrate in the community.

Output 2.3 Selected PIYAs participating in project provided housing (selection criteria according to top results achieved in the training process and on the job).

Outcome 3. Urban historic landscapes of Romanian cities revitalized in terms of visibility, creation of new useful public spaces, and increased economic activity (investments, tourism, etc.). Sites to include buildings, city parks, pedestrian areas (passageways, pedestrian streets), and recreation areas (e.g., gardens, courtyards, squares and markets).

Output 3.1 Selected urban landscape sites constructed or renovated.

Output 3.2 Creation of a Special Urban Restoration Fund fed from sources to be determined.

Output 3.3 Establishment of incentives and grant plans for restoration by owners/tenants.

Output 3.4 Development (or revision) and implementation of strategic plan to create a conducive environment for businesses and investments in renewal areas.

Outcome 4.

Increased capacity of private and public sector institutions to implement employment and urban renewal schemes.

Output 4.1 Increased capacity of construction SMEs to participate in larger scale and international bids and implementation works.

Output 4.2 Improved capacity of municipalities and National Government agencies to implement and manage multi-objective projects in coordination with other public & private, national & international partners.

Output 4.3 Series of development projects eligible for donor grants and loans.

Outcome 5. Public ownership and awareness of the project. Citizen participation in local initiatives.

Output 5.1 Public provided with regular updates about progress of project, emphasizing the national role in the objectives and results of the Project.

Output 5.2 Public participation, including that of citizen groups and non-governmental agencies, in selection of sites and decisions on construction/renovation works.

Output 5.3 Unemployed, specifically youth and PIYAs informed about project. Women and minority groups specifically targeted.

Outcome Indicators (all disaggregated by gender/ethnic group):

1. Number of temporary jobs created as a result of the project.
2. Number of PIYAs that are, at the end of one year, employed and living independently.
3. Number of sites refurbished. Number of new businesses in the renewal area following revitalization work.

4. Number of SMEs planning to improve their management as a result of the project's training. Number of public sector staff trained in the management of multi-donor projects.
5. Number of press articles, radio and TV presentations on the project taken at the initiative of the media. Number of citizens participating in open discussion rounds. Percentage of the population in the target cities satisfied with their level of awareness and ownership of the project.

PROJECT RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Country Results Framework: Increased capacity of the poor to sustain their livelihoods</p> <p>Outcome indicator as stated in the Country Programme Results and Resources Framework: Increase in number of jobs locally or nationally. Target: 2,500 person/months of temporary jobs generated</p> <p>Applicable Strategic Area of Support (from SRF) and TTF Service Line (if applicable): Basic social services</p> <p>Partnership Strategy: Ministry of Culture, Ministry of Labour and Social Solidarity, Ministry of Development and Prognosis, Ministry of Public Works, Transport and Housing, local authorities</p> <p>Project title and number: Beautiful Romania</p>			
Intended Outputs	Output Targets for (years)	Indicative Activities	Inputs (figures in 2003 as per Budget attached)
<p>1.1 An estimated 1,200 person/months of unskilled temporary workers, PIYAs, and other unemployed young adults trained in basic building and architectural restoration skills.</p>	<p>All outputs expected to be achieved over a period of three years. Approximately one third of the outputs are expected to be met each year as activities will be undertaken in</p>	<p>1.1.1. Obtain lists of unemployed, especially youth, ensuring equal opportunity for participation of women and minorities, suitable for training and inclusion in the project.</p> <p>1.1.2. Obtain list of PIYAs willing and able (physically and emotionally) to take training with or without counseling support. This will be undertaken in close collaboration by the National Agency for Employment and NACPA.</p> <p>1.1.3. Develop a checklist of the levels of skills that would be required at the end of the training period.</p> <p>1.1.4. Assess the potential workforce's individual suitability for various jobs, and identify their training needs.</p> <p>1.1.5. An expert national consultant is identified and hired to finalize training packages required which will provide the skills required for the project implementation.</p> <p>1.1.6. Define clear criteria regarding training services required.</p>	<p>1.1 National Agency for Employment through the Local Agencies for Employment:</p> <p>1.2 Local Agencies for Employment</p> <p>1.3 Local Agencies for Employment</p>

<p>three to four (3-4) cities each year.</p>	<p>1.1.7 Develop bidding documents and send an invitation to bid to all suitable institutions for the implementation of training courses.</p> <p>1.1.8 Evaluation Committee to evaluate bids, select winning firm(s) and award contracts.</p> <p>1.1.9 Implement training courses according to the programme.</p> <p>1.2.1 Develop a list of unemployed and PIYAs who successfully complete training.</p> <p>1.2.2. Construction firms receiving award(s) of work hold job interviews with successful participants of training. The project will aim to have 20% of jobs awarded to PIYAs and registered unemployed persons. Specific efforts to be made to facilitate the employment of other disadvantaged groups and the employment of females.</p> <p>1.2.3. Contractors hire required work force (including unemployed and PIYAs as stipulated in contract) at market prices. It is expected that 50-60% of the works budget will be allocated to wages, salaries and services of local consultants.</p> <p>1.2.4. Payments are made to the work force during the training period through the Local Agencies for Employment.</p> <p>1.2.5. Contractors apply for and receive training (when relevant) and employment subsidies from Government (the local agency for employment).</p> <p>1.3.1 During the expansion phase of the project, a national consultant selected to design a "start your own business" training package.</p> <p>1.3.2 Implementation of training modules put out for tender and awarded to a suitable training institution.</p>	<p>1.2. An estimated 2,500 person/months of temporary jobs generated in the refurbishment of the urban historic landscape of selected Romanian cities over a period of 36 months. Approximately 20% of job to be awarded to PIYAs and registered unemployed persons.</p> <p>1.3. 150 participants (selected advanced students and SMEs participating in the project) provided with knowledge and management skills oriented to</p>
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<p>enable them to start and manage their own independent businesses.</p>		<p>1.3.3 Training implemented, including training in computer skills, basic economic concepts on market economy and microeconomics.</p>	
<p>2.1 Support counseling and career counseling programme provided by specialists to PIYAs.</p> <p>2.2. Development of special courses to facilitate the possibilities of PIYAs to live independently and socially integrate in the community.</p> <p>2.3. Selected PIYAs participating in project provided housing.</p>		<p>2.1.1. Qualified NGOs with previous experience in providing professional counseling and the capacity to provide services to at least 50 PIYAs selected and contracted (following an evaluation committee assessment).</p> <p>2.1.2. Selected NGOs to provide counseling to PIYAs. For the first year, counseling will target PIYAs with minor integration difficulties only. It will not address chronic behaviour cases.</p> <p>2.2.1 A basic programme to assist PIYAs live independently and socially integrate is formulated with the assistance of a national expert consultant.</p> <p>2.2.2. NGO undertakes assessment of needs of PIYAs. Based on assessment, NGO holds special courses to facilitate the independent living and integration of PIYAs.</p> <p>2.3.1. Suitable housing belonging to the municipality are identified to be allocated to selected PIYAs.</p> <p>2.3.2. Allocated apartments are refurbished under the project.</p> <p>2.3.3. Experienced NGO selected as administrator of housing and provide counseling support to PIYAs during new phase of social integration.</p> <p>2.3.4. The apartments are provided to selected PIYAs under the administration of an experienced NGO. PIYAs provided housing at nominal rent. The rent will increase progressively after the first year until the fifth year, when they are expected to leave the social housing provided to them (creating spaces for new comers).</p>	<p>2.1 Local Directorates for Child Protection.</p> <p>2.2 Local Directorates for Child Protection.</p> <p>2.3 Municipalities and local county councils.</p>

<p>3.1 Selected urban landscape sites constructed or renovated.</p> <p>3.2 Creation of a Special Urban Restoration Fund fed from sources to be determined.</p>		<p>3.1.1. Formulate a range of project packages that identify the specific urban sites (buildings, and public spaces) and various works to be carried out.</p> <p>3.1.2. Identify and engage qualified firms (architects and engineers) to elaborate the designs, technical specifications, and costs of estimated budget, following a public invitation for bids.</p> <p>3.1.3. Parties sign works contracts after the submission of a work plan by the contractor.</p> <p>3.1.4. Contractor to obtain the Certificate of Urbanism and works permit from the Municipality, following necessary institutional clearances.</p> <p>3.1.5. Tendering of public works according to the Romanian regulations of tenders and following UNDP requirements of award of works to the best bidders. Formulation of special clause for support to SMEs in the evaluation guidelines for the award of works.</p> <p>3.1.6. Works are carried out according to agreed schedule of works under the supervision of the designer and the Project Work field supervisor.</p> <p>3.1.7. Works are accepted by an Acceptance Committee once the satisfactory quality and quantity of works are verified at the sites.</p> <p>3.2.1. Municipal Project Supervisor with the support of the National Coordinator to work with municipal Government to develop a Special Urban Restoration Fund.</p>	<p>3.1 UNDP Ministry of Culture and Municipalities</p> <p>3.2 Municipalities and UNDP</p> <p>3.3 Municipalities and UNDP</p> <p>3.4 Municipalities and UNDP</p>
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<p>3.3 Establishment of incentives and grant plans for restoration by owners/tenants.</p> <p>3.4 Development (or revision) and implementation of strategic plan to create a conducive environment for businesses and investments in renewal areas.</p>		<p>3.3.1. Municipal Project Supervisor with the support of the National Coordinator to work with municipal Government to develop incentives and grant plans for restoration by owners/tenants.</p> <p>3.4.1. Municipal Project Supervisor with the support of the National Coordinator to work with municipal Government and local business associations/chambers of commerce (where they exist) to develop/revise and implement a strategic plan to create a conducive environment for businesses and investments in renewal areas.</p>	
<p>4.1 Increased capacity of construction SMEs to participate in larger scale and international bids and implementation works.</p>		<p>4.1.1. Identify construction firm subcontractors. Special efforts made to identify suitable construction SMEs.</p> <p>4.1.2. A subcontractor identified develops and hold training session. Development of an "Improve Your Construction Business" (YCB) training adapted to meet the specific capacity building needs of construction businesses. This will be done on the basis of training materials which meet the best international standards and which will be adapted to Romanian conditions.</p> <p>4.1.3. Construction SMEs trained in "Improve Your Construction Business" (YCB).</p> <p>4.1.4. Formulation of special clause for support to SMEs in the evaluation guidelines for the award of works (same as 3.1.4).</p> <p>4.1.5. Construction SMEs participate in the bids and implementation of works under the project. Preference given to SMEs on evaluation process for the award of</p>	<p>4.1 Municipalities and UNDP</p> <p>4.2 UNDP</p> <p>4.3 Municipalities and UNDP</p>

<p>4.2 Improved capacity of municipalities and National Government agencies to implement and manage multi-objective projects in coordination with other public & private, national & international partners.</p> <p>4.3 Series of development projects eligible for donor grants and loans;</p>	<p>works.</p> <p>4.2.1 Establishment of a Central Programme Office headed by an experienced national consultant;</p> <p>4.2.2 Establishment of Local Project Offices headed by experienced national professionals (Local Managers)</p> <p>4.2.3 Monthly meetings of all Project Directors under the Chairmanship of UNDP Romania DRR. These meetings will be convened in a different participating city each month and each Municipal Project Director will report on activities in his/her city.</p> <p>4.2.2. Electronic network of project managers from different cities created.</p> <p>4.2.3. Joint implementation of trainings and workshops (on design, tendering procedures, award of works, implementation, supervision and reporting) for local and National Government institutions to increase their management capacity of international donor projects.</p> <p>4.2.4. Joint implementation of works programme by local and National Government institutions.</p> <p>4.3.1 Government institutions follow international standards for tender processes and award of contracts.</p> <p>4.3.2 Formulation and submission of development projects by local authorities to financial institutions and donor funding agencies.</p>	
<p>5.1 Public provided with regular updates about progress of project, emphasizing the national role in the objectives and results of the Project.</p>	<p>5.1.1. Draft public information strategy.</p> <p>5.1.2. Widely publicize through the media information on the project's progress and achievements, as well as partnerships.</p> <p>5.1.3. Systematically inform the donor, diplomatic and business communities of Romania of the Project development. Invite them to reception ceremonies at the completion of</p>	<p>5.1 UNDP</p> <p>5.2 Municipalities and UNDP</p> <p>5.3 Municipalities and UNDP</p>

<p>5.2 Public participation, including that of citizen groups and non-governmental agencies, in selection of sites and decisions on construction/renovation works.</p> <p>5.3 Unemployed, specifically youth and PIYAs informed about project. Women and minority groups specifically targeted as well.</p>		<p>each tranche of work.</p> <p>5.2.1. Discussion rounds between National Government representatives, local government representatives, local business communities, and citizens.</p> <p>5.2.2. Organize meetings and/or conduct interviews to ensure people are provided with the opportunity for expressing their preferences in urban renewal aspects of project.</p> <p>5.2.3. Establish formal contact and hold meetings with interested citizen groups and non-governmental agencies in city-level activities.</p> <p>5.3.1. National Coordinator and Municipal Project Directors to work with Ministry of Labour and Social Solidarity, National Employment Agency and Local Employment Agencies to hold information sessions and distribute information leaflets/packages to inform youth and PIYAs about project.</p> <p>5.3.2. Special efforts to be made by Local Employment Agencies to ensure women and minorities provided information on project.</p>	
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Part IV – Management Arrangements

4.1. Roles and responsibilities

The project will be under National Execution (NEX). The Executing Agency for the project will be the Ministry of Culture and Religious Affairs. The employment component will be developed through the Ministry of Labor and the National Agency for Employment, whereas the urban renewal component will be developed through the Ministry of Culture and Religious Affairs and the Ministry of Public Works, Transport and Housing. Participating local authorities will be the implementing agencies.

The Ministry of Culture and Religious Affairs, and the participating local authorities will each appoint a Project director to oversee the delivery of the project within the terms of this document and as per the Memoranda of Understanding. Where applicable, they will also oversee the Cost Sharing Agreements between the United Nations Development Programme and these institutions. A monthly meeting of all Project Directors will take place under the Chairmanship of UNDP Romania.

National Steering Committee (NSC)

The Minister of Culture, the Minister of Labour and Social Solidarity, the President of the National Agency for Employment, a Representative (Secretary of State) of the Ministry of Development and Prognosis, the Minister of Public Works, Transportation and Housing, and the UNDP Resident Representative will form a National Steering Committee which will act as a decision-making body for the project. The NSC will monitor and manage the project at a national level. The NSC will also be the forum for discussions and planning regarding the replication of the project in other regions for the second phase of implementation of “Beautiful Romania”. The National Steering Committee will evaluate the progress of each project and will regulate future procedures.

The Head of the Socio Economic Section within UNDP will act as secretariat to the National Steering Committee. The Secretariat will be responsible for convening regular meetings and for producing and circulating minutes within the members of the National Steering Committee.

Central Project Office

The project Central Team will require:

- a Project Manager in charge of daily operations, tender and permit processes. They will also be responsible to liaise with all project partners under the Coordinator’s supervision.
- a social counselor/coordinator with operational knowledge of the main actors and legal framework regarding youth and more specifically PIYAs. They will be responsible for the successful execution of work directly affecting the socio-economic components of the project, primarily related to the employed youth.
- a certifying engineer with experience in restoration. They will be responsible for tender preparation, for site inspection and for certification of contractors’ invoices (this last function can be outsourced if more cost effective).

- a communication/public relation's officer with knowledge of the media, as well as computer graphics.
- A finance and administrative support coordinator. They will be responsible for all the financial aspects of the project.

The Project Central Office will work in coordination with the National Steering Committee and with the Executing Agency of the project – the Ministry of Culture and Religious Affairs.

Local Level Steering Committee (LSC)

A Local Level Steering Committee will be formed in order to deal with the day to day implementation problems of the project. The Local Steering Committee will consist of: the Mayors of the selected municipalities or the Presidents of the county councils, the Chief Architects of the cities, a representative of the Local Agency for employment and vocational training, the County Director for Child Protection and the Project Manager as representative of UNDP.

The Local Steering Committee will be responsible for the approval of the work plans, the subprojects, the award of works for the successful bidders, the acceptance of the completed work and all other work referred to the committee in the course of implementation.

Local Project Offices

The local Project Team will operate within the premises of the municipalities that are implementing the Programme projects and will require:

- a local municipal coordinator, who will be a certifying engineer responsible for daily site inspection and certification of invoices;
- a social counselor/coordinator responsible for the daily oversight of the implementation of the employment component of the project. The Local Social Coordinator will act as secretary to the Local Steering Committee; responsible for convening regular meetings and for producing and circulating minutes within the members of the Local Steering Committee.

By initiating the selected subprojects during the first year, the Beautiful Romania Programme will establish the basis of a strong implementation team (Local Project Office) that has the capacity to implement projects funded by international donors while gaining the support and approval of local government institutions.

The mayor, as the head of local public administration, shall be answerable to the local council for the functioning of the Local Project Office as well as the impact of the projects on the urban fabric.

**UNITED NATIONS
DEVELOPMENT
PROGRAMME**

**Ministry of Culture and
Religious Affairs**
Executing Agency

**Ministry of Labour & Social
Solidarity, MLSS/
National Agency for Employment**

National Steering Committee (NSC)
Minister of Culture, Minister of Labour and Social Solidarity,
President of the National Agency for Employment, Representative of
the Ministry of Development and Prognosis, Representative of
the Ministry of Public Works, Transport and Housing, UNDP
Resident Representative. Observers: Head of EC Delegation,
UNICEF Resident Representative.

Central Project Office (PO)
Project Manager, Social Coordinator, Certifying
Engineer, Communication/PR Officer, Finance and
Administrative Support Coordinator.

Local Steering Committee (LSC)
Chief Architect of Municipalities or County Councils,
Representative of the Local Agency for Employment; Project
Manager - UNDP, Municipal Division of Child Protection.

***Local Authorities
Implementing Agencies***

***Local Project
Offices***

***Local Project
Offices***

***Local Project
Offices***

***Local Project
Offices***

Subcontractors works, training, consultants, NGOs

4.2 Cooperation with the RDAs.

This Project Document will form the basis for applications to be submitted to the Regional Development Agencies for Phare programme funds. They will be designed in accordance with the requirements specified within the PHARE Programme guidelines.

The applications assume co-funding measures. The co-funding for the applications to the RDAs will be ensured by the following partners: UNDP, the Ministry of Culture and Religious Affairs, and the participating local authorities. Specific management and cooperation arrangements are required for work with the municipalities to draft the above-mentioned applications.

In each city, UNDP, in collaboration with the local authorities, will draft applications for funding to be submitted to the respective Regional Development Agencies on behalf of Beautiful Romania project. The steps to be followed are:

- Establishing, in cooperation with local authorities, a fast track procedure for drafting and submitting projects proposals (based on BR Project Document) to the Regional Development Agencies in order to receive EC funds (PHARE – Social and Economic Cohesion).
- Selecting, in cooperation with the local authorities, buildings and sites to be included in the project. This will require advanced designing works, placed in the historical center of the city, the value of the works equal to or less than US\$140,000
- Elaboration of public works sub-projects (for applications to the RDAs) including designs, technical specifications, cost estimates;
- Drafting and signing the cooperation agreements with the local counterparts from the selected cities.
- Local authorities will assign a local team (construction specialist and social expert) in charge of the application process for the city.
- Submitting the proposals to the respective RDAs
- Award of public works to successful bidders, principally SMEs;
- Commencement of public works
- Revitalization and rehabilitation of selected parks, buildings, public furniture, sidewalks and roads.

4.2. Monitoring and Evaluation

All projects within the umbrella of the project defined here will be subject to the standard UNDP monitoring and evaluation procedures as per *UNDP Programme Operations Manual*. In addition, any monitoring and evaluations procedures requested by the donors and co-financing partners may also take place in the event of the UNDP procedures not being considered sufficient.

The project will be subject to a joint (Ministry of Culture and Religious Affairs, Ministry of Labour and Social Solidarity, Ministry of Development and Prognosis, Ministry of Public Works, Transport and Housing, and UNDP) review every six months, to which the

donors contributing to the project will be invited to participate. The National Director shall submit to each joint review meeting a Project Report (PR). A Project Terminal Report will be prepared for consideration at the terminal joint review meeting. All reports will be prepared in draft and distributed sufficiently in advance to allow for review by all parties. Regular monitoring of the project through field visits will be done by the Ministry of Labour and Social Solidarity through the National Agency for Employment, the Ministry of Culture and Religious Affairs, and UNDP staff. Donors contributing to the project will also be invited to participate in these visits.

In addition to the joint reviews, the project will be subject to an independent mid-term evaluation, a final evaluation conducted by involved agencies, and to the financial control requirements of the regular nationally executed UNDP projects (audit on an annual basis).

4.3. Draft Work Plan

The work plan will be prepared within one month of the signing of the project document. It will include the following key activities (in addition to the more extensive list provided in Part III):

Socio-Economic component

- identification and contracting of vocational training and counseling organizations with support from Ministry of Labor and National Agency for Employment;
- selection of PIYAs from lists provided by orphanages;
- selection of other youth and unemployed for project work;
- enrollment in both training and counseling;
- employment on construction sites
- facilitating housing for a selected number of PIYAs.

Urban component

- selection of sites from list provided by municipalities according to architectural and urban interest (visibility and tourism potential), to ownership and occupancy status, labour intensity, and other data provided.
- selection by tender of (architectural) firm(s) for:
 - project design; preparation of permits and of presentation to the Sub-commission for Historical Urbanism of the National Historical Monuments Commission;
 - submission of applications to the RDAs
 - worksite supervision, reception of works;
 - organization of tender for selection of construction companies (further to obtaining permits and authorizations);
 - ensuring trained unemployed (youth) are hired by contractors.

Part V – Legal Context

This Project Document shall be the instrument referred to as such in article 1 of the Standard Basic Assistance Agreement between the government of Romania and the United Nations Development Programme signed on 23 January 1991. The project will be implemented according to UNDP rules and procedures and as per the revised UN/EC Framework Agreement.

Budget

See attached

Construction works

Protected areas are defined as geographically delimited territories containing cultural heritage elements and ensembles of a special value. The protected built areas are meant to save, protect and enhance the value of the built heritage having a special historical, cultural or memorial value. These are mainly represented by historical and architectural monuments or buildings of national and local interest. Works on protected areas are governed by special procedures.

1. Personnel with special skills for restoration works in the historic center

A. For construction works:

- Only professionals and experts certified by Ministry of Culture and Religious Affairs will develop the plans; there are not many certified professionals at this time, because the examination system worked only for a few months and was suspended in 2000;
- The companies that will execute construction works in protected areas will receive certification from the Ministry of Culture and Religious Affairs (there are no such certified companies so far);
- The Municipality's Specialized Body and the Local Branch of the State Construction Inspectorate will control all the construction works as concerns: (i) the quality of the design; (ii) the execution of the construction works; and will attend the takeover process.

B. To control the utilization of public buildings:

There is no specialized personnel to control the way constructions and public spaces are being used. Such personnel is only available in concern of: cars and pedestrian traffic, the sanitary aspects and economic operation of commercial companies, the operation of technical and fiscal public utilities.

2. Control the legitimacy of interventions within historic centres

Such control is being exerted especially in case of new construction works. Generally, in what concerns refurbishment works on buildings, maintenance or use of public and private spaces and all kinds of street sign elements, historic centers are isles out of control.

3. Ways to act in historic centers

3.1 Designer nomination

The designer of the construction works will be nominated according to the client's juridical status.

- a) If the client is a private entity ("private work"), it could nominate a suitably specialised designer. According to the regulations, the Ministry of Culture and Religious Affairs will issue the approval without special requirements.
- b) If the client is a public entity ("public work"), the designer will be nominated on tender basis, which process takes around 4 months. The bidding will take place as a rule, irrespective of the value of the works. The bidding documents do not require the designer's specialization.

3.2 Approval of the construction investment

Here also the procedure is depending on the juridical status of the client.

- a) If the client is a private entity ("private investment"), the client is the one to approve the investment.
- b) if the client is a public entity ("public investment"), there are several stages in the approval process: SPF, SF, PT + CS, DE. When the investment value exceeds the client's approving authority or in case the investment is made from international funds guaranteed by the state, the SF is approved upon endorsement by the Ministry of Public Finance. The SPF and SF approval process takes at least 6 months.

Public investments are made more complicated by the way investment responsibilities are being decided upon:

- The Budget Law and other regulation establish the "primary credit administrators" (ministry, AAA, CGMB, Autonomous Administration, other legal bodies);
- For each investment the primary credit administrators decide upon the "secondary credit administrators" (public institution, Autonomous Administration, project implementing unit, agency etc.). The secondary credit administrators are the ones who develop the investments and have the responsibility of using the resources;
- Sometimes there are also "tertiary credit administrators", for hierarchical reasons.

3.3 Building permits

The Local Councils of the cities issue building and demolishing permits based on legal notices, most importantly from the Ministry of Culture and Religious Affairs and Ministry of Public Works, Transport and Housing. Building permits are issued upon approval of the urbanism documents – PUZ or PUD. The approval process takes at least 4 months since the design works started. The client has the responsibility to obtain the legal notices, which is the lengthiest part of the approval process. Even if Law No. 453/2000 states the obligation of the Municipality to organize a "one-step bureau" to issue building and demolishing permits, this procedure has not been so far implemented.

