

*2015 Development Policy Financing Retrospective
Consultation Meeting*

FEEDBACK SUMMARY

Date: May 11, 2015

Location: Bucharest, Romania

Total Participants: 15

Consultations were held via Video Conference with country representatives in Bucharest (see list in Annex 1) on the preliminary findings of its Retrospective. Manuela Francisco (Economics Adviser, Operations Policy and Country Services) gave brief opening remarks and presented the preliminary findings of the Retrospective. The meeting was moderated by Catalin Pauna, Senior Economist, Macroeconomics & Fiscal Management.

Overview and General Reactions:

- The stakeholders and the client are very pleased with the instrument and they expressed their strong support for continuing to make use of it.
- The client appreciates Bank's approach to use the full array of complementary instruments to support key reforms in Romania: DPFs, RASes, grants, AAA.
- The reforms promoted with support from the Bank complement the reforms pursued through in the international agreements with the IMF and the European Commission.
- The World Bank has been a trustful partner to help the country achieve results for an improved macro and fiscal environment.
- The series of Development Policy Loans and DDOs have supported the second generation of reforms and have ensured continuity and sequencing of reforms in the areas covered by the operations.
- WB support in these areas has been instrumental in pushing the agenda forward and the Bank should continue its support (as included in the CPS for FY14-18).

Main Issues Raised

1. To what extent have DPOs contributed to country results and what can be done to further enhance their results focus?

All the participants agreed that the DPO had a significant contribution to achieving country results. Moreover, their comments regarding the next steps for the instrument were related to the need of a continuous engagement of the Bank in key reform areas in Romania to help the agenda to move forward. More specifically, other comments on these issues include:

- The reforms promoted through the DPOs should not be expected to lead immediately to the achievement of the twin goals; these are more long-term oriented and their impact can be perceived on a more distant period of time.
- The WB has accommodated the EU directives in the operations.
- The DDO was an efficient instrument which should continue to be used, together with the regular DPF operations.
- There are many achievements in the energy sector in Romania, including privatizations, price liberalization, corporate governance measures supported by the World Bank.
- In 2011: there was no proper governance framework for the SOEs. With the support of the World Bank, the Government has approved an Emergency Ordinance (109/2011) which triggered many reforms in the area of corporate governance.
- It is important to mention that the reforms protected the poor.
- OPCOM was supported by the WB in its 10 years of existence, especially in their endeavors of liberalizing the energy markets in Romania. The collaboration with the WB through the prior actions in the DPL helped achieve significant results. OPCOM is now one of the most modern power exchanges in Europe
- In November last year, one prior action from DPL1 was achieved and that is the base for further EU reforms. More specifically, Romania's electricity market was connected with other markets from the EU (Hungary, Czech Republic, Slovakia) and that will help with the establishment of a single energy market in Europe.
- In 2012, the DPL included a prior action related to strategic planning. Much has been done so far in this area and most of it has been strongly supported by the Bank with different instruments that were available. It has first started the piloting of a strategic planning exercise in two ministries (Ministry of Agriculture and Ministry of Regional Development and Public Administration) and based on the lessons learned it has been expanded to other Line Ministries such as the Ministry of Labor,

Education, health and domestic affairs. In addition to this, an IDF was employed to help update the methodology and make a proposal for a system for planning and strategic budgeting.

- Reforms targeting the Competition Council were included in the DDO related to promoting legislative reforms; their implementation was made possible with technical support from the WB who embarked on ambitious institutional reforms through a RAS
- They also highlighted the importance to continue using the full array of instruments for addressing the most urgent needs of the country.

2. How effective is the risk management framework for DPOs?

The stakeholders have agreed that the risk management framework is appropriate and that they work closely with the Bank to develop it.

3. Have DPOs successfully managed environmental and social effects? What can be done to improve implementation and guidance?

The DPO and the DPL have mainly focused on supporting macro fiscal framework, energy reforms especially the liberalization of the market, corporate governance and privatization of SOEs, strategic planning, public financial management, and reforms in the capital market and competition environment. The Social Assistance Modernization Program has complemented the agenda with targeting the minimum income insertion, social benefits, safety nets etc.

4. Is the current governing framework regarding poverty/social and environmental issues in DPOs appropriate?

The framework is appropriate. The Bank uses an array of instruments to address social and environmental concerns. A Social Assistance System Modernization project was implemented in parallel with the DPFs, focusing on protecting the poor and vulnerable from the effects of reforms and on improving the targeting and coverage of the poor.

5. Any other suggestions to make use of DPOs more effective?

Continue to use complementary instruments to ensure country results on the key areas of reform. The WB should continue to support the finalization of the reform agenda launched in the sectors where it has been involved over the past years.

Annex 1:



*2015 Development Policy Financing Retrospective
Consultation Meeting*

PARTICIPANTS LIST

Date: May 11, 2015

Location: Bucharest, Romania

Total Participants: 15

No.	Participant Name	Organization	Organization Type	Country	Email Address
1.	Ms. Carmen Ghita	Ministry of Public Finance	Public	Romania	carmen.ghita@mfinante.ro
2.	Ms. Monica Secareanu	Ministry of Public Finance	Public	Romania	monica.secareanu@mfinante.ro
3.	Ms. Aurelia Tudor	Ministry of Public Finance	Public	Romania	aura.tudor@mfinante.ro

4.	Ms. Mirela Sandulescu	OPCOM (Romanian gas and electricity market operator)	State company	Romania	mirela.sandulescu@opcom.ro
5.	Ms. Oana Truta	Franklin Templeton	Private	Romania	oana.truta@franklintempleton.com
6.	Mr. Radu Iacob	Chancellery of the Prime Minister	Public	Romania	radu.iacob@gov.ro
7.	Ms. Oana Neg	Romanian Competition Council	Public	Romania	oana.neg@consiliulconcurentei.ro
8.	Mr. Victor Cionga	Electrica SA (Electrical power distribution and supply company)	Privatized company	Romania	victor.cionga@azcapital.ro
9.	Ms. Suzy Yoon-Yildiz	World Bank			syoon1@worldbank.org
10.	Mr. Catalin Pauna	World Bank			cpauna@worldbank.org
11.	Ms. Arabela Sena Aprahamian	World Bank			aaprahamian@worldbank.org
12.	Mr. Richard Florescu	World Bank			rflorescu@worldbank.org

13.	Mr. Victor Giosan	World Bank			vgiosan@worldbank.org
14.	Ms. Alexandra-Teodora Nastase	World Bank			anastase@worldbank.org
15.	Uwi Basaninyenzi	World Bank			uabasaninyenzi@worldbankgroup.org