

## INTEGRITY PACTS EU'S IMPACT CASE 02

# **ROMANIA – CADASTRE OF RURAL AREAS (2)**

## BRINGING THE MARKET CLOSER

#### **CONTRACTING PROJECT INFORMATION**

Country	Romania
Project	Cadastre of rural areas (RO)
Project description	Provision of technical assistance to increase land registration in rural areas in Romania, aiming to register about 5.758.314 hectares in 660 territorial administrative units/localities.
IP signature date	20/11/2017
Contracting authority	Agenția Națională de Cadastru și Publicitate Imobiliară (National Cadastre Agency, NCA)
Managing authority	Ministerul Dezvoltării, Lucrărilor Publice și Administrației (Managing Authority for the Regional Operational Programme)
Monitoring organisations	<u>Transparency International Romania</u> , <u>Institute for Public Policy</u>
Procedures monitored	1
Contracts awarded	Several (framework contract)
Current stage	Implementation
Impact categories	<ul> <li>(1) Promote better value for money</li> <li>(2) Enhance transparency and accountability</li> <li>(3) Foster project timeliness</li> <li>(4) Increase access and participation of citizens</li> <li>(5) Encourage competition and fairness</li> <li>(6) Support institutional changes</li> </ul>





#### **IMPACT CASE**

Romania faces a challenging backlog in land registration. The country's regulation on the matter mandates a lengthy and costly procedure, which deters registration, particularly in the poorest municipalities and rural areas. With the support of the European Union (EU), Romania's National Cadastre Agency (NCA) has revamped efforts to address the barriers stopping people from registering land and launched a new contracting project to recruit specialised firms to support rural communities throughout the process. Firms are expected to provide assistance for different tasks such as measuring land, reviewing existing legal records, compiling the preliminary land register, and following the formal procedure until the final approval of the local cadastre.

The project preparation began in 2014, and in 2016, Transparency International Romania and the Institute for Public Policy (IPP) started collaborating with the NCA, eventually becoming independent monitors.

By then, the contracting strategy had already been discussed and revised several times because interest for some of the project's lots and municipalities was low. For instance, of the 36 lots in the first tender, only 11 received an offer, and in the end, it was only possible to award a contract in seven.

TI Romania and the IPP noted that it was critical to engage with the market to identify solutions. They proposed **a market consultation** to reach out to the different firms in this field and discuss the incentives and barriers for their participation. Based on the information obtained, the contracting strategy could then be adapted to achieve better results.

Additionally, the monitors suggested **measures to grant transparency and fairness** during this process. Engaging with the market can be a sensitive issue in government contracting since public officials fear that their interactions are perceived as unfair or problematic. Having an independent observer supporting this activity can make the process more open and add incentives for private firms to participate and share relevant information.

After months of discussions and planning, the NCA conducted a market consultation at the end of 2019 and the beginning of 2020. It met with different firms and business associations and confirmed key issues. Crucial among them was the value of the price estimations for some of the lots, which were not high enough to grant enough profit to attract bidders. Also, it emerged that the payments calendar in each contract did not provide enough cash flow to contractors and generated delays. Based on this information, the NCA adjusted their estimations and increased the contract value for some lots by using savings from others and changed the deliveries and payment calendar in the procurement terms of reference. The effects were soon noticed. In the 2018-2019 tenders, 15 to 30% of the lots received an offer. In 2020, it increased to 40–50% of the lots.

Thanks to the Integrity Pact implemented on the cadastre project in Romania, the monitoring mechanism allowed the contracting authority to consult the market in a transparent way, markedly improving the companies' response to the tender. Monitors' involvement has **encouraged competition and fairness** on the project and promoted **better value for money**.

This impact case was developed in the framework of the project Integrity Pacts – Civil Control Mechanism for Safeguarding EU Funds, Phase 2 funded by the European Commission. It brought together government agencies, civil society and the private sector in 11 EU countries, to ensure that 18 public contracts were designed, awarded and implemented to the highest possible standards of transparency and accountability. Last case update: 16 July 2021.

