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Case Study on the Deficiencies and Difficulties of Project Management since the Promotion Stage of Integrated Waste Systems

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The present case study focuses on the shortcomings and difficulties encountered in the management of projects in the environment protection area, respectively of integrated waste management systems, observed in similar projects, promoted simultaneously in five counties in Romania, counties located in different development regions.

Thus, following a European funding, five counties were selected to receive free consultancy services for the elaboration of the county master in the field of environment protection, respectively waste management. One of the requirements that the counties had to fulfil was the expressed unequivocal willingness to implement the project at county level. A Project Implementation Unit (PIU) was set up at county council level with the precise purpose of managing and implementing the project.

Even though the counties benefited from free technical assistance, major delays in finalizing and approving the application were encountered in all the cases studied, due to reasons that depended mostly on the manner the project management was conducted.

Keywords: *project management, Project Implementation Unit, local authority, management deficiency*

JEL Classification: *O22, J53*

Overview

The present case study wishes to highlight some shortcomings and difficulties encountered in project management in the field of promoting major environment protection projects at county level, respectively of integrated waste management systems, promoted simultaneously in five counties in Romania located in different development regions. Following European funding, five counties were selected to receive technical assistance for the elaboration of the planning documents (master plans) and the complete documentation required for the Financing Application for the obtaining of non-refundable financing (feasibility study, institutional analysis, cost-benefit analysis, environment impact assessment) within the Sectoral Operational Program, Priority Axis – “Development of integrated waste management systems and rehabilitation of historically contaminated sites”. The general objective of the applications is to improve the Romanian environment infrastructure in the field of waste management, while observing and fulfilling the targets assumed in this sector by our country through the Aquis Communautaire, and also to significantly contribute to the improvement of the quality of the environment and living standards.

The five counties were selected based mainly on technical criteria as well as on the willingness of all local authorities to set up Intercommunity Development Association for the implementation of the project thus foremost considering the general interest, at county level and not the local one. Within these projects, according to requirements already set out in the Applicant’s Guide, the beneficiaries were required to set up a Project Implementation Unit (PIU) – that joins experts from all fields related to project implementation and an Intercommunity Development Association (IDA), at each county level, that includes all the local authorities and the county council, with decision making responsibilities in managing and monitoring the integrated management system.

The Technical Assistance began its activity in October 2007, the deadline for the finalising of the projects being December 2008. The main tasks of the Technical Assistance were: to provide professional consultancy to the local and central authorities in view of achieving viable and mature projects by preparing complete applications for the five counties, to define a long-term investment programme in accordance with the Regional and

County Waste Management Plans and to support the environment authorities and final beneficiaries in gathering experience and knowledge in terms of project preparation and implementation. Due to confidentiality reasons, the names of the five counties will not be mentioned.

What went wrong?

The main management deficiencies and difficulties, observed even since the initial design phase of these integrated projects, were encountered at the level of all involved factors:

- The local and county decision making factors (local and county councils)
- The PIU;
- The decision making factors within the Ministry of Environment, as well as within the Regional Environment Protection Agencies;
- The consultancy company.

Some relevant aspects concerning the deficiency and difficulties appeared in the project management on behalf of the directly involved factors are briefly presented below:

1. At level of local and county decision making factors (local and county councils)

It must be mentioned that most of the difficulties with major role in delaying the finalization of the applications were encountered at the level of the local decisions making factors. The main difficulty was represented by the lack of a unanimous decision from the local authorities concerning the association within IDA, in adopting and assuming a Statutes and an Articles of Association regarding the implementation of the project in total contradiction with their initial selection criteria. A certifiable deficiency was represented by the promotion of minor, local interests in the disadvantage of gaining some advantages at county level, by trying to obtain the placing of certain investment objectives on their territory, unjustified in relation to the recommendation given and technical solutions proposed by the consultant. Another difficulty was represented by the refusal of some of the local authorities to develop the sanitary landfill on their territory, expressed

mostly by setting the inhabitants by the ears within the public consultation meetings, even though, from a technical point of view and from the point of view of the environment and health related legislation, the locations were correctly proposed by the Technical Assistance. In addition, the lack of coherence in adopting some local council decisions, manifested through their modification or withdrawal depending on the political context, led to considerable delays in the implementation of the project.

Furthermore, the involvement of the political factor in the implementation of the project and its unfavourable effects cannot be contested. Thus, it was observed in all five counties that some local authorities of the major cities, which had the local council/mayor of a different political party than the one of the President of the County Council have delayed or adopted decisions that led to the aggravation/stopping of the finalizing of the applications, totally ignoring the interest of the citizens in obtaining a waste management system both advanced and financed from extra-budgetary funds.

2. At the level of the Project Implementation Unit

At level of the Project Implementation Unit level the major deficiency was the lack of credibility and assertion of authority in report with the local authorities whose interests it represented – in promoting innovative ideas and solutions. Also, the PIU did not manage to determine the local authorities to renounce their own divergences and interests and to adopt a common solution in the benefit of the entire community.

Another shortcoming at the level of the PIU was seen through the medium-to-low degree of skills qualification of the recruited staff concerning the responsibilities related to implementation of a major project, in most of the cases being outdone by the professional technical-economic issues, as well through the ignorance in terms of environment legislation.

3. At the level of the decision making factors within the Ministry of Environment, as well as within the Regional Environment Protection Agencies

At the level of the Ministry, the authority with a monitoring role during the preparation phase of the financing applications, as well as during their approval, the insubstantial involvement in view of limitation as much as possible of the final values of the investments, as well as in influencing the Technical Assistance in promoting cheaper technical solutions for the beneficiaries, due to allocating money for as many counties as possible was observed. Due to this intervention, certain outdated technologies were practically imposed on the beneficiaries, especially for waste collection, quite rarely being accepted advanced technologies (like mechanical-biological treatment), for purely financial reasons, without considering the specificities of the counties.

Another shortfall observed at the level of the decision making factors within the Ministry of Environment that led to the disturbance of the finalizing of the applications was the enforcing of restrictive conditions, not mentioned in the Applicant's Guide, in terms of purchase of specific equipment for waste collection and transport (for example bins and waste vehicles) that created disputes between the TA and beneficiaries which led to tense relationships and delays in adopting some decisions. Also, the repeated demands in creating an IDA that mandatorily be formed by all local public authorities in the county (condition not requested by the Applicant's Guide) proved to be both an attack on democracy and free will and a major factor in delaying the setting up of IDA.

At the level of the Regional County Environment Protection Agencies a major lack of preoccupation for this field up to the moment of starting these applications was observed, proven by both the lack of centralized data regarding the real quantities of existing waste in the counties and by the monitoring (or lack) of non-compliant landfill. In this context, in numerous cases it has been seen that data provided by programming documents (County Waste Management Plans – approved by these Agencies) do not correspond with the existing situation.

4. At the level of Consultancy Company

At the level of Consultancy Company, the main deficiencies consisted in the acceptance, under the pressure of the financing institution – the Ministry of Environment, the implementation of alternative

technologies, which, may seem cheaper at a first glance, but will probably prove to be more expensive in terms of updating after a period.

Also, a better communication with the local authorities, by presenting, at an adequate level of perception, the real benefits resulting in time through the introduction of a general, integrated waste management system could have defused many conflicts between them.

Conclusions

The above presented aspects were the cause of an outperforming management on behalf of all authorities involved in the promotion of the financing applications.

Even though the direct beneficiaries of these applications are the IDAs/County Councils, most of the deficiencies that influenced the management of the project were observed at their level. The negative effects of this inefficient management are observed in the delay in finalizing the Financing Applications for the projects and also in the inability to access, up to present time, the available European funding. Practically, up to now, only for two of the five applications Financing Contracts with the Ministry of Environment were signed.

Not achieving in due time the investments foreseen in the feasibility studies will lead, for the respective counties, to the impossibility to reach the targets imposed by the programming documents in terms of diversion of biodegradable waste from landfill and recycling of waste. Furthermore, not reaching the targets at county level implies serious consequences on the national targets, which will result in penalties applied by the EU.

Although the five financing applications were developed in parallel, in different development regions, they have faced the same problems. This set of five applications is part of a greater financing program, which has the purpose to improve the environmental infrastructure by financing projects for the local authorities. Besides this financing, there was a similar one, which started in 2005, and another two in 2008. At present, it is observed that not all applications from the first set of projects (2005) are in the phase of signing the financing contract, while those from 2008 are in the phase of approving the programming document, namely the master plan. The issues observed in the case of the five financing applications from the present case

study are also found at the level of other sets of applications. In this context, up to the present time, no actions were taken in the sense of eliminating the observed deficiencies. The issues seem to be generalized at national level, portraying the lack of experience of the public authorities in managing projects of such range. This should raise some question marks at the level of the central public authorities and lead to solutions for applying the management in efficient manners, especially in the current context of the economic crisis, in which the attraction of investments in infrastructure is translated in improving the economic context.

Proposals for the improvement of project management:

- Awareness of deficiencies and disputes met at the level of the Financing Applications in order to improve the management of project implementation.
- Clear definition of the role of each actor involved in the unfolding of projects.
- Improvement of skills of the PIU personnel and appointing of a real representation in project implementation.
- Use and application of some proper management methods by all partners involved in the implementation of such major projects.
- Improvement of communication between authorities by using well-defined and appropriate information channels.
- A better awareness of the public by the mass-media on the importance of these projects, on the absorption capacity of European funds by the local authorities, which would have as side effect the minimization of divergences and harmonisation of decisions at the level of the local and central factors.
- Determination of the local political class at solidarity in view of promoting major projects of common interest.

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