



ROMANIA

Advisory Services Agreement on Improving Monitoring and Evaluation Capacity in the Context of EU-funded Programs in Romania (2021–2027) (P174133)

Output 1b

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Acronyms

AA	Audit Authority
AIR	Annual Implementation Report
BEP	MEIP Evaluation Unit
BS	Beneficiaries' Survey
CBC	Cross-border cooperation
CEF	Connecting Europe Facility
CF	Cohesion Fund
CFR SA	Romanian Railroads Society (<i>Romanian abbreviation</i>)
CLLD	Community-led local development
CNAIR	National Company for Road Infrastructure Administration
CORINA	Core Indicators for Absorption
CPR	Common Provision Regulation
CPA	Certification and Payments Authority
CRD	Council for Regional Development
DGOIT	General Directorate for Intermediate Transport
DPMPAC	Directorate for Program Management, Project Appraisal and Contracting
DGPCS	General Directorate for Programming and System Coordination
DGPEC	General Directorate for European Competitiveness Programs
DGPECU	General Directorate for European Human Capital Program
DGPECA	General Directorate for European Programs in Administrative Capacity
DGPECP	Directorate for Program Management, Project Appraisal and Contracting
DGPECP	Program Management, Project Contracting, and Evaluation Directorate
DGPEIM	General Directorate European Programs Large Infrastructure
DGPEMP	Directorate for Program Management, Project Appraisal and Supervision
DMP	Project Monitoring Directorate
DR	Regional Directorate
DRI	Regional Directorates of Infrastructure
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EC-DG REGIO	European Commission - Directorate-General REGIO Regional and Urban Policy
ECC	Evaluation Coordination Committee
EIB	European Investment Bank
eMS	Electronic Monitoring System
EP	Evaluation Plan
ERDF	European Regional Development Fund
ESIF	European Structural and Investment Funds
ESF	European Social Fund
EU	European Union
GD	General Directorate
GDETCP	General Directorate for European Territorial Cooperation Programs
HRD	Human resources development
IB	Intermediate Body
ICT	information and communication technology
IP	Investment Priority
IS	Institutional Stakeholders' Survey

ITI	Integrated Territorial Investment
JASPERS	Joint Assistance to Support Projects in European Regions
JS	Joint Secretariat
KII	Key informant interview
LR	Literature review
M&E	Monitoring and evaluation
MA	Managing Authority
MC	Monitoring Committee
MEIP	Ministry of European Investments and Projects
ME	Ministry of Education
MRID	Ministry of Research, Innovation and Digitalization
MEWF	Ministry of Environment, Water and Forests
MDPWA	Ministry of Development, Public Works and Administration
MS	Member State
MTI	Ministry of Transport and Infrastructure
NA	National authorities
NEET	Not in education, employment, or training
NGO	Nongovernmental organization
OI-CDI	Research, Development and Innovation Intermediate Body
OI-PSI	Intermediate Body for the Promotion of the Information Society
IB-T	Intermediate Body for Transport
OP	Operational Program
OPAC	Operational Program Administrative Capacity
OPDP	Operational Program Support for Disadvantaged Persons
OPTA	Operational Program Technical Assistance
PA	Priority Axis
PEO	Programs Evaluation Office
PF	Performance Framework
PNRR	National Recovery and Resilience Plan
POC	Operational Program Competitiveness
PODD	Operational Program Sustainable Development
POIM	Operational Program Large Infrastructure
POS	Sectoral Operational Program
POSDRU	Human Resources Development Sectoral Operational Program
POT	Operational Program Transport
RAS	Reimbursable Advisory Services
RDA	Regional Development Agency
RDI	Research, development, and innovation
RegAS	Romanian State Aid Register
RIB	Regional IB
ROF	Regulation for Organization and Functioning
RO-HU	Interreg V-A Romania-Hungary
RO-BG	Interreg V-A Romania-Bulgaria
RPM	Project Implementation Responsible
RPMP	Responsible for Program Management and Monitoring
SC	Scientific Committee
SCAP	Strategy for Strengthening the Public Administration
SECP	Service for Project Appraisal and Contracting
SFC	System for Fund Management
SGP	Service for Program Management
SGPECP	Service for Program Management, Project Appraisal and Contracting

SME	Small and medium-sized enterprise
SMP	Service for Project Monitoring
SO	Specific Objective
SSP	Service for Project Supervision
TA	Technical Assistance
ToR	Terms of Reference
UWWTD	Urban Wastewater Treatment Directive
WB	World Bank
YEI	Youth Employment Initiative

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Executive Summary

1. This Report brings together the findings of the assessment undertaken by the World Bank, between October 2020 and January 2021, of the Romania’s monitoring and evaluation (M&E) systems implemented for the 2014–2020 European Structural and Investment Funds (ESIF) Operational Programs (OPs). The research embraced all 19 of the OPs contained in Romania’s ESIF Partnership Agreement (PA) for 2014–2020, covering both the Investment in Growth and Jobs and European Territorial Cooperation (ETC) goals. The overall monitoring and evaluation context for the exercise was the EU regulatory framework for the Cohesion Policy 2014–2020, financed by the ESIF, which places special emphasis on results orientation, significantly more so than for the previous programming period (2007–2013). Provisions on results orientation are further strengthened in the proposed EU regulations for the next programming period (2021–2027).

2. Overall, the management and functioning of ESIF M&E processes in Romania have significantly improved compared to the 2007–2013 programming period, though there is scope to strengthen the results-orientated practices and approaches. Romania has invested heavily in ensuring regulatory compliance for ESIF monitoring in 2014–2020. This emerges strongly from the assessment, along with an understandable widespread preoccupation with absorption. While such characteristics may be broadly consistent with what might be expected in the early stages of OP implementation, the assessment gave little evidence to suggest, for example, that actual or potential results were really the driving force behind recent decisions on OP implementation. Romania has also visibly enhanced coordination in its ESIF evaluation system and introduced new Evaluation Steering and Scientific Committee structures to improve broader stakeholder and academic inputs in key processes. Yet evaluation results generally arrive too late for operational purposes and remain under-used. Evaluation culture in Romania is not yet mature enough for evaluation to be truly supported by users across public policies, or for decision makers to properly apply its results.

Strengths and weaknesses of the monitoring system

3. The strengths of Romania’s ESIF monitoring system have much to do with the increased experience of people throughout the system, including beneficiaries, many of whom now have over 10 years’ experience with EU post-accession Funds. However, not all Managing Authorities (MAs) and Intermediate Bodies (IBs) enjoy the same level of experience, particularly where OPs include relatively new investment fields. Monitoring-related training has been delivered to MA/IB staff, which is considered by them to have been useful. Moreover, beneficiaries are generally appreciative of the support they have received from MAs and IBs, including training and less formal types of guidance. For mainstream OPs, the balance of Monitoring Committee (MC) membership has been adjusted to admit a more diverse representation of stakeholders from nongovernmental sectors, who have had greater input into debates in MC meetings overall as a result.

4. Certain examples of good practices are identifiable in the monitoring system. For instance, most of the ETC programs display high levels of beneficiary satisfaction, with risk management approaches brought to the center of monitoring processes and deployment of the user-friendly IT system, eMS. Working groups operating at the level of the PA, such as the Technical Working Group for Performance Assessment (TWGPA) and the Thematic Working Groups, were found to be useful for exchange between OPs, for example, on integrated interventions. In addition, certain isolated cases were identified where OP monitoring data was feeding into the development of national strategies, such as those for Public Administration and the Digital Agenda.

5. There are, however, important weaknesses in the monitoring system’s design and efficiency, which limit its overall performance. The design of certain indicators and reporting structures were found not to fully support the drive toward results orientation. OP MCs are generally

not proactive regarding results, being more focused on absorption issues, while seeming to miss opportunities to connect OP monitoring to the development of key national strategies, such as those for Roma integration and disabled persons. Difficulties with the design of certain specific result indicators for ERDF/CFOPs, duplication between EU-level common indicators and specific indicators, and associated data collection problems for ESF were identified. The Single Management Information System (SMIS) was reported to have limited functionality during most of 2014–2020, as well as lack of interoperability with national registers, leading to excessive burden in monitoring tasks for MA and IB staff, as well as beneficiaries. Although significant improvements were recently made to the system, these became operational only from 2018 onwards.

6. Some overlaps between financial and physical monitoring procedures were also noted by institutional stakeholders under some OPs, as well as complexities in reporting processes by beneficiaries. Despite relevant training delivered, certain skill gaps persist in MAs and IBs, related mainly to more advanced forms of data analysis and technical knowledge in specialist intervention fields covered by some OPs. There also appear to be possible weaknesses in the coordination of the monitoring system as a whole, with a wide diversity of approaches between different OPs and Funds, no real connection between ETC programs and the mainstream, and a lack of standardized requirements for beneficiaries.

7. Romania’s ESIF monitoring system, then, demonstrates regulatory compliance overall and fulfills its basic function despite certain inefficiencies. EC audit missions carried out in 2018 and 2019 on the Large Infrastructures OP (LIOP), OP Competitiveness (OPC), and OP Aid for Disadvantaged Persons (OPDP) came as something of a shock to Romania’s ESIF monitoring system. The EC auditors identified serious deficiencies in monitoring verifications, data management and errors in reporting on indicators across the three OPs, with further specific issues highlighted for each one. The shortcomings identified were subsequently corrected by the MAs in question and their monitoring systems can be said to be stronger for the EC audit exposure. The mid-term Performance Review process in 2019 represented another key test of the functionality of the monitoring system. Although the Review identified a large number of Investment Priorities (IPs) which had not met their milestones, the monitoring system itself enabled the exercise to take place successfully, paving the way for the substantial OP modifications to follow.

Strengths and weaknesses of the evaluation system

8. The assessment found key strengths in the evaluation system, centering around the institutional lead taken by the MEIP Programs Evaluation Office (PEO) and coordination of all ETC evaluation via MDPWA. The PEO performs the evaluation function for four OPs—LIOP, OPC, OP Human Capital (OPHC), and OP Technical Assistance (OPTA)—in addition to the overall coordination of the evaluation system, which is largely appreciated by MA/IB personnel interviewed. The contribution of Evaluation Steering Committees, with broad representation, including nongovernmental stakeholders and the academic input of Evaluation Scientific Committees, also emerges as key strengths. The existence of the unofficial evaluation network of professionals adds a new potential driver for the exchange of good practices between practitioners.

9. Staff capacities, in terms of educational background, were found to be strong in all Evaluation Units and evaluation-related training has been provided, including PEO-managed capacity-building actions accessible to interested stakeholders from all OPs. Consensus emerged from the assessment about the usefulness of evaluation for future programming, although this mainly related to ex ante evaluation, which is no longer an EU regulatory requirement for 2021–2027. Centralized web resources for evaluation provided through PEO initiatives, including a single point for the publication of evaluation results, are generally appreciated as a focal point for Romania’s growing evaluation “community.”

10. However, key weaknesses are also evident in the system, largely in terms of the scale of distance of evaluation from OP decision-making processes, which severely impacts its overall effectiveness. Various factors contribute to this phenomenon. The scope and quality of evaluation reports are not always in line with OP stakeholders' needs, often over-lengthy and difficult to digest, with generic-type recommendations not readily actionable in operational terms. This can lead to a perception of low relevance of evaluation, which is compounded by public procurement procedures that delay the arrival of evaluation results, as well as the fact that evaluators have trouble obtaining relevant context data for evaluations, which can add further delay. The market of evaluation professionals is also under-developed in Romania, with apparent problems regarding the supply of appropriate expertise.

11. Arguably the greatest weakness is the low level of engagement among decision-makers, including MC members, with implementing evaluation recommendations and related to this. There is a lack of importance attached to evaluation in the development of related national policies. The centralization of evaluation at PEO level, cited earlier as a strength, also appears weak from the point of view of certain MAs and IBs of OPs, for which PEO carries out the evaluation function. These MAs do not have dedicated evaluation personnel and can feel uninvolved in certain processes, leading to a diminished sense of ownership over evaluation results and less interest in following up on them.

12. The weaknesses in the ESIF evaluation system and its lack of apparent impact on the development of other national policies confirm that Romania's evaluation culture is still in an early stage. Improvements are needed on both the supply and demand sides of evaluation in Romania—along the chain of inputs needed to ensure consistent delivery of high-quality evaluation reports with readily useable recommendations, as well as in decision makers' interest in and capacity to understand and act upon evaluation recommendations.

Key areas for improving the ESIF M&E system for 2021–2027

13. Despite the weaknesses identified in the assessment, Romania ESIF M&E systems are moving on the right track, though significant improvements are still needed. While many of the day-to-day problems seem linked in some way to technical issues, such as IT systems and public procurement, it is important to understand that it will take more than simply resolving the technical issues to develop an effective results orientation throughout the system. The World Bank team, therefore, proposes a series of initial recommendations for a comprehensive M&E system upgrade, across its different components, for the forthcoming 2021–2027 ESIF programming period. These initial recommendations are set out in detail in the final section of this report. For quicker reference, they are summarized below.

Box 1: Initial recommendations for improving the ESIF M&E system in 2021–2027

Monitoring system

- a) **Increase decision makers' capacity for results-based decision-making**, through better facilitation of discussions on results in MC and other high-level meetings, special learning and knowledge sharing events, and linkage with results-oriented communication/publicity actions throughout the implementation period.
- b) **Start programming for 2021–2027 by establishing and defining the results indicators**, through participatory processes involving relevant stakeholders for each OP—with particular attention to any overall results indicators for cross-sectoral or integrated interventions involving different OPs. Develop comprehensive unambiguous Indicator Guides to be ready from the outset of implementation.
- c) **Ensure optimal functionality in SMIS as soon as the 2021–2027 OPs are approved**, covering all data collection and reporting needs, tracking progress on project implementation stages, and delivering interoperability with all relevant national databases. Consider establishing an operational linkage

between SMIS and other ESIF IT systems such as eMS (and/or its successor) and systematically provide full training for all users on all relevant functionalities.

- d) **Radically simplify monitoring procedures—in consultation with the Audit Authority—to eliminate overlaps and cut out redundancies**, taking a unitary approach across OPs wherever possible. Maximize the use of SCOs by developing a SCO adoption plan for each MA/fund, initiating any essential revisions needed in the domestic legal framework.
- e) **Introduce risk management more centrally into monitoring processes**—e.g., through developing a risk assessment plan at the beginning of each new project—harnessing IT system resources to automate risk assessment and monitoring through user-friendly interfaces.
- f) **Consolidate PA-level coordination structures to promote integrated monitoring across OPs and linkages with relevant national strategies**, at different territorial levels where necessary, in line with any new imperatives arising from the 2021–2027 OP architecture and key national policies.
- g) **Ensure accurate guidance to beneficiaries, with emphasis on results orientation, from the outset of 2021–2027 OP implementation period**, considering a unitary approach across OPs where feasible and new tools, such as instructional videos, a harmonized Beneficiary Manual at the fund level, coordinated helpdesk support per fund, etc.
- h) **Enhance training activities for beneficiaries, particularly in new investment fields and/or where processes change between periods**. Ensure availability of specialists for urgent, specific support interventions and build upon the good relationships with beneficiaries already developed.

Evaluation system

- i) **Ensure the full involvement of MAs and IBs in the preparation of evaluation plans**, incorporating shorter, more operational evaluation options, including ad hoc evaluation, and a clear calendar for evaluation exercises to promote predictability.
- j) **Build upon current inter-institutional structures at PA level** to promote coordinated evaluation approaches for transversal or integrated themes, in response to the specific needs of ESIF in 2021–2027, as well as between ESIF and the relevant national policy development.
- k) **Create separate OP-level Evaluation Units (similar to the 2007–2013 configuration) in each relevant OP MA (except for ETC programs)**, with continued coordination, technical support, and guidance from the central PEO—without prejudice to any decision regarding the evaluation function for the 8 future regional-level ROPs. Consideration should be given to positioning OP Evaluation Units as close as possible to decision-makers—e.g., under the direct coordination of the MA General Director—with stronger day-to-day connection with operational units.
- l) **Establish an enhanced context-type data collection capability from the evaluation plan stage**, covering all foreseen evaluations, with a clear definition of the type of data needed, roles and responsibilities for data collection. Examine options for increased interconnectivity between databases, at local/regional and central levels, and make use of the outcomes arising from OPAC 2014–2020 SO 1.1 with context indicator platforms.
- m) **Simplify public procurement processes for evaluation wherever feasible**—e.g., through smaller, more focused evaluations and/or flexible arrangements (framework contract mechanisms, contracting external experts directly—accessible to all OPs) to enable more operational ad hoc type evaluations.
- n) **Above all, bring evaluation closer to decision making by systematically ensuring improvements** in the quality of the evaluation reports themselves, in terms of usability, accessibility, specialization, and length, and substantially enhancing the way findings and recommendations of evaluation are conveyed to the different stakeholders. Consider including the head of the Evaluation Units as a voting member in MCs and organize dynamic evaluation discussion events for MA/IB personnel and other key stakeholders.

Jointly for M&E systems

- o) **Stimulate high-level demand for results-oriented monitoring and evaluation**, by providing diverse opportunities for learning by MC members and other high-level decision-makers concerning their role in driving forward the results-oriented approach, reflecting continuously on novel ways to access this specific target group through regular feedback/refreshers sessions.
- p) **Support continuous development of essential knowledge and skills for MEIP, MA, and IB staff involved in monitoring and evaluation**, by preparing and delivering a comprehensive, coordinated program of training, accurately tailored to their specific needs. In addition to formal and on-the-job training options that cover the full range of relevant M&E disciplines, structured experience exchange should be promoted, and a complete induction package developed, possibly through a dedicated e-learning platform.

Introduction

- 1. The Government of Romania (GoR) is seeking to strengthen the monitoring and evaluation (M&E) of programs co-funded by the European Structural and Investment Funds (ESIF) for the 2021–2027 programming period.** To meet these new requirements and improve its ESIF M&E system as a whole, the GoR has engaged the World Bank (WB) through a Reimbursable Advisory Services (RAS) Agreement, aimed at improving M&E capacity in the context of EU-funded programs. The first step toward strengthening Romania’s ESIF M&E system is to assess the strengths and weaknesses of M&E activity conducted in the 2014–2020 programming period.
- 2. Results orientation is a central feature of the current 2014–2020 Cohesion Policy phase, based on strict requirements for more clearly specified objectives, intervention logics, targets, and results.** Results-based M&E involves a continuous process of collecting and analyzing data to compare how well a project, program, or policy is being implemented against expected results. The approach implies that decision-making should be based primarily on achieved and expected results, rather than simply on how well a project, program, or policy is being executed.
- 3. M&E systems set up by each Member State for ESIF in 2014–2020 were intended to give decision-makers greater access to useable information on performance and the real achievements of Operational Programs (OPs), compared to the 2007–2013 phase.** Regulatory provisions introduced by the EC to support the results-oriented approach included a set of common monitoring indicators, capable of being aggregated to the EU level, as well as a Performance Framework using a selection of indicators with measurable milestones on implementation progress to be reviewed at mid-term. For evaluation, there was a shift in emphasis towards impact evaluation.
- 4. Romania, like all EU Member States, was required to adopt new regulatory provisions across its OPs for 2014–2020, despite persistent challenges from the 2007–2013 experience with the EU Cohesion Policy.** Most notable of these is the scale of ESIF resources to be absorbed in a short period of time and according to all applicable EU and national rules, which is challenging in a country with limited economic potential and known issues with administrative capacity at different levels. Indeed, Romania experienced significant problems with absorption during the 2007–2013 phase, as well as difficulties with regulatory compliance, which saw payment suspensions by the EC under certain OPs².
- 5. This report presents the findings of the World Bank’s assessment of Romania’s M&E system for ESIF 2014–2020.** It represents Output 1b of the RAS agreement, *Improving Monitoring and Evaluation Capacity in the Context of EU-funded Programs in Romania (2021–2027)*. The assessment took place during the second half of 2020, concluding in early 2021. Using a combination of desk research, interviews, and surveys, the assessment looked in detail at issues of design, efficiency, and effectiveness. The assessment took two perspectives: first, the overall ESIF M&E system, which serves as an umbrella for all the OPs; and second, the OP M&E subsystems, which focus on monitoring and evaluating individual OPs. As part of the OP-level assessment, the RAS team also took a closer look at several key sectors and Investment Priorities (IPs) that are prominent within the OP. A key central question of the assessment is how far Romania has been able to achieve a genuine results orientation in this system, in the spirit of the current EU regulatory framework for the Cohesion Policy. Finally, the report outlines recommendations on how the monitoring and evaluation system might be improved in preparation for the new 2021–2027 phase of the Cohesion Policy, to map out key areas that further need strengthening, keeping in mind that the next programming period is currently being developed and the future M&E system is not yet designed.

² The EC suspended payments for five 2007–2013 OPs (Transport, Environment, Competitiveness, Human Resources OPs, as well as the Regional OP) for periods between 3 and 6 months. The main reasons for suspension included problems with public procurement and sound financial management of EU Funds, as well as cases of fraud and conflicts of interest.

Source: https://www.eca.europa.eu/Lists/ECADocuments/SR17_4/SR_Financial_Corrections_EN.pdf

1. Methodological approach

1. The research was undertaken in line with the approach detailed in Output 1a, *Methodological report and a policy brief for non-technical audiences*, and covered monitoring and evaluation of ESIF-supported investments in the 2014–2020 programming period, under all 19 of Romania’s OPs. Table 1 summarizes the programs covered by the assessment, which were established in Romania’s 2014–2020 Partnership Agreement (PA). Considering the intensity of M&E activity in Romania across the territorial cooperation goal, the assessment focused mainly on the programs where Romania is MA, namely: Interreg V-A Romania-Bulgaria, Interreg V-A Romania-Hungary, Interreg IPA Romania-Serbia, ENI CBC Romania-Ukraine, ENI CBC Romania-Moldova, and ENI CBC Black Sea Basin program.

Table 1: Romania’s Operational Programs, 2014–2020

	Operational Program	EU Fund	EU Allocation (€, millions)	Responsible Ministry	Relevant Regulation	
	<i>Investment for Growth and Jobs Goal</i>				1303/2013	
1	Human Capital (OPHC)	ESF+YEI	4,326.84	MEIP	1304/2013	
2	Competitiveness (OPC)	ERDF	1,329.78	MEIP	1301/2013	
3	Large Infrastructure (LIOP)	ERDF+CF	9,418.53	MEIP		
4	Technical Assistance (OPTA)	ERDF	212.76	MEIP		
5	Regional (ROP)	ERDF	6,700.00	MDPWA		
6	Administrative Capacity (OPAC)	ESF	553.19	MDPWA		
7	Support for Disadvantaged Persons (OPDP)	FEAD	440.0	MEIP	1304/2013	
	<i>Territorial Cooperation Goal</i>			MDPWA	1303/2013	
8	Interreg V-A Romania-Bulgaria	ERDF	258.5	MDPWA	1299/2013	
9	Interreg V-A Romania-Hungary	ERDF	231.8	MDPWA		
10	Danube Transnational Program	ERDF	262.9	MDPWA		
11	Interreg EUROPE	ERDF	432.3	MDPWA		
12	URBACT III	ERDF	96.3	MDPWA		
13	INTERACT III	ERDF	39.3	MDPWA		
14	ESPON 2020	ERDF	48.6	MDPWA		
15	Interreg IPA Romania-Serbia	IPA II	88.1	MDPWA		231/2014 & 447/2014
16	ENI CBC Romania-Ukraine	ENI	66.0	MDPWA		232/2014 & 897/2014
17	ENI CBC Romania-Moldova	ENI	89.1	MDPWA		
18	ENI CBC Black Sea Basin	ENI	53.9	MDPWA		
19	Hungary-Slovakia-Romania-Ukraine	ENI	81.3	MDPWA		

Source: Ministry of European Investment and Projects (MEIP).

2. The concept of an integrated M&E system is the overarching framework for this assessment.

The proposed methodology is built on the qualifiers of what makes an effective results-based M&E system: (i) results need to be integrated into all stages of planning, implementation, and decision making; (ii) each component of the M&E system needs to function properly, and fit together; and (iii) activities have to be performed in a timely, consistent, and qualitative manner. Therefore, the assessment methodology was designed around the primary stakeholders’ roles and capacity in guiding, coordinating, or using the M&E system.

3. The methodology is built around three key evaluation questions: (i) how adequate are the ESIF M&E system’s institutional and legislative arrangements; (ii) how well the system functions, delving into the details of the day-to-day M&E operations; and (iii) what are beneficiaries’ perspectives on reporting and M&E requirements? These key evaluation questions have been cascaded down, at the level of each data collection instrument.

4. To respond to the key evaluation questions, seven main instruments for gathering information from ESIF M&E system stakeholders were developed for the data collection activity: (i) document review; (ii) key informant interviews (KIIs); (iii) an online Beneficiaries’ Survey (BS); (iv) an online Institutional Stakeholders’ Survey (IS); (v) a quantitative and qualitative analysis of indicators; (vi) focus group discussions, and (vii) case studies (national, European, and international). The information gathered from each of these tools used a mixed methods approach—meaning that qualitative and quantitative information were used comprehensively to answer each specific evaluation question.

5. The World Bank counterparts in Romania’s MEIP supported the team in data collection, provided timely feedback on instruments to be used, and made relevant documents available for the document review, facilitating contacts in different MAs and finalizing lists of target bodies for both online surveys and KIIs. Weekly meetings were organized between the MEIP counterparts and the RAS team to ensure a smooth implementation of the data collection tools and to overcome bottlenecks. Table 2 illustrates the data collection instruments used to conduct the analysis, and the timeline of their implementation.

Table 2: Timeline of data collection instruments

Data collection instruments	Timeline				
	October 2020	November 2020	December 2020	January 2021	February 2021
Document review	✓	✓			
Key informant interviews		✓	✓	✓	
Quantitative analysis of indicators			✓	✓	
Focus groups					✓
Institutional Stakeholders’ Survey		✓	✓		
Beneficiaries’ Survey		✓	✓		
Case studies				✓	

6. The document review entailed a systematic data collection complemented by the analysis of applicable legislation, internal procedures, studies, and reports that were pertinent to the ESIF

M&E system. The document review provided critical background information for the other data collection tools. The scope of this instrument was to provide an initial snapshot of the institutional and legal arrangements, so that later, the KIIs and surveys could inform how they function in practice and whether they are adequate for implementing results-based M&E. This data collection activity was performed at OP level, based on evaluation questions detailed in the Methodological Report. The findings were recorded in an Excel format, which allowed data to be triangulated with KII findings and online surveys. The documents were provided by the MEIP counterparts, as well as by each OP representative. More specifically, the documents reviewed at the level of each program included: relevant EU regulations, national legislation, programming documents, internal procedures, implementation guides (such as Indicator Guides or other relevant documents on indicators), OP Annual Implementation Reports (AIRs), evaluation plans, evaluation reports (both public or not publicly available yet), and other reports, including audit reports.

7. Key informant interviews were used as the entry point for capturing more in-depth information about decision makers' experiences with the ESIF M&E system. In total, 62 interviews were carried out online, or via email, with individuals with particular insights on different aspects of the system. Key interviewees included representatives of the MEIP and MDPWA. Four interviews were organized with MEIP coordination structures (DGPCS general director, program Evaluation Office, Directorate for Coordination of SMIS and IT, program Monitoring Service); 27 interviews were held with different MA staff, both in MEIP and MDPWA (MA management staff, head of program Monitoring Unit, head of Project Monitoring Unit, Head of Evaluation Unit, head of eMS Unit in ETC General Directorate, Contracting Unit and other interviewees); 16 online and 9 email interviews were conducted with representatives of IBs and Joint Technical Secretariats (JTS—for ETC programs). Another six interviews were organized with members of the Evaluation Network, comprising persons from the academic environment (1), consulting firms (4), and research field (1). Two of the consulting firm representatives are currently involved in capacity-building activities for the Evaluation Network.

8. The interviews were conducted following a detailed planning exercise, facilitated by MEIP counterparts, as well as by contact persons designated at the level of each MA and for ETC programs. All participants were informed about the details of the assessment. Semi-structured interview guides were designed for both common (addressing counterparts with similar attributions) and specific interviews, based on the Methodological Report proposal. The proposal was piloted in the OPHC MA and adjusted accordingly following feedback. However, depending on the focus area of each interviewee, the interaction was adjusted to fit the purpose of the research. All interviews carried out by videoconferencing were recorded to ensure the validity of the data collected, and the findings were captured in meeting notes. The mean duration of the online interviews was around 90 minutes. All KII findings were synthesized in a similar format in KII summary at the level of each OP level and ETC fund, so as to support the triangulation process and to capture relevant information.

9. A sample-based indicator analysis was used to inform the assessment in terms of the overall quality of indicators in different OPs across the ESIF M&E system. The sample of indicators, selected at IP or PA level (for ETC programs) for each OP, was based on the overall representativeness of the indicators at sectoral level and highest budget allocations. A qualitative analysis of the sample was based on the following criteria: sufficiency, parsimony, interpreted and communicable, cross-checked and compared, empowering and diverse, and disaggregated. A quantitative analysis was performed using a different set of criteria, such as: adequacy, clarity, timeliness, administrative burden, credibility, data collection and reporting, data quality, means of verification, and monitorability. Annex 2 provides more information on the definition and outcome of the indicator analysis.

10. A Beneficiaries' Survey was used to collect first-hand information about users' experience with the ESIF M&E system. The BS targeted a large number of respondents and captured relevant information on their M&E experience when implementing ESIF projects. This survey included questions to beneficiaries regarding: (i) awareness of their reporting duties; (ii) guidance or training

received from the MAs on their reporting duties; (iii) capacity to comply with the reporting duties; (iv) resources needed to respond to the reporting requirements; and (v) possible solutions for improving reporting procedures which they might have suggested, as well as the MA's response. The sample criteria used to select the OP beneficiaries included in the survey were: IP representation, beneficiary type, geographical representation, and project budget. The total number of respondents to the BS was 1,022, and the average response rate was 25 percent across all OPs, with OPHC having the highest response rate. Annex 6A (covering only a selection of questions from the survey) showcases the respondent's overall profile. The predominant respondents were private entities (46 percent), followed by local public administration entities (30 percent) and central public administration. NGOs were representative only for 11 percent of respondents.

11. An Institutional Stakeholder Survey was tailored to different respondents from MAs, IBs, and OP Monitoring Committees (MCs). The results of the IS provided a general picture of each user group's experience with the ESIF M&E system, along with specific information on how monitoring activities are conducted. As with the BS, the draft IS instrument was developed based on the draft proposed in the Methodological Report that was updated by the WB team based on OPHC piloting results. A link to the IS was sent to all relevant stakeholders within the MAs and IBs/JTSs by the contact persons assigned at the level of each OP to support the WB team. The total number of institutional respondents was 326, with three MAs providing very few or no responses: OPAC MA, LIOP MA, and CBC Romania-Serbia MA. Annex 6B showcases the stakeholder survey's number of responses across MAs.

12. Case studies were used to complement the analysis, focusing on aspects of Romania's current ESIF M&E system, as well as relevant European and international experience. The case studies allowed the team to go deeper into selected themes of particular importance for the next programming period, such as digitalization, as well as to highlight European and international good practices in certain M&E dimensions. The latter included France's experience using SCOs to enhance results-based approaches and Estonia's experience with interoperable IT systems to increase efficiency in data collection processes for ESF. The experience of Mexico was also explored regarding how its institutional and planning framework has led to significantly stronger results focus on public programs, as well as the development of M&E culture.

13. Focus group discussions with MA/IB/JTS representatives covering all programs were used toward the end of the assessment period, to help validate the report's conclusions and gain a deeper understanding of the existing challenges, to inform later stages of RAS activity. In these sessions, the RAS team presented the initial findings of the assessment. The discussions identified strengths, weaknesses, and options for improvement. Three focus groups were organized, clustered around ESF, ERDF, and ETC programs. Participants in each focus group covered all the MAs as well as relevant IBs.

14. The information gathered through the data collection instruments was analyzed systematically to provide a holistic assessment of the ESIF M&E system. The WB team compared and triangulated findings from diverse sources. This allowed the team to look at the M&E system from the perspective of many groups of stakeholders and to feed the findings into first-level summary assessments prepared for each ESIF program. These program-level summary assessments are attached to the report in Annex 1. The findings of each program-level analysis were then synthesized and further analyzed to produce this final report of the assessment, drawing overall conclusions on strengths, weaknesses, and suggestions for improving both the monitoring and evaluation functions.

2. Romania’s Monitoring System for ESIF 2014–2020: Strengths and Weaknesses

2.1. Assessment of the legal, institutional, and procedural framework of the monitoring system

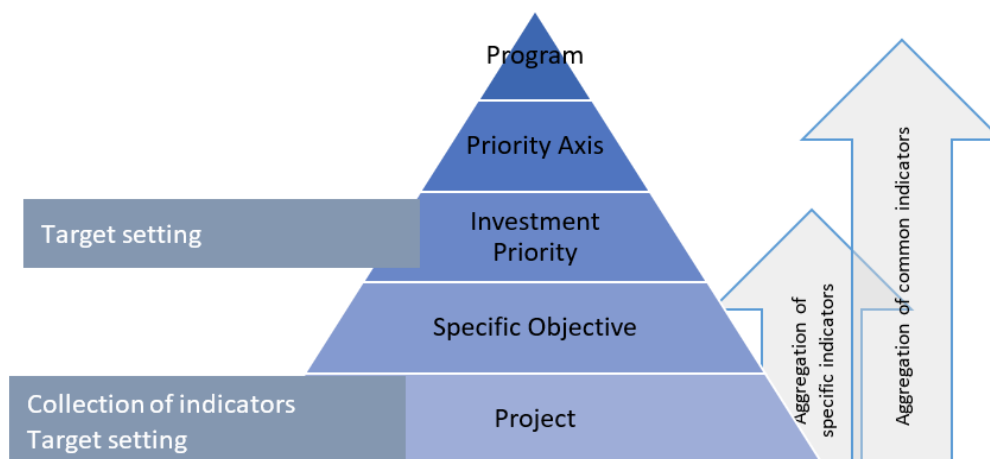
2.1.1. Overview of the ESIF monitoring system

15. The ESIF monitoring system is designed to mirror the multi-level system of the funds’ implementation set-up. These levels correspond to the PA, OPs, IPs, and their subsequent specific objectives (SOs), cascading to projects implemented by individual beneficiaries. Projects are, in fact, the primary and most important sources for all monitoring data.

16. Monitoring at the macro level is geared toward establishing a common system across all OPs. The MEIP is responsible for coordinating the monitoring activities at the level of the PA, as well as across OPs, ensuring a common approach, and safeguarding the integration and complementarity of investments. The Evaluation and Performance Functional Working Group also helps to ensure a common M&E approach across OPs. MEIP relies on a common information system (SMIS and eMS) and the EC’s SFC system (the EC system for fund control and management). In addition, the MEIP has a dedicated department that supports M&E system coordination, as well as an Evaluation Unit that coordinates and implements evaluations at the PA level and for the four OPs under MEIP responsibility.

17. Within the framework of ESIF implementation, monitoring is integral to the results-oriented approach and centers around the OPs. The OP results frameworks focus on IP monitoring (Figure 1). The OPs contain two or more Priority Axes (PAs). Each PA comprises one or more IP, and each IP has one or more SO. Projects may contribute to one or more SO, under the same IP. This builds on the program’s logic of intervention and supports tracking of progress and initial results during implementation, as well as detects and quantifies deviations from initial planning. It also supports evidence-based decision-making, facilitates communication, and informs evaluation at the OP level.

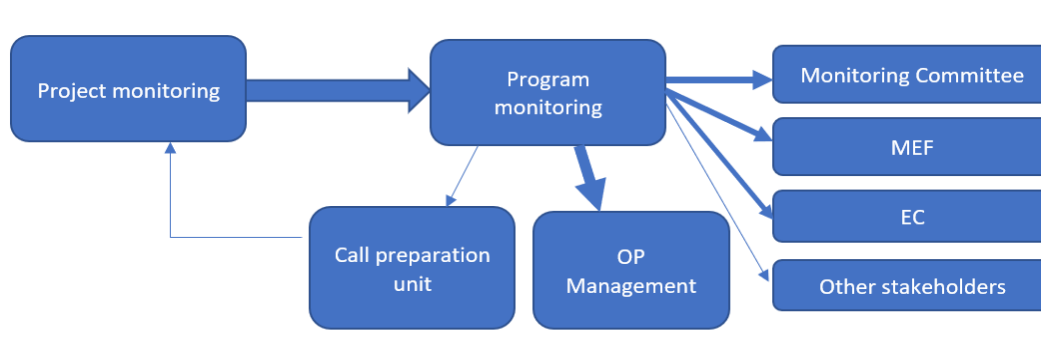
Figure 1: Progress tracking at OP level



18. Within each OP, investment priorities often cover specific policy areas. Thus, it is feasible to establish a sector focus and draw links to national public policy, even though the regulatory framework does not support or require such a focus. Moreover, the sector emphasis often corresponds to the remit of IB institutions, some of which focus on single sectors.

19. At the OP level, MAs and IBs are responsible for the implementation of monitoring activities, as required by EU regulations. Various departments share monitoring responsibilities and there are users of monitoring information (see Figure 2). Within the MA, one department is usually responsible for project-level monitoring and another for program-level monitoring. Program-monitoring units collect indicators from the project-monitoring unit, prepare reports, and inform the Monitoring Committee. Project-monitoring units provide information on indicators' progress to the program-monitoring units, and highlight challenges or bottlenecks. Project-level monitoring may be delegated to IBs, with coordination ensured at the MA level. In addition, the departments responsible for preparing and launching calls for proposals usually apply monitoring results in designing new calls.

Figure 2: Monitoring responsibilities and users of results at the OP level (generic)



Source: MA organizational charts. The size of arrows designates the estimated frequency of information flows.

2.1.2. Main EU requirements for M&E of ESIF

20. The overall EU legal provisions on monitoring and evaluation, applicable to all European Structural and Investment Funds (ESIF), under the EU Cohesion Policy in the 2014–2020 period, are set out in the overarching Common Provisions Regulation (CPR) no. 1303/2013.³ Specifically, the CPR contains details on results orientation and corresponding requirements on M&E applicable to the PA concluded between the EC and each Member State and to related OPs—including the institutional set-up for OP implementation, the roles and responsibilities of stakeholders, etc.

21. The CPR rules are further detailed by fund-specific regulations. These cover the European Regional Development Fund (ERDF),⁴ European Social Fund (ESF),⁵ Cohesion Fund (CF),⁶ and Fund for Aid to the Most Deprived (FEAD).⁷ The ETC Regulation⁸ establishes specific requirements for cross-border and transnational cooperation OPs. This is complemented by the Instrument for Pre-Accession (IPA II) Regulation,⁹ the Connecting Europe Facility¹⁰ and regulatory framework for the European Neighborhood Instrument (ENI)¹¹ for cooperation beyond EU external borders. These regulations include the menu of detailed IPs and common indicators for each Fund.

³ EU Common Provisions Regulation 1303/2013—[EUR-Lex—32013R1303—EN—EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/lexuri/cs.do?uri=CELEX:32013R1303:EN:EUR-Lex)

⁴ ERDF Regulation 1301/2013—[EUR-Lex—32013R1301—EN—EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/lexuri/cs.do?uri=CELEX:32013R1301:EN:EUR-Lex)

⁵ ESF Regulation 1304/2013—[EUR-Lex—32013R1304—EN—EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/lexuri/cs.do?uri=CELEX:32013R1304:EN:EUR-Lex)

⁶ CF Regulation 1300/2013—[EUR-Lex—32013R1300—EN—EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/lexuri/cs.do?uri=CELEX:32013R1300:EN:EUR-Lex)

⁷ FEAD Regulation 223/2014—[EUR-Lex—32014R0223—EN—EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/lexuri/cs.do?uri=CELEX:32014R0223:EN:EUR-Lex)

⁸ ETC Regulation 1299/2013—[EUR-Lex—32013R1299—EN—EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/lexuri/cs.do?uri=CELEX:32013R1299:EN:EUR-Lex)

⁹ IPA II Regulation 231/2014—[REGULATION \(EU\) No 231,/,2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL—of 11 March 2014—establishing an Instrument for Pre-accession Assistance \(IPA II\)TITLE ITITLE IITITLE IIITITLE IV \(europa.eu\)](http://eur-lex.europa.eu/lexuri/cs.do?uri=CELEX:32014R0231:EN:EUR-Lex)

¹⁰ CEF Regulation 1316/2013—[eur-lex.europa.eu](http://eur-lex.europa.eu/lexuri/cs.do?uri=CELEX:32013R1316:EN:EUR-Lex)

¹¹ ENI Regulation 232/2014—[REGULATION \(EU\) No 232,/,2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL—of 11 March 2014—establishing a European Neighborhood Instrument TITLE ITITLE IITITLE IIITITLE IV \(europa.eu\)](http://eur-lex.europa.eu/lexuri/cs.do?uri=CELEX:32014R0232:EN:EUR-Lex)

22. In line with the EU Better Regulation Agenda,¹² results orientation is a key priority for ESIF implementation for 2014–2020. Compared to the previous period, various new elements were introduced to improve soundness, traceability, and accountability across ESIF interventions. These include ex ante conditionalities, a greater concentration of investments, as well as the Performance Framework.

Box 2: Results orientation in the Cohesion Policy

General and specific ex ante conditionalities,¹³ pertaining to key areas covered by the different OPs, are meant to ensure that the necessary conditions for the effective and efficient use of ESI Funds are in place. While they increase the overall results orientation of the respective interventions, they can also lead to significant delays in implementation where the ex-ante requirements were not timely complied with. The General Ex Ante Conditionalities also included requirements for the existence of “a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programs, as well as the existence of a system of results indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress toward results and to undertake impact evaluation” (General Ex Ante Conditionality no. 7).

A greater focus on the OP intervention logic¹⁴ was introduced, with more of a menu-based approach compared to previous Cohesion Policy phases. This consists of 11 Thematic Objectives and corresponding Investment Priorities, complemented by a set of common indicators—comparable across the EU—to be used by Member States to measure progress toward achieving results.¹⁵ In each OP, the EU common indicators may be supplemented by specific indicators designed by the Member State.

Member States were required to prepare a Performance Framework,¹⁶ with a selection of financial or output indicators (common or specific), together with milestones or key implementation steps to be reviewed at mid-term, in line with the EU regulatory requirements for the Performance Review. This Performance Review was linked to the possibility of additional allocations to well-performing parts of OPs from the Performance Reserve (6 percent of the Member State’s total ESIF allocation). However, significant failure to meet the set targets under certain interventions could also lead to suspension of payments under the respective IPs, unless remedial actions are planned and implemented.

2.1.3. Specific EU requirements for ESIF monitoring and reporting

23. Requirements at different levels of each Member State’s ESIF monitoring system, including the responsibilities of different actors, are further specified in the EU Regulations and supported by guidance issued by the EC. The CPR and fund-specific regulations detail the monitoring and reporting responsibilities for the Partnership Agreement and each OP. These include the required content of the implementation reports and frequency of reporting, as well as other requirements in relation to monitoring indicators, data transmission using the EC’s System for Fund Management (SFC),¹⁷ etc. Specific requirements are set for common indicators for each IP, at OP level. The EC has made available extensive guidance on monitoring, covering the following subject areas: Monitoring and Evaluation

¹² EC Communication *Better Regulation: Delivering better results for a stronger Union*, 2016 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016DC0615&from=EN>

¹³ Art. 19 and Annex XI, CPR

¹⁴ Art. 14, 15, 26 and 27, CPR

¹⁵ Art. 26, CPR and Fund-specific regulations

¹⁶ Art 20-22 and 96 and Annex II, CPR

¹⁷ SFC Portal—<https://ec.europa.eu/sfc/en>

(ERDF/CF),¹⁸ Monitoring and Evaluation (ESF),¹⁹ Performance Framework,²⁰ Management Verifications,²¹ etc.

24. In line with the multi-level governance approach, a wide range of stakeholders must be involved as partners in the preparation of the PA and the OPs and throughout the implementation of OPs, including through participation in the Monitoring Committee (MC) set up for each OP. Membership of each MC should embrace: (i) competent urban and other public authorities; (ii) economic and social partners; and (iii) relevant bodies representing civil society, including environmental partners, non-governmental organizations, and bodies responsible for promoting social inclusion, gender equality, and non-discrimination. The composition of each MC is established by each MA and adopts its own rules of procedure. For the territorial cooperation goal, the MC is established by the partner countries.

25. MCs review OP implementation and progress made toward its objectives, examining all issues that affect OP performance. This includes endorsing all AIRs, following up on the conclusions of Performance Reviews, providing opinions on OP amendments and making observations to the MA regarding implementation and evaluation of the OP. It also embraces follow-up of actions related to the promotion of equal opportunities and non-discrimination, to promote sustainable development, to fulfill applicable Ex Ante Conditionalities and to promote the reduction of the administrative burden on beneficiaries. Each MC must monitor actions taken as a result of its observations.

26. The monitoring system set up at the level of the Partnership Agreement and by the MA for each OP, must ensure the availability of comprehensive information on financial and physical progress made at key review points. It must also be aligned with the timing and requirements of the Performance Review and support decision making through timely provision of accurate information on potential causes for more modest achievements, as well as relevant clustering in terms of progress. MAs may delegate OP management and implementation tasks, including tasks related to monitoring, to IBs.

27. MEIP has undertaken all the necessary measures to ensure compliance with the legislative requirements. All the EC provisions meant to ensure results orientation were observed during the preparation of the Partnership Agreement or immediately after, jointly with the MAs.

28. The national regulatory framework was elaborated and enforced so as to enable the effective implementation of EU requirements. This was part of the accreditation process the MAs and IBs undergo at the beginning of the programming period. The operational procedures, applicable to MEIP, MAs, and IBs, as well as to MCs, are the backbone of all activities performed and are perceived as being very useful for the monitoring process, as well as for all the other functions, by virtually all actors in the system. These aspects are further detailed and analyzed in Sections 2.1.2 and 2.2 of this report.

29. There is general agreement among stakeholders that the monitoring system is compliant with the relevant legislation, both in terms of design and in practice. Evidence from the documents review and the interviews, as well as from beneficiaries, confirm the fact that the ESIF monitoring system currently meets at least the minimum requirements of the regulations, even though this was not the case from the start of the programs and, in some cases, such as the Competitiveness Operational Program (COP), was only achieved after the 2019 performance review (see Section 2.2 for more details on the actual performance of the monitoring system).

¹⁸ EC Guidance Monitoring and Evaluation (ERDF/CF)—[guidance_monitoring_evaluation_en.pdf \(europa.eu\)](#)

¹⁹ EC Guidance Monitoring and Evaluation (ESF)—[ESF_monitoring_and_evaluation_guidance.pdf \(europa.eu\)](#)

²⁰ EC Guidance Performance Framework—[gn_performance_framework_review_and_reserve.pdf \(europa.eu\)](#)

²¹ EC Guidance Management Verifications—[guidance_management_verifications_en.pdf \(europa.eu\)](#)

30. Compliance of the monitoring system in each Member State is confirmed by its appointed Audit Authority (AA), through an accreditation process at the beginning of the implementation period and subsequently checked on a regular basis. The accreditation process covers the MAs and IBs designated to carry out management and control functions, including monitoring, under each OP. During the accreditation, the AA may issue recommendations for improving the institutional set-up, processes and procedures, in accordance with their findings. The AA also performs regular checks on OP management and control systems, including monitoring systems, throughout the implementation period. OP MAs must issue and submit to the EC annual Management Declarations on the continued compliance of their management and control systems, as well as Annual Summaries of all related controls and audits undertaken. The EC control bodies and auditors may also examine OP management and control systems, including monitoring systems. Majority of recommendations are implemented as issued. If significant deficiencies are identified in the program's management and control system are identified, warnings will be issued by the EC. In severe cases, disbursements may be blocked until the situation is corrected.

2.1.4. Romania's overall legal and institutional framework for ESIF implementation

31. In Romania, Government Decisions establish the set-up, roles, and responsibilities of each institutional actor involved in the management of ESIF, in line with the EU regulations. These are further detailed in the internal Regulations of Functioning (ROF) for each institution. Ministerial orders or MA General Directorate orders further complete the regulatory framework for monitoring and evaluation. These usually refer to procedures, which describe in detail each responsibility at the level of the MA for the different processes and information flows.

32. Within the Ministry of European Investments and Projects (MEIP)²², there are four MAs established respectively for mainstream sectoral OPs. These are OP Competitiveness (OPC), OP Human Capital OPHC (which also is MA for OP Aid for Disadvantaged Persons OPDP), Large Infrastructure OP (LIOP), and OP Technical Assistance (OPTA). All four MAs in MEIP are supported by horizontal Directorates and Departments: Directorate for Financial Management, Directorate for Verifying, Detecting and Recovery of Debts, Human Resources and Economic department, IT and SMIS department.

33. The Ministry of Development, Public Works and Administration (MDPWA) provides MA structures for all relevant territory-based OPs and for administrative capacity development. In addition to OP Administrative Capacity (OPAC) and the Regional OP (ROP), MDPWA acts as MA for the Romania-Hungary, Romania-Bulgaria, Romania – Ukraine, Romania – Moldova, Black Sea Basin and the Romania-Serbia programs under the territorial cooperation goal. For other OPs under the territorial cooperation goal, Romania serves as National Authority, while the MA is located in another country. In these situations, the roles related to monitoring and evaluation are minor.

34. Most of Romania's OP MAs delegate management tasks to IBs, which may be structured along national sectoral or regional/territorial lines, according to the specificities of related interventions under the OPs concerned. National sectoral IBs include those for Transport under LIOP, Research/Development and ICT under OPC and Education under OPHC. Regionally organized IBs include those for Employment under OPHC, the Regional Development Agencies (RDAs) under ROP. ETC programs have Joint Technical Secretariats (JTS) located in the relevant border territories, but otherwise similar to IBs for mainstream OPs. IB/JTS tasks are defined through the Delegation

²² MEIP has gone through three institutional reforms during the reference period. The first was the consolidation of the previous MEF and MPWDA in a single ministry—MPWDAEF—at the beginning of 2017, followed by a re-separation of portfolios and restitution of the separate ministries at the end of the same year. MEF was then renamed MEIP, after the change of government at the end of 2020, with some restructuring continuing into 2021.

Agreements. Depending on the OP, such tasks generally include appraisal and selection of projects, project-level monitoring/control and related reporting, communication and publicity.

35. An MC is established for each OP, in the form of national partnership structure. In line with the regulations, MC includes representatives of the MA and Ministries and agencies in charge of coordinating and implementing relevant public policies, the IBs (where applicable) and the EC (consultative role), as well as universities, private entities, social partners, and other NGOs in relevant sectors. In line with the specific provisions of the FEAD regulation, OPDP does not have an MC. Instead, an annual meeting for observing the progress of the OP is organized, with the participation of the institutions involved in the implementation of the OP, as well as the Ministry of Finance (as Certifying Authority) and the Ministry of Labor.

36. The main stakeholders involved in monitoring ESIF-funded interventions are distributed across six levels. From bottom to top, these are: (i) beneficiaries; (ii) IBs, Regional IBs, including Regional Development Agencies (RDAs) or Regional Offices for Cross-Border Cooperation (ETC) programs (BRCTs); (iii) MAs and national authorities (for ETC programs); (iv) OP MCs and the Coordinating Committee for the Partnership Agreement (CCMAP); (v) the Ministry of EU Funds (MEF), which in December 2020 was renamed the Ministry of European Investments and Projects (MEIP); and (vi) the European Commission.

37. MEIP is the coordinator of ESIF in Romania, with responsibilities at PA level. A coordination mechanism operates at PA level to ensure the coherence of ESIF interventions, and follows complementarities and synergies highlighted in the programming phase. This is a three-level structure:

- Coordinating Committee for the Partnership Agreement (CCMAP), for strategic coordination; this structure comprises 47 institutions²³ and organizations, out of which 20 are representatives of the socioeconomic environment and of the civil society (40 percent of the voting rights);
- Thematic Working Groups (TWG), based on the five key development challenges in the Partnership Agreement; they include a balanced representation of public, private, and civil society organizations, including MAs, IBs, members of the MCs.
- Functional Working Groups (FWG) are a form by which TWG may perform their duties. There are four FWGs: the Operational FWG (covering horizontal and systemic issues, including procedures and SMIS), the Performance Assessment FWG (covering reporting and evaluation), the Complementarities and Strategic Coherence FWB (covering complementarities with other EU or national programs and instruments, including territorial cooperation) and the Innovative Approaches FWG (covering the implementation of financial instruments, urban development, and territorial instruments).

MEIP also coordinates ESIF across OPs, through Units for system coordination, programming, and evaluation, as well as one Unit responsible for monitoring the OPs implemented by other MAs (outside MEIP).

38. Special territorial interventions integrating funds from more than one OP require additional coordination for monitoring. Romania's main place-based integrated interventions take the form of targeted Community-Led Local Development (CLLD) in deprived urban areas and an Integrated Territorial Investment (ITI) for the Danube Delta. Regarding CLLD, these integrate ERDF and ESF funding. Coordination planned during the programming stage continues through common data collection at the level of the Local Action Groups (LAGs), which also establish their own mechanisms for monitoring projects under their own local development strategy. Under the ITI Danube Delta, interventions from the contributing OPs (LIOP, ROP, OPC, OPHC, OPAC, OPTA, as well as Rural

²³ The number varies with each government reorganization, as the number of ministries changes, as well.

Development and Fisheries programs) are monitored through the OP structures set up. There are also joint procedures to ensure monitoring, by the Association for Intercommunity Development (ADI) ITI Danube Delta, against the combined objectives of the ITI Strategy overall and its effects on sustainable development of the target area.

2.1.5. Assessment of Romania's governance structure for ESIF monitoring

39. The accreditation of management and control systems under all OPs was completed successfully. The AA's assessment covered the institutional attributions defined by the relevant Government Decision(s) and further detailed in internal ROFs of the MAs and IBs and related job descriptions of personnel. It also covered each aspect of detailed system descriptions and related procedures established for each OP.

40. Generally, monitoring responsibilities are clearly defined across the different OPs, although in some cases monitoring officers' job descriptions could be more precisely defined. The majority of respondents to the institutional stakeholder survey reported that—both at project and program level—responsibilities are clearly defined for key monitoring activities, such as data collection, validation, reporting, aggregation and interpretation, performance management, and evaluation and dissemination of information. At individual level, however, in some cases, job descriptions are perceived as not customized enough, in the sense that a large number of responsibilities (for example, OPHC-OPDP monitoring officers have a total of around 70–80 responsibilities in their job description) are applicable to all the staff in the department, while, in practice, there is a certain degree of specialization, albeit informally established. Also, for OPHC-OPDP, the differentiation is made by the share of workload assigned to each person; for example, 5 percent for OPDP, while all responsibilities are still kept.

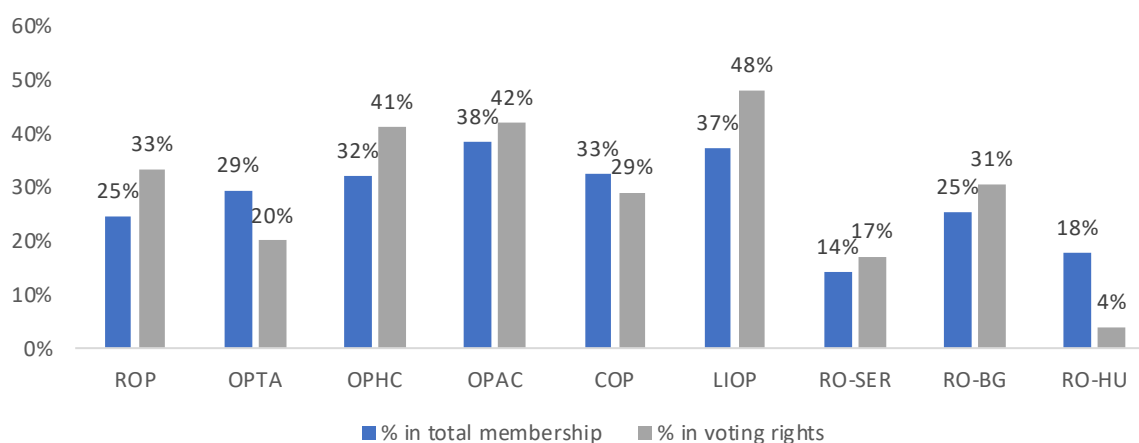
41. Each OP MC fulfills a strategic decision-making role in the OP implementation process, but voting rights for private and other nongovernmental entities are not equal across the different OP MCs. Each MC carries out its responsibilities for examining key OP implementation aspects, including progress on achieving objectives, indicator targets and overall performance or the problems affecting implementation. At the same time, it is supposed to address observations to the MA in relation to these aspects and to monitor the MA's actions following the observations received. Since the MC is comprised of many external stakeholders, its monitoring function also entails a significant communication component. As part of the responsibilities described above, the MCs examine and approve the following documents:

- methodology and criteria used to select operations
- AIRs
- any proposal submitted by the MA to modify the OP
- evaluation plan for the OP and any modification of that plan

On average, nongovernmental and other private entities represent an average of about 30% of the total number of MC members and have an approximately equal share in the voting rights. However, individually, in some OPs these members are significantly better represented (OPAC, LIOP) and their decision power is stronger, particularly in the case of OPHC, OPAC, LIOP (Figure 3). In the case of LIOP, public and non-public entities are almost equally distributed in terms of voting rights, making it a strong example of application of the partnership principle.²⁴ On the other end of the scale, the ETC programs have lower representation and power of non-public entities, with RO-HU at only 4 percent of voting rights. RO-SER, Black Sea, and RO-MD OPs have no nongovernmental or private bodies in the composition of their MCs.

²⁴ [Commission Delegated Regulation \(EU\) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds \(europa.eu\)](#)

Figure 3: Representation of nongovernmental and other private entities in MCs



Source: Authors' analysis, based on list of members of each MC; Note: RO-SER, Black Sea and RO-MD do not have nongovernmental bodies in the composition of their MCs

42. Overall, there is general agreement among stakeholders that the monitoring system is compliant with the relevant legislation and adequate in terms of design. Despite issues of detail identified above in relation to certain job descriptions and distribution of voting rights in some OPs, the analysis shows that there are sufficient elements in place, institutionally and procedurally, in the monitoring structures and mechanisms established for each OP, as well as at macro level for the Partnership Agreement, to facilitate overall monitoring transparency and accountability. However, the monitoring system's performance is not always optimal, as explored in later Section 2.2 of this Report.

2.1.6. Key monitoring and reporting processes and indicators

43. Monitoring is focused on obtaining and delivering quantifiable, accurate, and reliable information with respect to the use of financial resources and the fulfillment of physical indicators (Box 3). Data from projects is used to evaluate financial, operational (calls launched/contracts signed, etc.) and physical progress of the OP toward achieving the established objectives. Based on these assessments, the need for corrective measures or to redesign interventions is determined, if significant differences are observed compared to the initial programming.

Box 3: Physical indicators used for monitoring ESIF

The indicators system consists of two types of output and results indicators: common (established and observed at the EU level) and specific (established and observed at the national level). For ESF-funded programs, results indicators are split into two sub-categories: immediate and longer-term results.²⁵ Output indicators relate to what is directly produced/supplied through an operation's implementation, measured in physical units (e.g., number of SMEs supported). Results indicators are intended to measure changes further to interventions. A very different approach can be observed between ERDF/CF and ESF in terms of how they measure results. As such, while ESF results look at the change in the situation of the supported person/entity further to the support (in both short and longer term), the ERDF/CF results indicators usually look at the overall change across the sector/territory or at national level (e.g., increase in productivity rate).

²⁵ Definitions of output, immediate result, and longer-term results indicators are presented according to European Commission (EC) *Monitoring and Evaluation of European Cohesion Policy, European Social Fund Guidance document*, available at: <https://ec.europa.eu/sfc/en/system/files/ged/ESF%20monitoring%20and%20evaluation%20guidance.pdf>.

While common indicators are applicable at fund level, the majority of indicators are specifically designed for each program. Indicators reflect the activities performed, the participants and entities that benefited from support,²⁶ the products or services developed, works constructed, or projects implemented.

The EU regulations do not require impact indicators. Impact—in the sense of understanding the effect of the interventions as part of the global results which take account of all other factors and/or broader societal effects—should instead be assessed through evaluation.

Indicators are set to cover all relevant interventions and reflect the Specific Objectives under the Priority Axes of each OP. The number of indicators varies with the size and complexity of the OPs. The Performance Framework for each of Romania's OPs was established on the basis of selecting financial and output indicators for the different Priority Axes, representing the most significant part of the interventions, financially and strategically.

Monitoring supplementary indicators in addition to program-level indicators may also be possible. Such is the situation of some OPs, such as the ROP, OPC, or OPAC, where additional indicators are defined to monitor specific aspects of projects (e.g., achievements at the relevant disaggregated level or intermediary achievements). Such indicators are usually defined in Applicant's Guides for specific calls for proposals, and are very intervention-specific. Follow up of targets for these indicators is monitored by the MAs/IBs, but not reported further to the EC.

44. Project-level monitoring entails observing progress on objectives and results, attaining indicators' targets and financial monitoring, as well as milestones. Monitoring also tracks project management, whether activities are implemented on schedule, respect for equal opportunities and non-discrimination, state aid, and sustainable development. During the sustainability period, monitoring ensures that projects maintain results (and indicators), but also aspects related to equal opportunities and non-discrimination. To this end, project monitors use document analysis and verification (primarily), special (ad hoc) on-site visits, regular on-site visits, cross visits, ex post monitoring, and verification of data uploaded into the electronic management systems.

45. Beneficiaries report on project progress via progress reports—usually submitted quarterly—containing details on both physical and financial progress registered, which are then verified by monitoring officers in the relevant MA/IB. Physical and financial progress is generally checked separately by monitoring officers in different departments in the MA/IB concerned. This work follows the so-called “four eyes” principle, although applied differently under different OPs—some OPs have two monitoring officers for each project (e.g., OPHC), while others (e.g., ROP) rely on a single monitoring officer, with sign-off by a Regional Manager in the MA.

46. EU regulations require a 100 percent administrative verification (i.e., desk check) of beneficiary progress reports where a payment request is being made, supplemented by on-the-spot verifications by monitoring officers. Every project will usually receive at least one such visit during its lifetime, with greater frequencies under different types of OPs (e.g., LIOP one visit per month) at certain stages of project implementation. In cases where MAs have delegated the project monitoring

²⁶ According to the ESF regulation, participants are persons who: (i) receive direct support from the ESI-funded intervention; (ii) can be identified; (iii) asked for their characteristics; and (iv) for whom specific expenditure is earmarked. All four conditions apply cumulatively. Entities are legally constituted organizations. They can either implement—fully or in partnership—or be supported by projects. In the former case, they have signed a financing contract with the MA and are considered beneficiaries. In the latter case, in the same way as for participants, entities are counted when they benefit directly from support that incurs expenditure, for monitoring purposes. Beneficiaries are not usually considered as entities benefitting from support, except for state aid or de minimis schemes.

to IBs, an additional level of monitoring (double-checking) is conducted, based on samples of projects, to monitor the performance of the relevant delegated tasks.

47. At project level, reimbursement to beneficiaries can usually be adjusted if performance falls short of target. While the practice is not unitary across OPs, procedures are usually in place which enable the MAs to extend project end dates, or diminish the value of the projects, or even cancel financing contracts, if indicator targets are not met. Some OPs allow beneficiaries to diminish targets during the implementation, but only if the non-reimbursable financing is also diminished proportionally. For large infrastructures, projects may sometimes be divided into different lots and some of these postponed. Project monitoring also continues into the sustainability period of 3–5 years after project completion, depending on project type, with the longest for infrastructure projects.

48. Monitoring data from projects is aggregated at the levels of IP, PA, and OP to provide the core of program-level monitoring. Program-level monitoring provides the necessary analysis for substantiation of any modifications to the OP, including changing indicators and targets and/or financial reallocations, as well as informing the design and launch of future calls. Program monitoring also embraces the wider perspective of informing the MC, supporting evaluation, as well as supplying information and contributing to partnership/coordination structures at the level of the Partnership Agreement. Depending on the institution in which an MA/IB is housed, the monitoring function may be performed by different directorates, services, or departments.

49. There are various types of reports developed by MAs and IBs (see Table 3). They are prepared for the management, for MEIP and/or the EC, as well as for other stakeholders, in line with the relevant procedures or upon request. These are usually related to operational or financial progress; for example, giving insights into numbers of calls launched, submission of applications, overall demand for funding under specific operations, results of project appraisal, contracting, and payments. AIRs and bi-annual progress reports also record qualitative aspects, such as bottlenecks or the quality of the project proposals. Other information reported is related to specific topics of interest, such as territorial or sectoral aspects.

Table 3: Example—ROP monitoring reports prepared at MA/IB and beneficiary level

Institution	Report
MA	Annual Implementation Report/Final Implementation Report
	Reports for the MC
	Reports on the different IP/PA implementation or ad hoc reports
	Weekly reports to MEIP (on the calls launched, contracted values, payments, etc.)—prepared by the Project Evaluation, Selection and Contracting Unit (PESCU)
	Weekly reports to Management (similar to the report to MEIP, but more detailed for certain aspects, e.g., projects progress)—initiated by PESCU and finalized by PMU
	Detailed reports on projects’ implementation progress (with data on procurement status, main phases of implementation, overall progress %, indicators, etc.)—based on the monitoring reports prepared by the IBs
	Report on indicators (as per the procedure)—quarterly
	Reports on appeals (in different stages of analysis)
	Ad-hoc reports
IBs	Monthly or quarterly reports to MA on contracts/projects progress
	Bi-annual reports on output indicators
	Reports based on needs (e.g., RDA NW has a report on the problems faced by the beneficiaries in implementation)
	Weekly reports on project portfolio (projects that can be financed)
	Reports from monitoring visits/visits during the sustainability period
	Ad-hoc reports
Beneficiaries	Quarterly progress reports (including both physical and financial progress)—submitted through
	Ad-hoc reports

Source: ROP monitoring procedures, interviews with ROP representatives.

50. Of all the reports developed by MAs, AIRs are the most comprehensive. AIRs follow the structure and content established in the EU regulations and contain information on the financial and physical progress of the OP and each PA/IP. AIRs also include information on any issues affecting the program's performance, including the achievement of target values. The reports submitted in 2019 also assess progress toward achieving program objectives, on the OP contribution to achieving the EU 2020 Strategy for smart, sustainable, and inclusive growth.

51. At PA level, progress reports are compiled by drawing together the overall progress achieved under the different OPs. These are prepared by the coordinating structures in MEIP, with inputs from the MAs, and are based on data available in the electronic systems (Box 4). Two such progress reports were required to be submitted to the EC, in 2017 and 2019, respectively.

Box 4: Official central IT systems for monitoring

The Single Management Information System (SMIS) is Romania’s official IT instrument used for mainstream ESIF monitoring, covering all the funds. It is a modular system designed to cater to the monitoring needs of MAs, IBs, and beneficiaries under all OPs, except for ETC programs. Data from SMIS may also be used for the purposes of evaluation. The SMIS architecture reflects all phases of a project lifecycle. The entire project appraisal and selection process is carried out through SMIS. Data collection starts at the applicant level (i.e., potential beneficiary) even before project selection, at which point the financial information and targets assumed for the indicators are introduced. If, following the appraisal process, the project is selected and contracted, they become the reference data and starting point in the project implementation. Information is introduced during implementation as meta-data that can be further aggregated, as well as by attaching justifying documents. In this way there is an audit trail and unique dossier for each project.

MySMIS is the client interface of SMIS. It is essentially an electronic data exchange system between beneficiaries (the “front office”) and MAs/IBs, MEIP as coordinating IB, the Certifying Authority and Audit Authority (the “back office”). The current MySMIS functional modules are shown in the diagram below. Only two modules were functional when MySMIS2014+ was launched in 2016, namely the “Call definition” and the “Submitting financing application” modules.²⁷ The most recent to come online is the Implementation Module, launched in 2018, through which data can be introduced directly by the beneficiary. Its functionality for reporting on public procurement and processing beneficiaries’ reimbursement claims was completed in 2020. ART4SMIS is an additional reporting tool that enables aggregation of data on progress against common and specific indicators at IP, PA, and OP level, as well as authorized financial progress data, to generate a wide variety of monitoring reports.

ETC programs do not use SMIS. Instead, they use the eMS system developed by the EC through INTERACT. eMS is designed to work in a flexible way, having different interface configurations that can be accessed at different stages depending on the specifics of each ETC program. It is a relatively simple system. For the monitoring mode, for example, the overall workflow is the same for all programs, with only small differences relating to reporting periods and the documents required under individual programs. Each program also has the possibility to develop customized fields and labels etc.

The CBC Romania-Ukraine and Romania-Moldova programs use the eMS-ENI electronic system, developed separately by Romania for the two programs. The IT system currently serves as an operational management tool only for submitting the project applications and their evaluation, and not for contracting and monitoring within the lifecycle of the program. The system architecture includes the modules/functions—contracting, monitoring, payments, audit, reporting, etc., but these are not currently functional. The existing eMS-ENI electronic system needs further development in order to respond to all requirements of the program and to ensure adequate functionality/functions so as to better address the needs of its users and program structures.

In addition to the above, other key IT tools may prove useful for supporting the monitoring process. For example, ARACHNE is an integrated IT tool for data mining and data enrichment developed by the EC. Its objective is to support MAs in their administrative controls and management checks in ESIF implementation. Its use is recommended by procedures in case of claims related to any relevant areas such as conflict of interest or frauds. The EC will carry out a review of the utilization of the tool at the end of the programming period.

At national level, CORINA (Application on Core Indicators for Absorption) is a monitoring system that uses Excel files, and is used by MEIP on a daily basis for various data needs—e.g., payments, data about applicants, etc. Among its multiple facilities, the system generates reports showing new projects for their repartition to the project officers. It also generates relevant data sheets and

graphs necessary for the absorption indicators. Moreover, CORINA is a useful tool for responses to various issues raised by the beneficiaries.

Despite the existence and availability of other relevant data resources, interconnection between SMIS and other national data sources is limited. SMIS is not connected with the electronic systems of the ETC programs, SFC, ARACHNE, or CORINA, or to other possible data sources. However, SMIS does offer interoperability with the Population Records in the Ministry of Interior and with the Enterprise Records in the National Agency for Fiscal Administration. Access to the employment records of the Labor Inspectorate is possible on a query base, as is that in the Education Integrated Information System (SIIR28). Developing additional interoperability with national data sources is perceived as a key priority of the SMIS Unit.

52. Overall, the monitoring function of the OP is compliant with the legislation, allowing for detailed tracking of projects. The monitoring system also allows for tracking progress of participants at individual level (very important in the case of POCU, for monitoring common indicators) and of the calls/IPs/PAs and the OPs. Indicators (financial and physical) aggregate from project level to IP and OP level. This is enabled through electronic systems, common or OP-specific.

53. While the monitoring system allows for detailed progress tracking for wide array of topics, it is difficult to obtain a comprehensive picture, at OP or PA level. Monitoring is centered on OPs and there are separate functions/tools observing financial and physical progress. Even at this level, an integrated dashboard, capturing financial, output, and results indicators are missing. Monitoring at fund-level or by sector (for example, digitalization, employment, environment) across OPs, is also not enabled by the current set-up, although the governance of the system could support it. Further insights into the performance of the monitoring system are presented in Section 2.2.

2.1.6. Other key sources of data relevant for monitoring

54. According to the results of a recent study conducted by Ernst & Young,²⁹ 42 institutions, other than MEIP, have been identified as potential providers of relevant data for ESIF monitoring (see Table 4: Potential sources of additional relevant data for ESIF monitoring). Among these, six institutions arise as key providers, being responsible for about 70 percent of needed indicators. These include:

- National Institute of Statistics (NIS)
- Ministry of Labor and Social Justice and the National Agency for Employment (MLSJ)
- Ministry of Education and the National Agency for Qualifications (NAE)
- Ministry of Health

Table 4: Potential sources of additional relevant data for ESIF monitoring

Institution	Registry
Ministry of Labor and Social Justice (MMJS)	<ul style="list-style-type: none"> • Employees Registry (REGES)—Labor Inspection • Registry for Daily Workers—Labor inspection • Single Electronic Registry for Social Services—Social services department
National Employment Agency (ANOFM)	<ul style="list-style-type: none"> • Single Registry for social enterprises • National Registry for accredited providers of employment services • Electronic Registry for Internship Contracts
Ministry of National Education	<ul style="list-style-type: none"> • National Registry for the Experts in Educational Management

²⁷ Source: OPTA Evaluation, 2018

²⁸ SIIR – (RO) Sistemul Informatic Integrat al Învățământului din România

²⁹ Technical Assistance to Support Evaluation Capacity – Contract 51069/12.07.2018

Romanian Agency for Quality Assurance in the Pre-university Education	<ul style="list-style-type: none"> • IT Integrated System for Education in Romania (SIIR) • ARACIP Registries (for authorized and accredited pre-university education providers) • Integrated Educational Registry—Single Enrolment Registry (for students)
National Agency for Qualifications (ANC)	<ul style="list-style-type: none"> • National Registry for Qualifications • European System for Credit Transfers and Accumulation • National Registry for Qualifications in Higher Education (RNCIS) • National registry for Post-university programs • National Registry for Professional Qualifications
Ministry of Justice National Office for the Trade Registry	<ul style="list-style-type: none"> • Trade Registry (RECOM online, with up-to-date information on companies, statistics) • NGO National Registry (Separate from the Trade Registry Office)
Competition Council	<ul style="list-style-type: none"> • RegAS (State Aid Registry)—useful in identifying beneficiaries that were awarded several grants are whose capacity for consecutively managing all of its projects may be questionable. The system helped in some cases to identify beneficiaries who had received State Aid in recent years, which was contrary to funding conditions
Ministry of Finance National Authority for Fiscal Administration	<ul style="list-style-type: none"> • Registry of inactive or reactivated contributors • Registry for religious entities • VAT registries
Ministry of Health National Institute for Public Health	<ul style="list-style-type: none"> • National Electronic Registry for Vaccinations (RENV) • Single Registry for transmissible diseases (RUBT) • Registry for Health and Environment (RESANMED) • Registry for Toxicologic Information (RETOX) • Regional cancer registries (RC)
Ministry of Agriculture and Rural Development	<ul style="list-style-type: none"> • Agricultural Registry
Ministry of Economy	<ul style="list-style-type: none"> • National Registry of Producers of equipment against COVID
Ministry of Research and Innovation	<ul style="list-style-type: none"> • Registry for R&D Results (RO INNO Romania)

Source: Ernst & Young study, "Technical Assistance for Supporting the Evaluation Capacity."

Dissemination of monitoring data

55. Generally, monitoring data is mainly communicated outside of MAs during the MC meetings and in AIRs, online on OP websites via regular updates on contracts signed and absorption (compulsory in EU regulations), as well as in response to ad hoc requests from stakeholders. Data on projects contracted is also published online at data.gov.ro. Only the MC papers and AIRs contain additional details or analyses, beyond raw data/statistics, but this type of information is not otherwise public.

2.2. Assessment of the performance of the monitoring system

2.2.1 Indicator analysis

56. World Bank experts performed an in-depth analysis on a non-random sample of indicators from Romania's OPs using two approaches, qualitative and quantitative.³⁰ The OP sources of the indicator sample are outlined in the table below.

Table 5: OPs and indicator sample size

Fund	OP	No. indicators in the analyzed sample
ERDF/CF	Large Infrastructure Operational Program (LIOP)	42
ERDF	OP Competitiveness (POC)	29
	POR	13
	OP Technical Assistance (OPTA)	5
ESF	OP Human Capital (OPHC)	46
	OP Administrative Capacity (OPAC)	38
	OP Support for Disadvantage Persons (OPDP)	19
ETC OPs	IPA CBS Romania – Serbia program	12
	Romania-Republic of Moldova ETC program indicators	7
	Interreg V-A Romania-Bulgaria	6
	Joint Operational Program Black Sea Basin	4

Source: Authors' estimations based on the indicators' analysis.

57. The purpose of the quantitative analysis, summarized below, was to answer the questions: are the indicators well formulated and how could they be improved? The qualitative analysis aimed to answer the question: are the set of indicators of a given OP, IP or SO sufficient to monitor the achievements of projects and oriented toward their use? The results of the full analysis, with both quantitative and qualitative parts, are presented in Annex 2.

58. For the quantitative analysis, the sample indicators were assessed in relation to the 9 criteria. These criteria were chosen using a mix of SMART³¹ and CREAM³² methods. The criteria were defined with regard to a total of 16 related questions with binary answers, shown in the table below.

Table 6: Criteria for the quantitative assessment of individual indicators

Criteria	Validating question(s)
Adequacy	Does the indicator respond to the level of objective you are looking for? (Level of objective (inputs/outputs/outcomes (intermediate)/impacts (long-term outcomes))
Clarity	Are all the terms and variables of the indicator clearly defined? Are all the terms and variables not open to interpretation? Is there meta data of basic information needed available?

³⁰ For detailed information see the guideline and the initial summary analysis of POCU indicators.

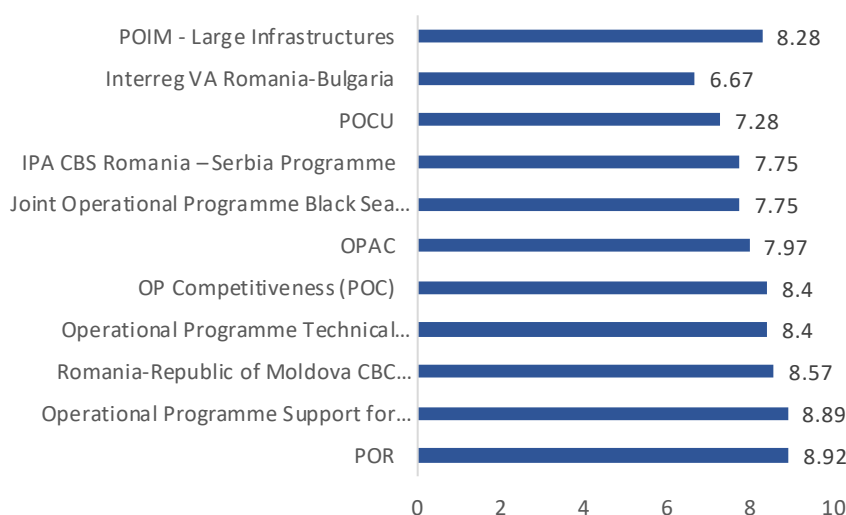
³¹ Gladys Lopez-Acevedo, Philipp Krause, and Keith Mackay, Editors, Building better Policies, The World bank, 2012.

³² Salvatore Schiavo-Campo. "Performance' in the Public Sector," p. 85. (World Bank Manual—Building a Results-Based Monitoring and Evaluation System, 1999), 2011.

Timelines	Is the information necessary to calculate the indicator available when it is going to be used and in the necessary periodicity? (The frequency of the means of verification for each variable (frequency per variable)/frequency of the indicator) If the registration of information is constant during the project, the answer is "Yes" How timely is the production of the indicator for use in decision making?
Administrative Burden (Cost)	Do the collection and reporting generate costs/administrative burden? (At what level (MA/IB/beneficiary)?) Is this indicator-related or system-related (SMIS, for example)? Was the cost of the means of verification considered in the project?
Credibility	Does the indicator sheet/file specify all the information necessary to be measured by external actors? (year of the baseline, definitions and characteristics of the variables used, calculation formula, types of disaggregation, and results from previous years, etc.)
Data collection and reporting	Are the responsibilities defined for the process of generating the indicator? Are there institutional arrangements in place? (if necessary)
Data quality	How good is the quality of the data produced by the information sources for the indicator?
Means of verification	Are the means of verification sufficient to obtain the necessary information to measure the indicator?
Monitorable	Does the indicator have a baseline value for monitoring? Can it be monitored using the available instruments and methods?

59. The quantitative analysis shows an overall good quality of the indicators in the sample. The general average score obtained for the sample of indicators across all criteria was 8.08, out of a maximum of 9. The highest ranked OP for indicator quality was ROP (ERDF) with 8.92 out of 9 and the lowest assessment belongs to Interreg V-A Romania-Bulgaria (CBC OP) with 6.67 out of 9 (Figure 4). However, in this case, the lower score was given because there was not enough published information to validate the clarity and data quality criteria for most of their indicators.

Figure 4: Compliance with quantitative criteria



Source: Authors' calculations, indicators' analysis.

60. In a group analysis by fund, the highest average compliance corresponds to indicators from ERDFOPs, followed by ESF and in third place, ETC. The ERDF, ESF and ETC indicators achieved scores of 8.75, 8.05 and 7.69 respectively out of the total of 9. In addition, a wider variation can be seen in ETC funded OP indicators since average compliance ranges from 6.67 to 8.57, a 1.9 gap. In contrast, ERDFOPs have the most consistent indicators quality according to the assessment criteria, with only a 0.52 difference in average compliance.

61. The “Clarity” and “Credibility” criteria show the lowest indicators’ performance, mainly in ETC funded OPs, as shown in Figure 5. Clarity criteria assess whether indicators’ definitions are precise. This is mostly true for two ETC OPs: Interreg V-A Romania-Bulgaria, and Joint Operational Program Black Sea Basin, OPs with a 16.7 percent and 25.0 percent compliance, respectively.

Figure 5: Compliance with quantitative criteria by fund

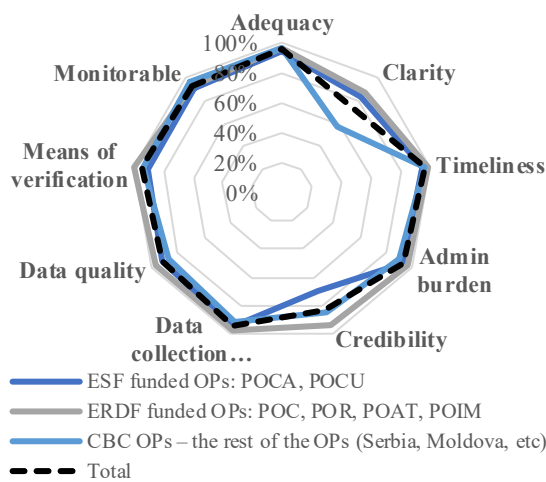
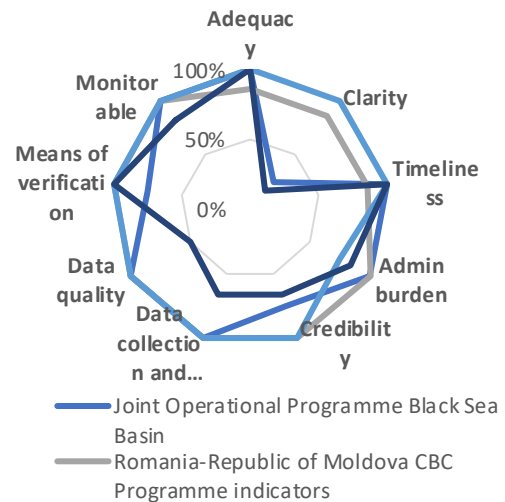


Figure 6: Compliance with quantitative criteria, selected OPs



Source: Authors’ calculations; indicators’ analysis.

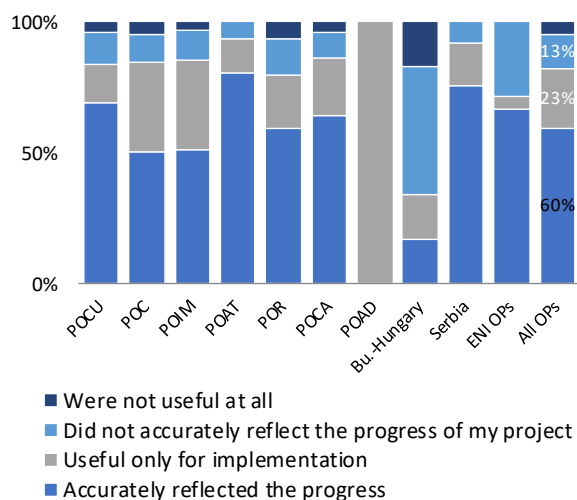
62. In a disaggregated analysis for the ETC programs, as shown in Figure 6, Interreg V-A Romania-Bulgaria OP reflects improvement areas in “Data quality” and “Data collection and reporting” criteria. This reflects a lack of available evidence and points to a possible need to focus efforts on improving data collection.

63. One issue identified specifically in relation to OPHC was the excessive number of indicators, with high similarity between common and specific indicators. This may result in a burden for those involved in their monitoring and not necessarily give useful information to improve the performance and results of the programs or projects. The issue of excessive and duplicating indicators under OPHC is further explored in Section 2.2.2 below.

2.2.2. Issues related to monitoring indicators identified from the interviews and surveys

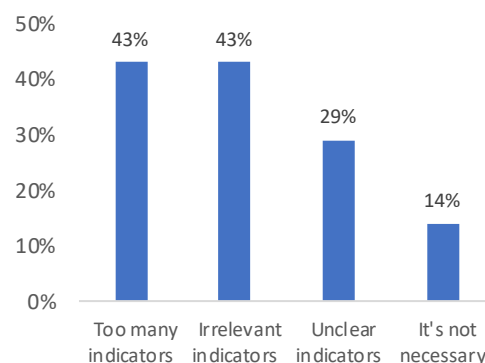
64. Most stakeholders consulted found the indicators adequate in measuring the progress and improving overall performance. On average, 73 percent of the respondents to the IS agreed that OP indicators (common and specific taken together) accurately reflect the progress of the programs and were helpful in improving implementation performance. This view is also shared by the beneficiaries, though to a lower extent (60 percent of beneficiaries consulted) and with important variations across OPs (Figure 7), although some 23 percent of beneficiaries noted the indicators they had to use were mainly only useful for monitoring implementation progress. The number of the indicators, as well as their relevance were identified as key aspects for improvement, with 43 percent of institutional actors considering that there are too many indicators and, respectively, that some indicators are irrelevant (Figure 8).

Figure 7: Extent to which indicators reflect project progress and were helpful in monitoring performance



Source: BS, for all OPs.

Figure 8: Challenges to the design of indicators, as identified by key institutional stakeholders



Source: Results of IS.

65. However, the assessment revealed various problems with the use of monitoring indicators in different OPs. Among these, difficulties in selecting the necessary data for indicators, as well as in exporting data necessary for indicators were the main aspects signaled (by 60 percent of the respondents to the IS). Issues identified pertain to both EU common indicators, as well as certain OP specific indicators, with significant differences linked to the specific requirements for different Funds.

OP-specific indicators for ERDF/CF OPs

66. For ERDF/CF OPs, the main problematic issues identified relate to results indicators. These indicators are all OP-specific, there being no EU common results indicators for ERDF/CF.

- For LIOP, issues with the relevance of certain results indicators emerge from both the interviews and the indicator analysis. For example, the Bucharest Metro extension has a main results indicator relating to numbers of passengers entering the Metro stations, yet no such indicator exists at OP level. For this reason, even if the indicator could be a useful measurement tool, it was questioned how far the project really contributes to the LIOP objectives. LIOP stakeholders interviewed also noted that some specific results indicators go far beyond the feasible sphere of influence of certain interventions. These include, for example, road renovation program effects measured by the increase of the average speed on the entire TEN-T road network.
- Under OPC, there was an issue with incorrect calculation of the value of the results indicator, “number of new researchers employed.” After several months, this led to a revision of the calculation method, requiring addenda to some 140 project contracts already concluded.
- Impact evaluations³³ carried out under the ROP recommended improvements to several results indicators. These included adding composite indicators, such as the attractiveness index, to the IP for cultural site rehabilitation, or formulating results indicators for CLLD related more to targeting the increase of quality of life of the persons in the disadvantaged areas.
- Institutional stakeholders for LIOP, OPC, and ROP, given their respective emphasis on physical investments in infrastructure, highlighted the fact that the majority of common and specific ERDF/CF indicators reflect the completion of works and can be collected only when a project is

³³ ROP impact evaluations of PA 1 – 11, <http://www.inforegio.ro/ro/implementare/evaluarea-programului>

finalized. These OPs record and internally report key milestones, such as progress with public procurement, obtaining necessary permits, completing project phases, formal acceptance of works, etc. These are not classed as indicators in their own right, but they are of crucial importance to understanding project implementation risks in the context of program progress.

- For LIOP, an additional issue was identified with inadequate background environmental monitoring not compliant with the Urban Wastewater Treatment Directive. The case is further described in Box 5.

Box 5: Shortcomings in Romania’s environmental monitoring relevant for large infrastructure investment

A recent World Bank analysis³⁴ demonstrates that Romania’s current system for collecting data needed to track implementation of the Urban Wastewater Treatment Directive (UWWTD), is a repeated bottom-up and mostly manual process without significant IT dimension. It relies on models and definitions developed by other organizations, such as the European Environment Agency (EEA) for the specific purpose of the EU data collection, only slightly adjusted to also cover certain national needs.

An important gap in the current situation is the absence of a shared strategy with priorities for urban wastewater collection and treatment at the National level. The existing UWWTD Implementation Plan (dated October 2004) indicates that Romania should have been compliant by the end of 2018, but there is no National plan to address the pollution load. The World Bank team is currently working with the Ministry of Environment, Water and Forests (MEWF) to prepare an updated Implementation Plan, which will need to be approved at the National level and communicated to the EC.

The absence of IT-related features is arguably the most prominent gap in developing a compatible environmental monitoring system in Romania. This affects not only the ‘back-end’ of information collection, including common data model, communication formats, data management rules, documentation, persistency within the system including genealogy, but also the ‘front-end’ visualization and access.

There is a need to develop a stronger culture of data management in Romania’s environmental sector, to support the development of a well-organized data collection and processing system, which correctly reflects the real situation and can be used by all, among other things, to help validate investment decisions.

Difficulties with common indicators under ESF

67. Difficulties with common indicators were identified mainly in relation to ESF. Issues were highlighted by institutional stakeholders in OPAC and OPHC, not only in relation to the indicators themselves, but to the ESF-specific categorization of participants by gender, employment status, age, education level and household situation for the different indicators used.

- Under OPAC, common results indicators for ESF, which focus mainly on labor market status and transitions, are not always relevant to the objectives of all operations. For example, since public administration and judiciary personnel are not trained to improve their status on the labor market or to enter an education program, they cannot be included in the inactive/unemployed category, therefore a significant number of common output indicators (7) and common results indicators (6) have to be reported with zero values.
- Under OPHC, common indicators were often found too broad to reflect the intended achievements, leading to (the possibly unnecessary) formulation of additional specific indicators. As highlighted in the indicator analysis in the previous section, a large number of indicators emerge under OPHC, with duplications between specific indicators and certain common indicators

³⁴ Report with proposals to improve data collection, validation of information regarding UWWTD reporting to the EC, including proposal for responsibilities and timeframe, WB, September 2020.

already recorded “automatically” through disaggregation between participant categories. For example, the specific result indicator “*pupils/students gaining a qualification at the end of support*” is strongly similar to the common result indicator “*persons gaining a qualification at the end of support*” and given the pupils/students target group of the intervention in question, the common indicator alone appears to provide enough information on its progress. OPHC is the program with the highest level of complexity noted by beneficiaries in fulfilling monitoring requirements—under certain OPHC IPs, beneficiaries are required to report against some 35 indicators (accounting for category breakdowns and including common indicators) in their projects.

- Many of the problems identified in the interviews concerning the use of indicators for ESF relate to definitions. Terms such as “validated,” “functional,” “implemented,” “approved,” “accepted,” “tested,” “piloted” etc. were said to not always be applied in a unitary way throughout the system, with high risk of error in the way achievement values are recorded by different beneficiaries.
- In the case of OPHC, longer-term results indicators specifically required for ESF at intervals after the end of projects, are collected from beneficiaries, at project level, instead of by sampling at IP level. This leads to additional burden for the beneficiaries in tracking the status of their participants after the end of projects, as well as increasing the chances of erroneous and incomplete data, despite the EC’s recommendation in the ESF regulation that this data should be collected by the MA using a sampling method.

Guidance on indicators

68. Early in the implementation period, several MAs published detailed Indicator Guides for MA/IB staff and beneficiaries, giving definitions of indicators and how to use them, although there were mixed views on how successfully the guidance was applied. Such guides were prepared for LIOP, ROP, OPHC, OPC, OPAC, OPTA, largely as part of the fulfillment of Ex Ante Conditionality no. 7 and in the case of the ROP as part of the ex-ante evaluation exercise during programming. The guides were said by many institutional stakeholders to have significantly alleviated understanding and interpretation problems regarding the use of indicators. However, there were mixed views—particularly from MEIP interviewees—as to whether these guides were precise enough and if they cover most of the questions likely to arise during project monitoring, or if they had actually been fully digested by key actors in the system. Specific difficulties were said by the interviewees from MEIP to persist in the interpretation, measurement, and aggregation of results indicators in particular.

2.2.3. Efficiency of monitoring processes

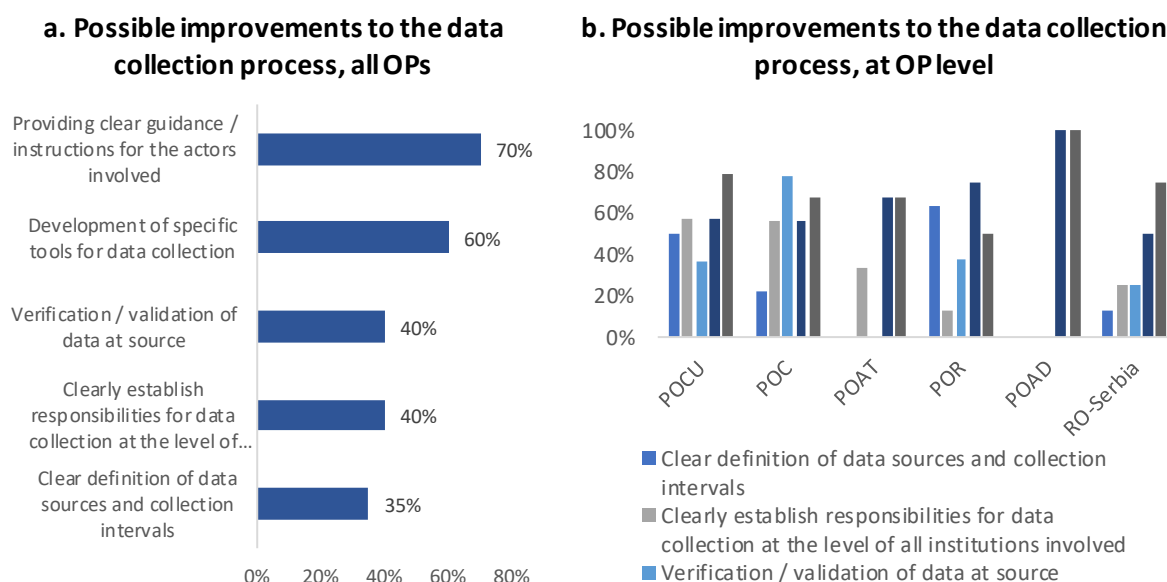
69. While the assessment results pointed to the overall improvement in ESIF monitoring efficiency in Romania, compared to the 2007–2013 period, various instances were highlighted where efficiency could be improved. These relate mainly to aspects of data management and IT systems leading to substantial duplication of effort, or overcomplexity in procedures obliging beneficiaries to provide unnecessary justifications and/or monitoring officers to spend valuable time making checks that should be performed automatically.

Data Management

70. Insufficient knowledge/understanding of data collection requirements poses important challenges for both beneficiaries and MAs/IBs. Errors in data entry can be generated as early as the moment beneficiaries register project applications and are successively included in aggregations up to MA/OP level, only to be detected when preparing the AIR. Lack of automatic validation of data entered adds to the problem and allows errors to persist across multiple reporting levels up to the MA. During the interviews and surveys, data collection problems of this type were highlighted specifically by LIOP, ROP, OPHC, and OPAC stakeholders. As shown by the IS, improvements needed

refer mainly to the provision of clear guidance and instructions for all actors (70 percent of respondents), but also to the development of specific tools for data collection (60 percent) and implementation of mechanisms for data validation at source (40 percent). Perception of the need for each solution mentioned varies at the level of the different OPs analyzed. While clear guidance is relatively equally needed for all OPs (with a peak for POAD), POCU and POR most need to more clearly define the data sources and collection intervals. The need for data validation at source seems more prominent for the Competitiveness OP (Figure 10).

Figure 9: Improvements needed to the data collection process, overall and by OP



Source: Results of IS.

71. Limited interoperability of OP systems with national registries further limits the efficiency of the monitoring processes, adding to the administrative burden of both authorities and beneficiaries. This was reported to create additional burden in the checking of technical reports by monitoring officers (e.g., in case of OPHC when checking the timesheets of experts involved in the projects), but also at the beneficiary level, when collecting and reporting data that could otherwise be extracted automatically from existing national databases.

72. The assessment highlights an overall need to develop a culture of data management. The aim would be to make all relevant actors aware of the importance of a well-organized data collection and processing system, which correctly reflects the real situation and can be used by all. The system should also include appropriate data validation keys and inter-connection of databases, for overall simplification and reduction of efforts.

Performance of IT systems

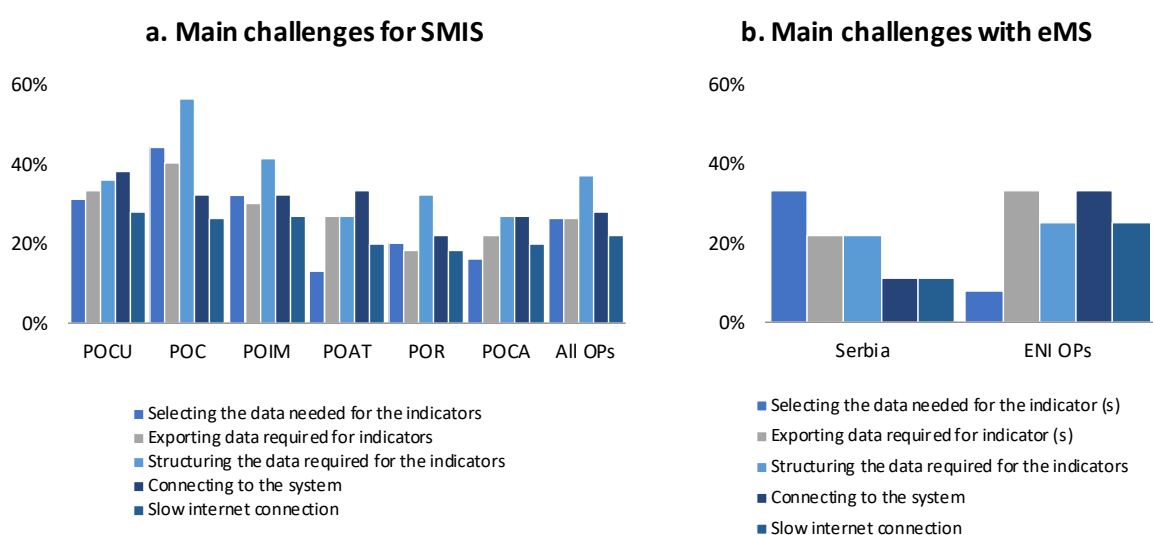
SMIS and related systems

73. SMIS and its different components (MySMIS, ART4SMIS, etc.) have the potential to increase the effectiveness of the entire monitoring system for mainstream ESIF in Romania, but SMIS performance is not considered adequate. The performance so far of SMIS during the 2014–2020 phase attracted high levels of criticism throughout the analysis, particularly from MA/IB staff. Low performance in this field also leads to high inefficiencies across the system. Key criticisms received from the interviews and surveys include the following:

- the system does not reflect the specificity of the different OPs—categorization of expenditure incurred under the projects, as per the provisions of the financing contracts under certain OPs, is not possible, which impacts the way expenditure is reported to the EC;
- beneficiaries have issues entering data directly—lack of automatic validations—therefore requiring manual input of beneficiary data made by monitoring officers, as the Implementation Module was not functional until very recently and is still not used in some OPs (for example OPHC);
- supporting documents are uploaded by beneficiaries as single PDF files, without a proper categorization or structuring, therefore limiting automatic aggregation of monitoring data;
- data on cancelled/re-launched calls remain in the system, leading to multiple counting in totals without manual intervention;
- reporting templates and options are too limited—not useful for the different kinds of reports requested of MAs/IBs by management, ministers, etc. and require custom reports or the use of additional sources;
- there is no interconnection with other key databases (e.g., ANAP, the Trade Registry, Revisal, etc.), leading to additional burden in checking beneficiary technical reports;
- there is significant potential for error when entering and transferring data; and
- the system is generally slow and unwieldy.

74. Interviews with the SMIS Unit in MEIP reflected a strong understanding of these issues and indicated that the majority have been solved through recent developments in the system. These include beneficiary input functionality in the MySMIS 2014+ Implementation Module, as well as data aggregation functionality and broader reporting options in ART4SMIS. Some difficulties persist, however, as shown by the results of the BS carried out as part of the project (Figure 11).

Figure 10: Main challenges related to data collection, transmission, and aggregation systems



Source: Results of BS.

75. SMIS user manuals and guidance are broadly appreciated by users. Under a survey carried out as part of the OPTA Evaluation in 2018,³⁵ 79 percent of respondents positively rated the correctness of SMIS user manuals and guidance, while 75 percent considered these materials to be easy to understand. Nonetheless, significant differences could be observed in the knowledge of different actors about the system’s features and capabilities (e.g., the type of reports that could be prepared automatically by the system, type of data to be extracted, etc.).

³⁵ Ernst and Young/QURES – Contract 61451/2019

76. Nevertheless, most MAs/IBs acknowledged they need to keep parallel records, in addition to SMIS. Such records are kept in other applications such as Excel and/or Access and are used to regularly monitor progress, to ensure easy access to essential OP monitoring data and support ad hoc reporting, including on qualitative aspects of implementation. Such applications are not integrated with SMIS for input nor transfer of data. Usually, data is extracted from SMIS in.csv or.xls format and further processed in databases developed by the MAs/IBs. Some MAs/IBs have developed their own parallel or hybrid systems, which they said were better suited to their needs, as detailed below.

- POCUForm is an offline system component developed as a temporary solution for OPHC in 2018, but it continues to be used for the majority of interventions under the OP. POCUForm covers the following stages of data collection and reporting, at the level of beneficiaries and at the level of IB (R) and MA:
 - recording participant data in OPHC operations;
 - automatic centralization of data on target groups of the project;
 - automatic extraction of data on common and specific indicators;
 - centralization of data on common and specific indicators to facilitate semi-annual/annual reporting to the EC.
- POCA STORAGE and SIPOCA were created under OPAC. SIPOCA was created at the beginning of the programming period, when MySMIS was not fully operational. SIPOCA runs in parallel and contains data on project sheets corresponding to non-competitive calls (not included in MySMIS).
- Under ROP, some of the regional IBs³⁶ have developed their own IT systems/applications, even though official communication is carried out through SMIS. The IBs' applications vary in terms of features and functionalities, with some allowing data to be introduced by the beneficiaries (e.g., RDA NW), while for others, data is introduced by the IBs' officers. A relatively high degree of satisfaction with these applications was recorded during the interviews among institutions and beneficiaries.

77. The timing of key SMIS modules becoming operational seems to be the main issue leading to the proliferation of parallel systems. Even if the MySMIS 2014+ Implementation Module has solved the problem of direct data input by beneficiaries, for example, it did not appear until 2018 and was said to be not fully operational until 2020. MAs/IBs that have adopted parallel, or hybrid, systems will have difficulty changing at this stage of implementation.

78. The SMIS Unit acknowledged that the large volume of data stored in PDF files remains an important problem for SMIS, which risks slowing down the whole system. This was reported by SMIS Unit as a result of possibly over-stringent requirements for project-level supporting documents by MAs/IBs (particularly under OPHC) and the Audit Authority. The SMIS Unit discussed plans underway to move to a cloud-based storage system for SMIS in the future, to reduce the risk of the system slowing down. However, the fundamental system functionality issues, which make the input of so many PDF files necessary in the first place, remain.

79. There are plans underway to further build interoperability between SMIS with other data sources. This includes the Unemployment Registry (ANOFM), Labor Inspectorate (ITM) and National Registry for State Aid. According to the SMIS Unit, there is also now a protocol for interoperability, due to enter into force later in 2021, between SMIS and the Romanian Digital Authority, administrator of the public procurement system SEAP. The SMIS Unit also has programmers standing by to support MAs with system development needed for 2021–2027. During the interview, the SMIS Unit referred to good capacities for further development of SMIS modules, “awaiting the specific requests of MAs.” Merging POCUForm into MySMIS was mentioned as an example of possible system development, for

³⁶ RDA NW, RDA W, RDA NE

which it was estimated that some six months would be needed. There was no evidence to suggest that this work was underway, though.

Interreg electronic Monitoring System (eMS)

80. The eMS system, used under ETC programs, emerged from the assessment with only positive comments. Institutional interviewees and beneficiaries alike appreciated its user-friendliness, its ease of data input on project progress and subsequent aggregation functionality, with possibilities for data and report extraction in Excel format. The ETC coordinating body commented that eMS allows the MA to focus support on the beneficiary while maintaining a program-level monitoring vision. Nonetheless, when carrying out their M&E activities, beneficiaries face problems similar to those encountered for SMIS (Figure 11).

Other Member State practices

81. Estonia's IT system for ESF data collection is presented in Box 6. This example should be of interest to Romania for its emphasis on the interoperability of different data sources.

Box 6: Good Practice from Estonia

Integrated IT systems and data collection processes for ESF

Estonia has established integrated interfaces between different IT systems. This has enabled a significant reduction in overlaps and inefficiencies in data collection, as well as automatic controls between different IT systems. The Estonian management information system for ESIF and certain other funds consists of three parts:

- system for data collection and procedures used by SF administration (SFOS);
- system for compiling reports (SFCS);
- e-service for beneficiaries.

When applicants start entering their details in e-service, automated functions help to complete some of the required fields. The address field is automatically compared with e-Address register and the company registration code with e-Business Register, or the person ID code with e-Population register. SFOS will suggest to the applicant the contact information available in e-Business and e-Population registers. After the applicant has submitted the project application electronically, through the system's e-service, the SFOS runs the following automated controls linked with national registers:

1. Whether the project applicant or partner has not reimbursed amounts related to financial corrections in previous ESIF projects, or other projects in SFOS;
2. Controls to Criminal Records Database—automated checks on the project applicant and partners;
3. Controls to Tax and Customs Board—to see if the applicant or partners have state tax debt over €100;
4. Automated control to National Public Announcements Register—to confirm that the applicant or partners have no ongoing or finalized bankruptcy, liquidation, or compulsory dissolution processes.

With regard to the ESF common indicators, the system collects the relevant data mainly from administrative registers. This is carried out by "Statistics Estonia," a government agency of the Ministry of Finance, under a specific agreement with the MA. The aim is to collect as many indicators as possible from public registers, simplifying data collection, improving the reliability of data, and supporting the project appraisal process.

Data is collected from 11 different registers, including: census, household, employment, social security, education, etc. Data collection is based on personal ID codes that are automatically verified, and does not involve separate permission from participants to collect their personal data. Beneficiaries are asked to collect only data that is missing or not otherwise available. Around 80 percent of ESF indicators are calculated using data from public registers. Out of 32 common ESF indicators:

- 18 are collected by Statistics Estonia from registers;
- 7 are collected by Statistics Estonia from registers and complemented with information beneficiaries request from participants;
- 2 are collected only by beneficiaries;
- 1 is collected by Statistics Estonia via questionnaire; and
- 4 (entity indicators) are collected by the MA.

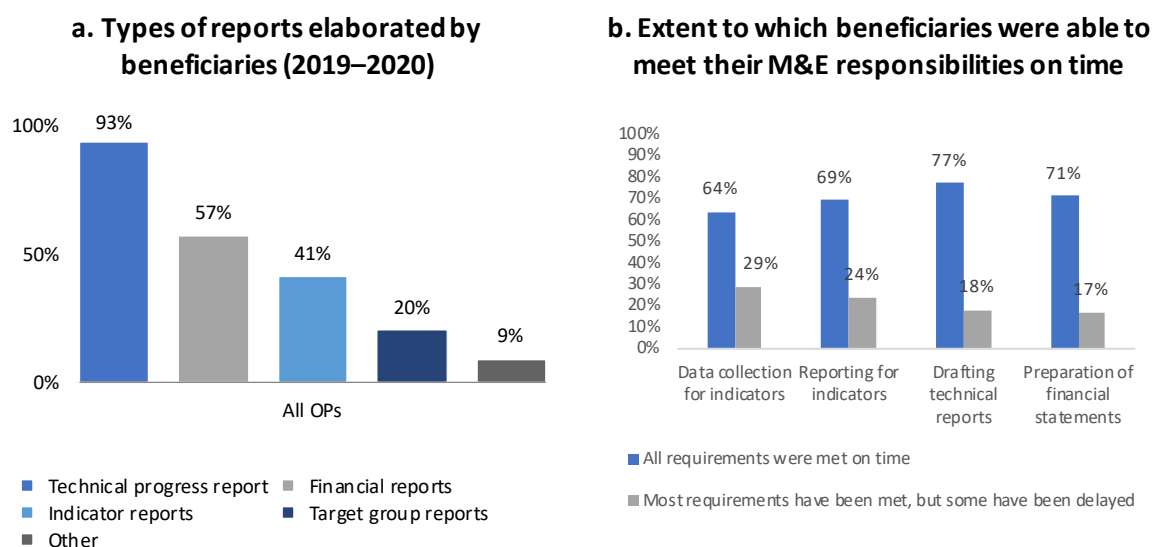
Although the system itself cannot solve all issues related to ESF indicators and requires a residual part of data to be collected by beneficiaries (e.g., data regarding homeless participants, or non-formal education/job searching upon leaving), it has still allowed the achievement of significant results in terms of: reduction of the administrative burden; enhanced quality of data and reliability of data sources; increased efficiency, by limiting data collection from participants; and improved Counterfactual Impact Evaluation (CIE) capability.

Complexity of processes and usefulness of related guidance

82. Complexity in collecting and reporting the necessary data on outputs/results seems broadly acceptable for beneficiaries. Reporting activities mainly consist of preparing technical progress reports (with 93 percent of beneficiaries declaring they have prepared such a report in the last year), followed by financial reports and indicators reports (41 percent). In terms of fulfilling their

requirements in due time, 70 percent of beneficiaries³⁷ declared having been able to meet all monitoring and reporting requirements (such as data collection, indicators reporting, and technical and financial reports writing) for their projects on time, while 22 percent reported having had some delays. Beneficiaries reported the highest share of delays regarding data collection for indicators (29 percent of beneficiaries); on the other hand, fewer beneficiaries registered delays in preparing the relevant technical reports (18 percent) and financial statements (17 percent) for their projects. However, the majority of beneficiaries are able to meet their obligations on time (Figure 12).

Figure 11: Improvements needed to the data collection process, overall and by OP

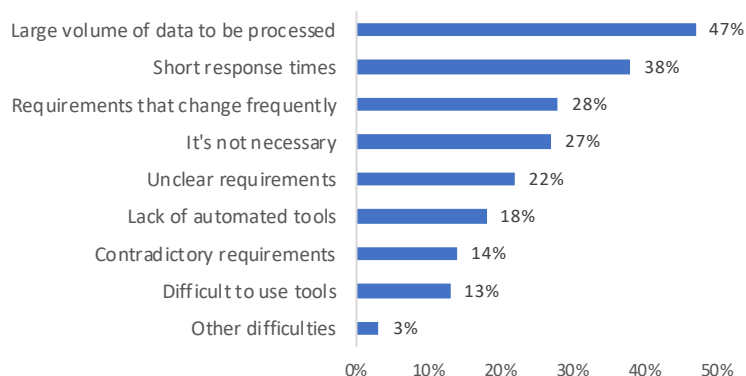


Source: Results of BS.

Source: Results of BS.

83. Difficulties encountered in meeting the M&E requirements, while somehow differing by OP, show important commonalities. As such, the large volume of the data to be processed (48 percent), the short deadlines for responding to information requests (38 percent), and frequently changing requirements (28 percent) were the main factors mentioned by respondents. The extent of these problems varies significantly by OP (Figure 13), with the large volume of data to be processed mentioned as a bigger problem for OPHC, OPC, and LIOP than for other OPs.

Figure 12: Difficulties encountered by beneficiaries in meeting their M&E requirements



Source: Results of BS.

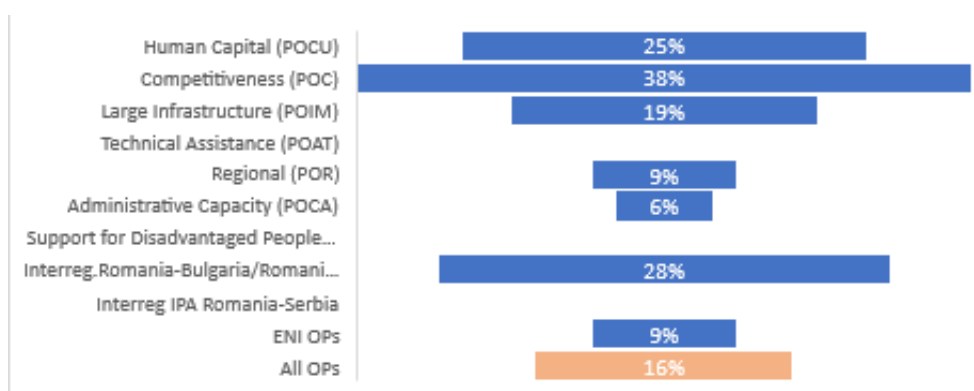
³⁷ Out of the 565 beneficiaries that responded to the questions on monitoring and reporting requirements (55 percent of the respondents)

84. Many process difficulties encountered by MA/IBs and beneficiaries appear to be with IT systems, as highlighted above, but also due to the lack of a unitary approach at MA/IBs level. Lack of unitary approach in implementing procedures—including mixed messages from different IBs/MA(s) for the same OP about data interpretation and calculation of values, or different practices with respect to dealing with justifying documents—were the main problems cited, along with IT-related issues. There was, however, general recognition of considerable improvement in this regard as 2014–2020 OP implementation progressed—e.g., after meetings between MAs/IBs held specifically for this purpose under several OPs. Some beneficiaries—particularly those applying to both ETC and mainstream ERDF OPs—said there should be standard procedures/processes/forms, etc.-for different OPs. This view was not always shared by MAs/IBs, which highlighted during the interviews the importance of OP-specific aspects, also from the point of view of maintaining an accurate audit trail.

85. The heavy emphasis on compliance throughout the system has resulted in something of a culture of checking and cross-checking in MAs/IBs. Sometimes, duplications between financial and monitoring officers performing the same checks were noted during the interviews with MA/IB staff as negatively impacting efficiency, or seemingly over-rigorous verifications of items like CVs of beneficiary personnel, etc. (e.g., OPHC). While not very prominent, some overlaps of tasks between the MA and IBs could also be observed in practice, leaving room for further improvement at the process level to facilitate further efficiency gains.

86. Overall, less than a quarter of beneficiaries reported that they felt the administrative burden for all monitoring requirements was high or very high. However, the perception differs by OP. Beneficiaries from OPHC, OPAC, and OPC reported the greatest proportion of high or very high administrative burden (Figure 14), while the same figure for ROP, OPTA, and ETC programs taken together was closer to 25 percent. Further streamlining is needed, particularly for reports preparation, with regard to the type of information included. On average, 30 percent of beneficiaries³⁸ reported having to provide the same information in two or more reports. Higher shares can be observed in the case of Competitiveness OP (40 percent), OPAC (39 percent), OPDP (50 percent), and even the Interreg OPs (RO-BG and RO-HU, where about 55 percent of beneficiaries declare they have reported the same information more than once).

Figure 13: Share of beneficiaries perceiving the administrative burden associated with M&E as high and very high, totals and by OP (%)



Source: Results of BS, conducted for all OPs.

87. Clarity, accessibility, and utility of guidance were perceived as high and very high by the majority of beneficiaries, with some variations of perception across OPs. Around 66 percent of beneficiaries appreciate the clarity of available written guidance as high or very high, and more than 73 percent of beneficiaries rated the accessibility, validity of information, and overall utility of the

³⁸ Results of the BS, conducted at the level of all OPs.

guidelines as high or very high. OPC beneficiaries reported the lowest share of high or very high levels of quality of the available guidance across all dimensions (around 50 percent for clarity and coverage and 58–67 percent for the other dimensions). The BS revealed as the main sources of written guidance about monitoring the manuals and procedures available online (73 percent), the financing contract (65 percent), and written documentation (56 percent) received from IBs and MAs.

88. Beneficiaries under many of the OPs strongly appreciated the positive effects of proactivity from IBs in helping to address practical difficulties through face-to-face and telephone contacts.

Almost all beneficiaries (94 percent) reported receiving guidance by phone from project officers, which was deemed very useful by 83 percent of them, as well as verbal guidance by IBs and MAs. The ROP IBs, OPAC MA, and ETC structures received high praise in this regard. Under LIOP, monthly visits and site inspections were said to be good occasions for in-depth exchanges of views regarding projects, particularly with the presence of an engineer (as supervisor in a FIDIC-like system) to help resolve technical issues.

89. Simplified cost options (SCOs) could have a major beneficial impact on the efficiency of OP monitoring systems, but the assessment did not identify instances where SCOs were being used substantially.

By no longer requiring beneficiaries and monitoring officers to expend time and resources to justify certain project costs, SCOs can allow attention to be paid to monitoring the delivery and quality of outputs and ultimately results. The same can be said of the emphasis in audit. Romania has been reticent to adopt the SCOs more recently available under the EU regulations (particularly in the context of the 2018 Omnibus regulation), even though the EC has strongly encouraged SCOs as a more efficient alternative to the traditional “real costs” system. Furthermore, support from the Recovery and Resilience Fund (RRF) is expected to be disbursed on the basis of achieved milestones, reflecting a more widespread future orientation toward SCO approaches.

90. The example of the French experience using SCOs for a Youth Employment Initiative (YEI) scheme as presented in Box 7 as an interesting example for Romania in this regard.

Box 7: Good Practice from France

Results-based approaches and simplified cost options

For ESF in its 2014–2020 OPs, the French Ministry for Employment adopted an approach entirely based on results under the Youth Guarantee Scheme. The scheme, which has been implemented by all (445) local public employment services all over the country, envisaged a minimum 12-month program for young people neither in education, in employment or training (NEETs), including:

- advice and coaching aimed at developing young peoples' skills, carried out by local public employment services ("Missions locales"); and
- a monthly financial allowance for every young person, paid out by the State.

Funding of projects under the scheme was conditioned to the achievement of four alternative positive outcomes:

1. The young person enrolled for vocational training or studies;
2. The young person started a business;
3. The young person was hired by a company; or
4. The young person completed at least 80 days of work experience during a 12-month program.

The scheme was based entirely on "results." If none of the four positive outcomes was achieved and documented, or if the participant did not complete the 12-month program, no funding would be granted to beneficiaries. The key to ensuring this results orientation in the scheme was the adoption of SCOs. A national calculation method was developed to determine the standard scale of unit costs related to the achievement of the positive outcomes. SCOs enabled payment of beneficiaries based solely on evidence of the achieved outcomes, without having to collect and check the actual costs paid to implement the activities, significantly reducing the monitoring burden.

Specifically, the Ministry established a unit cost of €6,400 per positive outcome achieved within the 12-month period. This single SCO covers both (i) the advice and coaching provided by the local public employment services (€1,600 per positive outcome); and (ii) the allowance paid to participants (€4,800 per person/year). According to a study carried out by the EC in 2018,³⁹ the total expenditure covered by SCO expected to be declared by the French Youth Guarantee program is around €185 million.

Based on France's experience with such schemes, as well as subsequent discussions between ESF authorities at the EU level (i.e., within the ESF Transnational Network on Simplification established by the European Commission—DG EMPL), a set of key success conditions emerge for adoption of such results-oriented approaches:

- Champions: political will and people at high level who are convinced and committed to driving new innovative approaches toward genuine results orientation are an essential prerequisite.
- An audit and evaluation culture is needed that focuses more on results than on detailed regulatory compliance alone and is based on simpler, more flexible procedures and tools.
- Capacity-building actions and co-creation initiatives to promote increasing results orientation, involving policymakers, stakeholders and potential beneficiaries together, should be envisaged.

In France, during the 2014–2020 period, wider and more ambitious use of SCOs has proven effective, not only to reduce administrative costs and burdens, but also (and more importantly) to shift the monitoring focus more explicitly toward the achievement of policy objectives. The French Ministry for Employment is planning to maintain this results-based scheme and the SCO for 2021–2027 and to submit the SCO methodology to the EC for adoption under Article 88 of the new CPR.

³⁹ See "Use and intended use of simplified cost options in European Social Fund (ESF), European Regional Development Fund (ERDF), Cohesion Fund (CF) and European Agricultural Fund for Rural Development (EAFRD)", EC (2018) available at: http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/use_sco_esif_en.pdf

Management and communications

91. The assessment identified no global indicators of performance across the system related to the quality of monitoring itself. Nevertheless, in their contracts with MAs, most IBs have basic activity indicators, such as the obligation to make a certain number of field inspections per project (one per month in the case of the Transport IB under LIOP).⁴⁰ Others, such as the ROP and OPHC IBs, have yearly absorption targets set for each IB, together with a set of qualitative conditions that need to be met to verify public procurement and expenditures, etc.⁴¹

92. Similarly, there does not appear to be any identifiable early warning system instituted in OP monitoring procedures. Problems, when they arise, are reported by project monitors to superiors and then to the MA structures and MA management in an informal manner during regular meetings. Comparisons with relevant statistical indicators (e.g., at sectoral/regional level) are also not usually automatic in such cases, but rather on request.

93. Various institutional stakeholders expressed a desire for more standardized internal reporting templates in a format useful for decision making. Instead, the current practice is seen as involving overly frequent, ad hoc requests for different kinds of reports from their own management. A similar issue was raised in relation to communication with other entities (e.g., Minister/Prime Minister's office). Such reports usually need to be prepared in the format required by the entity requesting it, entailing significant extra work and reducing efficiency in the monitoring effort.

94. Regarding openness, the BS revealed that overall, 21 percent of beneficiaries had suggested improvements to the IB/MA with respect to monitoring. Most suggestions seem to have been related to the simplification of reporting forms, or problems related to the use of IT instruments (e.g. POCUForm in the case of OPHC). Around half of the beneficiaries suggesting improvements reported that their suggestions had been implemented.

95. The COVID-19 crisis was reported to have been not too disruptive to monitoring processes and some practical new communication approaches were adopted. These include webinars on monitoring requirements for new beneficiaries (ETC); greater reliance on online discussion, instead of site monitoring visits, as well as the widespread use of photos, (LIOP); and use of electronic signature for beneficiaries (OPHC). Serious consideration should be given to collecting all such examples and exploring possibilities for broadening their application to all OPs, where appropriate, for maximum efficiency. It was suggested that some of these COVID-imposed adaptations could become more mainstream, as efficiency improvements, even after the pandemic.

2.2.4. Adequacy of administrative capacities

96. Most MAs/IBs reported during the interviews that they have adequate staff capacities in place for monitoring, although results from the IS were contradictory, suggesting that insufficient staff was a major issue. For ROP and ETC, staffing capacities were even described during the interviews as very good, due to long experience and relatively low fluctuation of personnel. The Transport IB under LIOP was also said to have good capacities. In general, MAs/IBs did not express serious current shortages of staff for monitoring. This finding is somewhat at odds with the result obtained from the IS, in which insufficient staff was labeled as by far the main challenge for M&E activities (Figure 15).

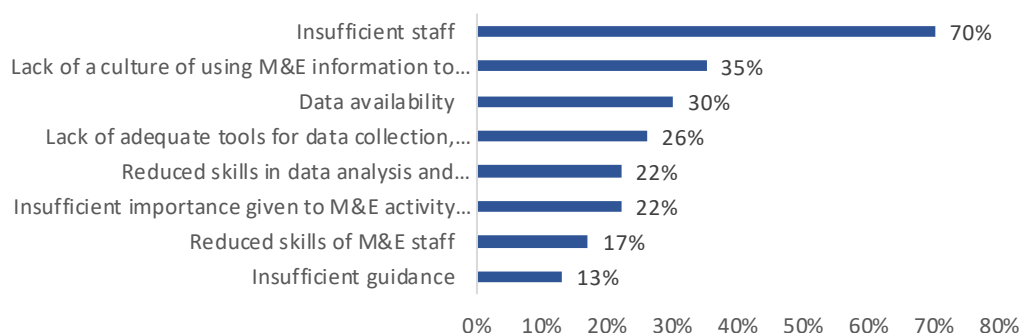
97. OPHC, Education IB in particular, stood out from the interviews in noting that staff was generally overwhelmed by the amount of work involved in monitoring. Different OPHC monitoring activities, such as on-the-spot visits, were said to not always be performed as required by the

⁴⁰ Delegation Agreement of 22.07.2016

⁴¹ IS carried out at the level of the ROP stakeholders at national and regional level.

applicable procedures, given the lack of time. The monitoring of internal processes and deadlines was said to be performed informally due to lack of specific systems.

Figure 14: Main challenges for M&E activities

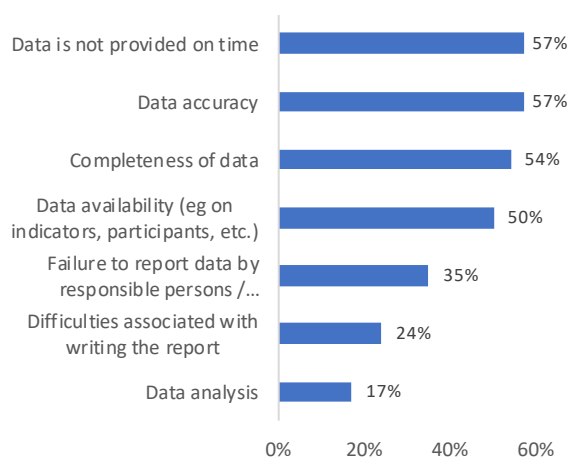


Source: IS.

98. Many MAs/IBs have increased their staffing levels using technical assistance (TA) resources. Under OPHC, additional contractual staff was hired in many IBs, by using the recently adopted legislation (Government Decision 325/2018). For OPs with complex investment fields (e.g., LIOP, ROP, OPC), having persons on the monitoring team (as well as on the contracting team) with a high degree of technical specialization was highlighted as crucially important. Often, such persons need to be outsourced. Staffing policies are also subject to the expected future role of the respective authorities, in the context of the new programming period (e.g., RDAs staffing, given their future role as MAs of Regional OPs).

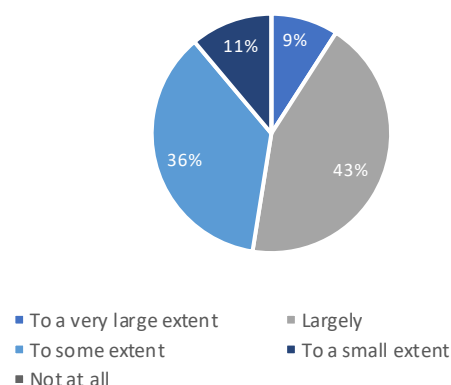
99. Beneficiaries generally appear to have adequate staff capacities to cover their monitoring responsibilities. Less than a third of beneficiary organizations surveyed reported hiring extra staff for monitoring. From the BS, OPC and ROP beneficiaries seem to rely on additional staff recruitment, 47 percent and 38 percent respectively. About 17 percent of beneficiary respondents rely on consultants for this purpose; however, the distinction was not made between financial and physical monitoring. Challenges faced by beneficiaries in carrying out their reporting activities mainly refer to timely data provision (57 percent), data accuracy (57 percent), as well as data completeness (54 percent) (Figure 16). An interesting aspect, however, relates to how the institutional stakeholders assess the beneficiaries' understanding of M&E requirements and their capacity to prepare the required reports. As such, beneficiaries' reporting capacity is perceived as good by only 51 percent of the institutional stakeholders consulted, with the rest assessing the beneficiaries' capacity as average (36 percent) or low (13 percent) (Figure 17).

Figure 15: Main reporting challenges faced by beneficiaries



Source: Results of BS.

Figure 16: Extent to which beneficiaries understand their reporting obligations



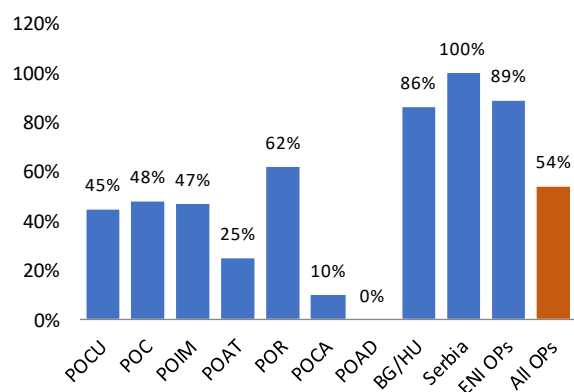
Source: Results of IS.

Training

100. Most OP stakeholders interviewed described MA/IB monitoring personnel as being relatively well trained, although outstanding training needs were also reported. However, some less positive views were recorded during interviews; for example, under OPC, where certain interviewees said that less than 50 percent of those responsible for collecting, verifying, and/or using monitoring data had received specific training in this field. Key training needs expressed by MAs/IBs included training in data analysis techniques, use of SMIS modules and specialist training in the subject matter of technical investment fields covered by different OPs (e.g. innovation promotion under ROP, CO₂-equivalent emissions calculation and energy performance contracting under LIOP and ROP). Beneficiaries variously expressed training needs in the use of IT systems, indicators, data collection, monitoring reporting (physical and financial), supporting documents for expenditures, public procurement, risk management and quality assurance.

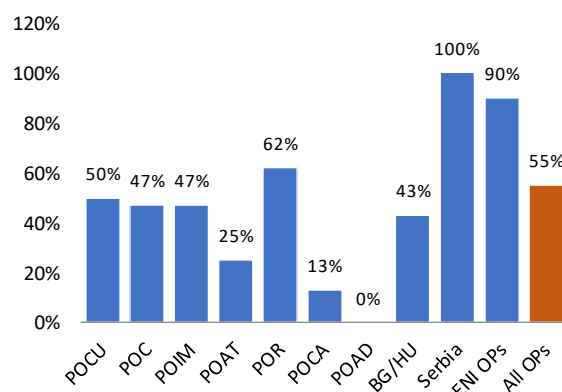
101. Training of beneficiaries in their monitoring responsibilities appears satisfactory overall. Training sessions delivered by IBs, MAs, or other entities after contracting seem commonplace, with 54 percent of beneficiaries receiving training by IBs, rated as very useful by the majority of the participants (55 percent). By OP, training seems to have been most useful for CBC and ENI beneficiaries, followed by ROP (Figure 19). Beneficiaries of these OPs are also those that received most training (Figure 18).

Figure 17: Training received by beneficiaries on M&E requirements



Source: Results of BS.

Figure 18: Training found useful by the beneficiaries



Source: Results of BS.

102. World Bank provided monitoring training to OPHC staff in 2018. The OP MA/IBs had previously had to recruit a large number of monitoring staff quickly. Requirements for candidates to have previous experience with EU Funds had been relaxed and little in the way of induction training was provided to the persons subsequently recruited.

Box 8: World Bank Monitoring Training for OPHC personnel

The World Bank provided monitoring training for the OPHCMA and IBs in 2018. The goal of the training was to increase the capacity of OPHC staff in performing monitoring-related tasks and to support beneficiaries. Two training modules were delivered over three days:

- **Specific issues regarding the monitoring of OPHC-funded projects**
Monitoring requirements at project level; administrative verifications, on-site visits, ex /post project monitoring, other monitoring tasks.
- **Specific issues regarding indicators, data collection, and reporting for OPHC-funded projects**
Requirements for monitoring ESF indicators; OPHC system of indicators; types of indicators (description and main features); data quality and data validation; indicators collection and reporting; financial corrections; POCUForm (practical exercise).

In total, 101 trainees were trained—27 from the OPHC MA or MEF, and 74 from the OPHC IBs.

Source: Output 13.2. POCU RAS (internal document).

103. ETC programs emerge as a good example of systematic training. All MA/JS staff and beneficiaries receive training on how to operate the eMS system. MA/JS staff also receive regular training on ETC implementation subjects provided by the EC.

2.2.5. Effectiveness of the monitoring system

104. Romania’s strong preoccupation with compliance and legality in the ESIF monitoring system is understandable, but if this remains the system’s dominant force it risks inhibiting the development of the necessary focus on results. This issue possibly relates to the overall set-up and functioning of the central administration in Romania and its organizational culture—identified in the

literature⁴² as one of “high administrative burden, rigid communication channels and hierarchical structures, as well as low ownership of policies, programs or their results.” In the context of ESIF, the scale of the absorption challenges continually faced by Romania, coupled with the memory of less than fortunate incidents in the 2007–2013 period (e.g., suspensions of payments by the EC), clearly contributes to the overwhelming emphasis on compliance above all else in the monitoring system.

Effectiveness of Monitoring Committees

105. In an attempt to increase result orientation, during its negotiations with Romania for the 2014–2020 period, the EC requested a drastic improvement in monitoring and evaluation capabilities, with a specific focus on MCs. Romania’s PA for 2014–2020 states the following:

“The Monitoring Committees proved poorly effective during the 2007–2013 period, with poor expertise and ownership of the members. Subsequently, the committees failed to be the place for constructive dialogue supporting the decision-making process. The uneven composition of the committees overwhelmingly composed of public officials, largely explained such situation. It is therefore envisaged to review the composition of the committees, with more balanced participation of external stakeholders, representing, in a tailored manner, the most relevant partners that can affect/or be affected by the program implementation.”

106. Despite a more balanced representation by governmental and non-governmental partners in the light of the membership changes, the assessment found overall that MCs are still generally not proactive drivers of the monitoring system. An evaluation of OPTA implementation in 2018⁴³ describes actions by MAs to encourage wider and more active participation on MCs, including promotional activities and provision of training and exchange of experience opportunities to new members. The evaluation carried out surveys for three OPs showing that compared to the 2007-2013 period, the involvement of public institutions in MC debates is considered good by 81.82% of participants in the case of OPTA, by 60% of participants in case of LIOP and by 50% in case of OPC. As regards economic/social partners, the situation between OPTA and LIOP is reversed, with their participation in MC debate being considered good by only 40% of participants in case of OPTA, but by 70% of participants in the case of LIOP. In general, though, for LIOP and OPC, the evaluation found MCs to be reactive, rather than proactive overall. The outcomes of interviews with institutional stakeholders for this assessment indicate that this finding seems valid—to a large extent—for all OPs. Institutional stakeholders under LIOP noted specifically that, “all proposals to change the program came from the MA to the MC, not from the MC to the MA”.

107. Stakeholders reported that the interest of the institutions represented in their MC was not to contribute to the OP, but rather to ensure that their institutions’ interests are represented and considered—especially with regard to knowledge of forthcoming funding opportunities. ROP institutional stakeholders acknowledged the importance of their MC in decision making, but described it as “rather reactive,” more inclined to be oriented by MA proposals, confirming what is already known. However, its members were said to have become very active when deciding on financial reallocations at regional level. Under OPHC, although the system is built to allow participation and engagement of all relevant stakeholders, interviewees reported that in practice, this seldom happens, expressing the view that there is little or no accountability with respect to OP results beyond the MA and IBs.

108. There is, however, evidence of deeper engagement of MC members in implementation issues through involvement in new sub-committee structures under many of the OPs. For example,

⁴² The structural causes underlying the weak capacity of the Romanian public administration (gov.ro) and also The National Strategy for Administrative Capacity Enhancement 2014–2020 (mdrap.ro)

⁴³ Implementation of Evaluation Plan for OPTA - Evaluation Report for 2018 (E&Y, Sept 2020)

under the LIOP MC, three sub-committees respectively for transport, environment and energy sectors, chaired by the representatives of line Ministries, meet before the MC meetings and formulate points of view on its different agenda items to help prepare its decisions. Analysis of the minutes of the sub-committees reveals a good level of awareness of the issues occurring in all aspects of project implementation. Under the OPHC MC, two technical working groups were created, one for NEETs and one for digital skills call design, to provide solutions for improving implementation.

Utility of monitoring information provided for OP implementation

109. Monitoring information has proved to be useful in OP implementation, but mainly about process and absorption issues. Many of the interviews confirmed that decision-makers are not regularly asking for monitoring information beyond the purely finance-related aspect. Institutional stakeholders under OPC, for example, said they felt it necessary to have more frequent requests (at least quarterly) from the Minister for reports on the fulfillment of the OP indicators. Similarly, under OPHC it was noted that, beyond the MA, only certain parameters are monitored and analyzed, such as financial data or the degree of absorption, omitting the real underlying results. OPHC stakeholders further remarked that the data currently available in the system is not sufficient to support results orientation, as there are limited ways of checking the quality of the activities performed.

110. Most of the OPs have been modified several times, to alter the scope of intervention fields and/or the balance of resources between them and make other related adjustments, but few of such changes can be said to have been genuinely results-driven. Monitoring outcomes have played some part, for instance in relation to rates of contracting/absorption, mainly to justify changes, rather than promote the achievement of better results as the principal driver. In some cases (e.g., OPHC, OPC and ETC programs) there have been technical modifications made to monitoring indicators and/or the methods of calculating values. However, the largest OP modifications have been to avoid decommitment and respond to the COVID-19 crisis.

Monitoring guiding coordination between OPs

111. PA-level actors from MEIP described the emphasis during the programming phase on key complementarities between certain OPs, particularly ROP and OPHC. The main fields for complementary programming were said to be education (school renovation and teacher training), life-long learning (community centers and social assistance/training) and health (investments in facilities and training of medical staff). Complementarities were identified in other fields as well, with key aspects being underlined at PA level, as well as at the level of each OP (with complementarities among OPs being presented for each relevant IP).

112. However, the assessment found little evidence of the outcomes of complementary investments being monitored in an integrated way, or of output/result information being used as a driver of coordination between OPs. The Functional Working Group on Complementarity had been involved in the coordination of relevant calls under different OPs, but no detail was forthcoming on coordinated monitoring in relation to this exercise. It may be too early for the results of such approaches to be visible. Consultations also indicate limited actions in ensuring complementarity in implementation, with actions often restricted to additional points granted under the selection process, should the projects be complementary. Exceptions are represented by CLLD and ITI Danube Delta, where a more integrated approach is required by the nature of such investments, but arrangements in this regard (i.e., CLLD) are also deemed to need significant improvement. The focus seemed more on avoiding overlapping, rather than creating complementarities and synergies.

Monitoring input into evaluation processes

113. Little correlation was found from the assessment between the use of monitoring data and evaluation. Whilst, on the one hand, this may not be surprising given the different starting points and

approaches of the two exercises, some interviewees felt that beneficiaries could help develop relevant (context-type) data sets for future evaluation, if this condition were built into their contracts.

114. Several interviewees expressed dissatisfaction at the “dryness” of monitoring data collected and the related inability to determine “real” results of important interventions. Some also opinionated that evaluation was not delivering useful enough insights either. For example, under OPHC, stakeholders regretted their inability to determine the real social integration effects on given target group of the OPs investments. It seems that there is a thirst for results of a type which lie somewhere in between the realms of monitoring and evaluation, as currently perceived by stakeholders.

Usefulness of the monitoring system to other related policy design

115. Institutional stakeholders under certain OPs reported using monitoring data for decision making under broader national policies. For example, under LIOP, data from the monitoring of waste treatment projects are used by the Romanian authorities in the application of a new legislative framework on the circular economy,⁴⁴ while certain ROP monitoring data feeds into regional development planning. There is also some evidence of monitoring information used positively for “other” policy design/development, such as OPAC data in the National Strategy for Strengthening the Public Administration, as well as data from OPC in National Research and National Digital Agenda Strategies (Box 9). However, these remain isolated instances of positive linkage between ESIF monitoring and other national policy design - there are few formal mechanisms established in this respect.

Box 9: Case study: M&E of ESIF investments in digitalization

ESIF investments in digitalization take place in a complementary way across different OPs, guided by the National Strategy Digital Agenda.⁴⁵

- OPC is the main source of funding for investments in digitalization, targeting the following key areas for ICT development: (i) e-government, interoperability, IT security, cloud computing and social media; (ii) ICT in education, inclusion, health and culture; (iii) e-Commerce, ICT innovation; and (iv) Broadband infrastructure and digital services. The relevant OPC investments are synchronized with measures for employment and skills under OPHC and for reduction of administrative burdens for business under OPAC, as well as infrastructure investments under the National Rural Development Program (NRDP).
- All these investments are guided by the National Strategy Digital Agenda (NSDA), which aims to reduce significant gaps compared to EU targets for e-government services, the widespread use of the Internet and digital literacy, as well as the integration of ICT solutions in areas such as education, health and culture. The strategy has a much broader scope and goes beyond ESIF interventions.

ESIF investments in digitalization are monitored in an integrated manner in the context of Thematic Objective 2.

- At the level of the Partnership Agreement, the Thematic Subcommittee (TS) for Infrastructure is the main structure in charge of monitoring progress of the relevant OPC Priority Axis, while three other sub-committees also contribute to monitoring investment in digitalization: the Competitiveness and Local Development TS, the Human Capital TS and the Administrative Capacity TS.
- NSDA is monitored according to a specific Manual.⁴⁶ Context indicators, such as population access to ITC are monitored annually⁴⁷ but there are no established national indicators/targets in the context of the Europe 2020 Strategy. MEIP is not regarded as a direct data source for the indicators. Instead, the National Statistics Institute, Eurostat and relevant line ministries are responsible.

⁴⁴ GEO 74/2018

⁴⁵ [Digital Agenda for Romania 2020 – MCSI \(gov.ro\)](#)

⁴⁶ [Manual Monitorizare Evaluare v2.0-BM.pdf \(gov.ro\)](#)

⁴⁷ [MFE 2014–2020—Acord parteneriat \(fonduri-ue.ro\)](#)

Both the NSDA and the OP have national coverage but only a few indicators are common.

- Generally, the NSDA has a larger number of indicators for each of the topics, all with national coverage. A number of POC indicators have national coverage, such as 3S8 NGA broadband coverage/availability, while the majority only monitor outputs and results of the projects supported.
- Even though they do not use the same indicators, OP progress data is used to inform the NSDA. Stakeholders acknowledge 48 exchanges of information between the POC IB (OIPSI) and the ADR, in this respect. The information exchange does not involve the OPC MA or MEIP. Other OPs do not report information to ADR on the progress of their digitalization-related interventions, but line ministries do, including progress achieved through implementing EU programs.

ESIF investments in digitalization are evaluated both at PA and at OP level.

- As a cross-cutting theme of ESIF investments, digitalization is only included in the evaluation plan of the Partnership Agreement⁴⁹ as part of Evaluation Theme B2. Contribution of ESIF to the thematic objectives and, under Evaluation Theme D1. Complementarity and coordination mechanisms of ESIF. More targeted evaluations are pursued under OPC, OPAC and OPHC.

116. The lack of interaction between OP monitoring and the national strategies seems like a major missed opportunity. A relevant example in this regard is the missing link between OPHC monitoring and National Strategies for Roma Inclusion, Disabled Persons etc. Apparently, relevant line ministries, national authorities and agencies concerned (in the employment, social inclusion and education sectors) do not request key monitoring information from the program, which could be relevant for these strategies. It seems that the OPHC Monitoring Committee—of which the two-line ministries in question are members—does not wield the necessary influence either to maximize the benefits of monitoring for the good of these key national strategies. This case points to a serious quality failing in Romania’s monitoring system, which lies far beyond the sphere of compliance.

Value of monitoring in communication activities

117. Overall, the use of monitoring for communication activities seems to be limited to regulatory requirements. MAs are obliged to publish on their websites a Citizens’ Summary of each AIR, as well as regular updates on projects contracted and the financial progress of their programs. However, for many OPs, the latest AIR summaries currently published are from 2018. Moreover, not all published monitoring information is in a format that is easy to process/analyze—except for OP information published on data.gov.ro.

118. There are no other requirements to release data or information from monitoring. The MAs publish the minutes and decisions of the MC meetings (with the exception of ETC programs), but these, however, are not generally published in an easy-to-follow, or structured format. Usually, only the dates of decisions, rather than the subject, are mentioned, making for a laborious search for persons outside the context of a given OP, who are looking for a particular subject.

119. Communication is generally seen as the responsibility of MAs, but the way this is done has yet to be improved. OP websites follow different formats and up-to-date information is not always easy to find. Less ownership of communication processes to publicize OP results is noticed in the case of most of the IBs. Of these, the ROP IBs generally have a more active communication approach, although here too, there is variation between different regions. RDA Centre, for example, publishes a catalog of financing opportunities, by type of potential beneficiary.

120. PA-level interviewees from MEIP reported that much more could be done to communicate information on OP achievements, based on monitoring outcomes, in a more dynamic way. They felt,

⁴⁸ Interview with OIPSI

⁴⁹ [RO Plan de evaluare AP \(fonduri-ue.ro\)](#)

for example, that communication of results in meaningful ways for the general public could be more systematic and explore possibilities of different media, such as TV and film. The obligation to send monitoring information regularly to the EC for use on the DG Regio Open Data Platform was said to have had a positive effect on the ESIF monitoring system in Romania, even if there are sometimes delays within the EC system itself in updating all relevant information.

2.2.6. Key tests of the monitoring system—EC audits and Performance Review

EC audit missions on three OPs

121. Desk research showed cases where EC audit missions identified shortcomings in the compliance of LIOP and OPC's OP monitoring systems in 2019. These audit missions focused on the LIOP and OPC AIRs prepared for 2017, highlighting for both OPs instances of:

- Incorrect selection/definition of certain performance indicators.
- Inaccurate reporting of performance indicators, with an impact on the Performance Framework.
- Insufficient audit trail when collecting data related to indicators for the AIR.
- Specifically for LIOP, shortcomings were identified in the monitoring of phased projects from 2007–2013, for which values achieved in the previous programming were reported for the current period, as well as cases of reporting only partially completed infrastructure as “completed.” Insufficient supervision by the MA of the reporting carried out by IB Transport was also highlighted as a failing.
- Additionally, shortcomings were identified in case of OPC in terms of lack of minimum information to be stored in MySMIS and insufficient differentiation in monitoring between more developed and less developed regions.

122. An earlier EC audit mission on OPDP in 2018 also identified failings in the OP monitoring system, including:

- verifications and on-the-spot checks not fully effective and/or not applied consistently
- absence of checks on the quality and reliability of data reported in the AIR
- delays in completing all other functionalities in the SMIS 2014 computer system
- insufficient staff in the OPDP MA, given the overlapping responsibilities with POCU monitoring

123. In relation to the EC scale of system audit categories, the EC auditors rated their findings in relation to the above, in some cases, as Category 2 “Works, but some improvements are needed” and as Category 4 “Essentially does not work,” in the most severe cases. The latter included LIOP PAs 1–2, where implementation tasks are delegated to the IB Transport (i.e., among the largest ESIF allocations of all OPs in Romania), as well as the entire audited part of the OPC management and control system.

124. As a test of the monitoring system's performance, the severity of the EC audit findings raises serious concerns. However, the interviews with institutional stakeholders indicated that almost all problems identified were subsequently addressed through a series of corrective measures by the MA/IBs in each case. From the interviews there was consensus that the monitoring systems for all the OPs examined currently fulfilled the basic EU (and national) regulatory requirements. AIRs for each OP are prepared, endorsed by the relevant MC and submitted to the EC on time, as are certifications of expenditure.

Performance Review process

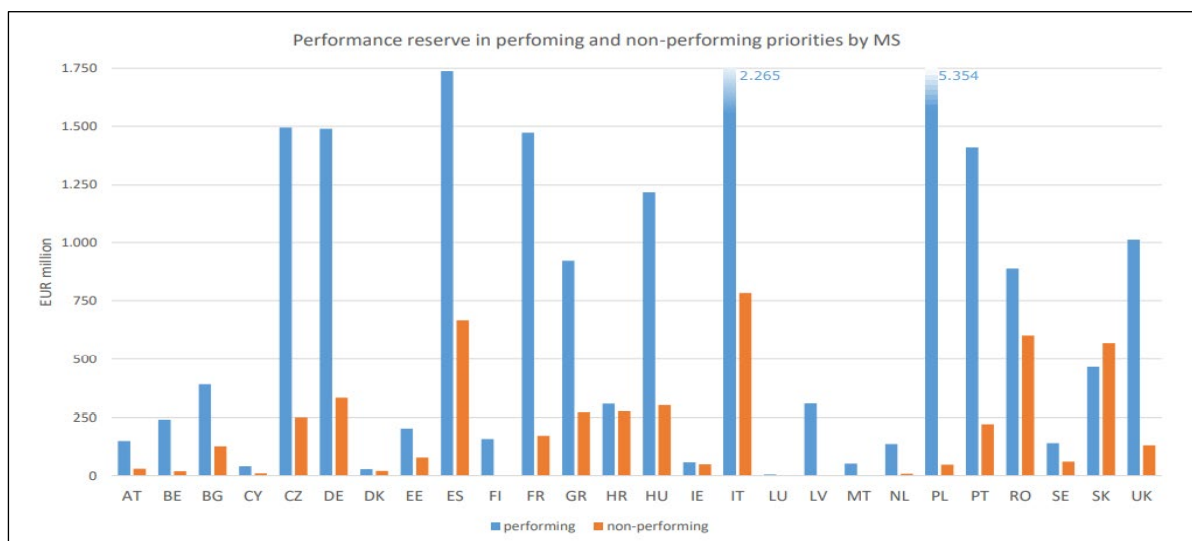
125. The 2019 Performance Review⁵⁰ represented an important test of Romania's ESIF monitoring system across all OPs. The goal was to examine OP implementation progress at the mid-

⁵⁰ Performance Review process - as described in Section 2.1.2 (Art.21 CPR 2014-2020)

term, in line with the original planning and make adjustments, through corrective measures, where needed. In this context, the Review provided the opportunity to judge whether the OPs were realistically able to achieve their objectives and minimize the risk of de-commitment wherever possible.

126. In Romania, the Performance Review identified a high proportion of under-performing IPs and had to reallocate substantial resources to better performing IPs as a result. Out of the 51 IPs included in Romania’s Performance Framework, 34 did not meet their 2019 milestones.⁵¹ Reasons include the late start of implementation (including in the context of late compliance with the ex-ante conditionalities), difficulties in setting up the necessary arrangements for certain interventions (e.g., integrated projects under OPHC, CLLD-type interventions jointly supported by OPHC and ROP, etc.), or the long implementation duration of infrastructure projects. As a result, Romania reallocated one of the highest amounts of the performance reserve of all Member States—in both absolute and relative terms—to better performing IPs, according to the EC (Figure 20). Out of the 34 IPs which did not meet their milestones, 19 were reprogrammed—12 ERDF, 6 ESF, and 1 CF.

Figure 19: Performance reserve in performing and non-performing priorities by MS

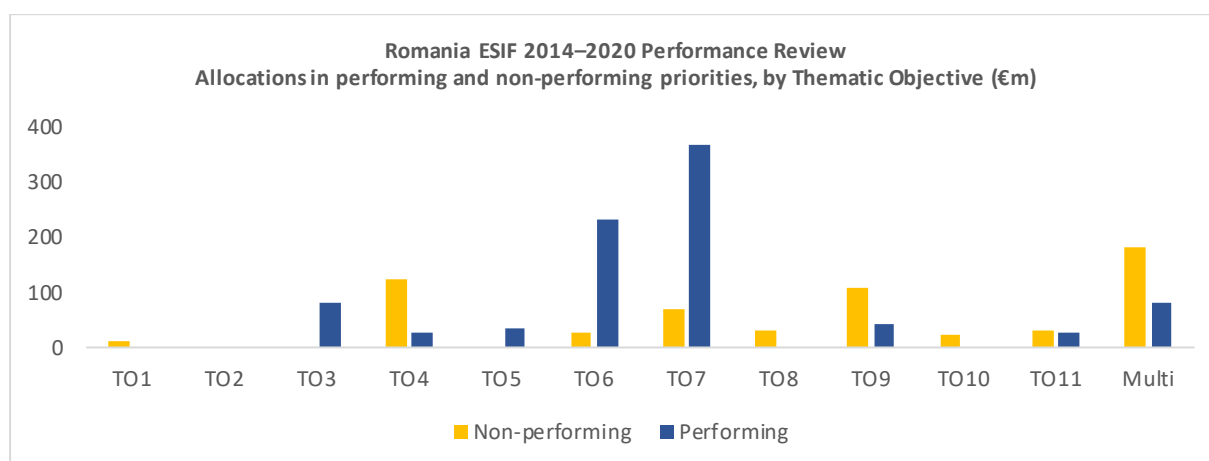


Source: [2_pr_results.pdf \(europa.eu\)](#)

127. Although the findings of the Performance Review were not positive for Romania overall, it can at least be said that the monitoring system itself enabled the exercise to take place by accurately identifying the under-performing and well-performing IPs, on the whole (Figure 21). The OP modifications which subsequently took place were necessary and de-commitment was avoided. One important exception, however, was OPC. Because of EC audit findings on the monitoring system and monitoring data mentioned earlier, the EC had sent a payment pre-suspension letter to the MA, so OPC could not undergo the Performance Review process. Interviewees from MEIP commented that they felt the Performance Review would have been more useful if delayed for one year, because of the late start of the OPs and to allow more focus on results than purely absorption aspects.

⁵¹ [V1 RAPORT PROGRES 2019 publicare.pdf \(fonduri-ue.ro\)](#)

Figure 20: Romania ESIF 2014–2020 Performance Review



Source: [2_pr_results.pdf \(europa.eu\)](#)

2.3. Analysis of strengths and weaknesses of the monitoring system

128. Bringing together the different elements of the assessment—in particular, comparing the interview and survey results with the evidence from the EC audits and Performance Review—enables a balanced view of the strengths and weaknesses of Romania’s ESIF monitoring system overall.

2.3.1 Key strengths of the monitoring system

129. A key strength of the monitoring system is its overall regulatory compliance. The institutional and procedural framework is formally accredited in line with EU regulatory provisions and subject to controls by the Audit Authority. Delegation of monitoring tasks from MAs to IBs generally works smoothly according to the procedures established. Where IB and JS structures are located in the territory the enhanced proximity to applicants and beneficiaries appears to be of high operational value for monitoring. Nevertheless, the system is not entirely without fault from the compliance point of view. The EC audits highlighted one instance of less than perfect MA control of IB activities, as well as cases of reporting errors not fulfilling regulatory requirements. These shortcomings have since been addressed and the system is stronger for the EC audit exposure. Compliance remains an important strength of Romania’s monitoring system overall.

130. The experience of MA/IB staff is an important strength where it exists, but it is not uniform across the system. For certain OPs, MA and IB monitoring staff have gained well over 10 years of experience with post-accession ESIF-type instruments. This is particularly true of institutions with low staff turnover, such as those housing the MA/IBs for the ROP and ETC programs, and IBs for parts of LIOP. This is an important strength, but it also reveals a weakness, as the situation is not the same throughout the system. In cases where new IBs have been set up and/or there have been substantial changes in the investment fields covered by OPs (e.g., OPC, OPHC), pockets of low experience can be observed. MEIP itself, which became MA for the first time in 2014 for 4 OPs, has relatively high staff turnover for a Ministry.

131. Some instances of good practice are identifiable, including the Indicator Guides prepared for several OPs (LIOP, ROP, OPHC, OPC, OPAC, OPTA), which represent an essential first step for MA/IB and beneficiary staff alike in understanding data monitoring requirements for their OPs. The Indicator Guides have also been useful in promoting an understanding of the intervention logic of their OP, upon which the entire data management system for monitoring is based. The outcome of EC audits suggests that the content of the Guides has not always been fully digested by all relevant actors, as was echoed by MEIP interviewees. Nevertheless, these Guides provide a good basis for a unitary interpretation of the OP indicators and should be classed as a strength. For better effect, such Guides

should be regularly updated on the basis of experience gained from specific cases and become the subject of detailed and systematic training of all key actors and the monitoring system for each OP.

132. There were satisfaction rates among beneficiaries with the personal attention and support they received from MA/IB staff to guide them through often complex monitoring processes. This was true of many OPs, with the staff of the ROP IBs, OPAC MA and ETC structures gaining particular credit for strong face-to-face or telephone contact and delivery of training to beneficiaries. With clearer procedures and guidance they need for such close contact could be reduced. Nevertheless, the human touch should not be underestimated when it leads so visibly to an increased trust of beneficiaries, a quicker understanding by them of their duties and in turn to a more efficient monitoring system.

133. ETC programs generally emerge as positive examples with high standardization in project monitoring procedures and a well-functioning, user-friendly EMS system. The risk management process built into the monitoring procedure for ETC projects represents a good practice that might possibly be extended to mainstream OPs. Under this procedure the (Joint) Technical Secretariat completes a risk register based on scoring criteria at the beginning of the project implementation period and updates it with each progress report submitted and each field mission undertaken.

2.3.2 Main weaknesses of the monitoring system

134. A certain lack of attention on results on the part of MC members and other decision-makers indicates that the culture of results orientation remains underdeveloped overall. This aspect was beyond the scope of the EC audits, but came up repeatedly during interviews with institutional stakeholders from most of the OPs. Decision-makers seem mainly concerned by questions of absorption and are not asking for information about results. Decisions on OP modifications tend not to be results-driven, including those after the Performance Review, which were mainly to ensure avoidance of de-commitment. To some extent, this may be a function of the stage of real implementation and relatively low proportion of larger projects from the 2014–2020 OPs that have so far reached completion. This situation, however, can be expected to change dramatically over the next three years.

135. Difficulties related to the design of reporting structures limit the effectiveness of the monitoring system. There is a need for the system design to focus more on higher-level policy objectives and linkages with national strategies. Better linkage with the broader macro 2030 Agenda and Sustainable Development Goals (SDGs), for example, was mentioned by participants in the 1st Focus Group Discussion.

136. The design of certain OP indicators also hinders effective results orientation. For ERDF/CF, the problem is related mainly to results indicators targeting changes in high-level national conditions (e.g., speeds on the entire TEN-T road network), rather than effects close to interventions themselves. For ESF, it is more a case of duplication between common and specific indicators, which leads to data collection problems.

137. The performance of SMIS during the 2014–2020 period as a whole is identified as a key weak point, placing substantial burdens on MA/IB staff and beneficiaries involved in monitoring. This has limited capacity for data collection, requiring certain MAs/IBs to operate parallel systems and divert time and attention from more results-oriented activities. The lack of interoperability with other national databases has meant further complexity even for basic monitoring and reporting tasks. It is understood that more recent developments in some of the SMIS modules have addressed many problems, but they have arrived late in the implementation period. Certain MAs/IBs who have developed parallel systems as workarounds are now reticent to abandon them and return to SMIS at this stage.

138. Other weaknesses identified highlight the complexity in processes and procedures for data collection and management, many of which also relate to IT systems. The interviews, surveys, and EC audits identified cases, under certain OPs, of duplication between financial and physical monitoring and instances of apparent over-checking of items of minor importance, with errors still appearing in key monitoring reports, such as AIRs. Efficiency problems of this kind were seen to contribute to staff overload, poor monitoring accuracy and ultimately threaten the overall effectiveness of the system.

139. Although the growing experience of MA/IB monitoring staff is evident, some gaps in key skills and competencies remain. Despite relevant training delivered to MAs/IBs during the implementation period, substantial training needs appear in key areas, such as data analysis. Specific technical knowledge is also lacking for monitoring officers working in the growing number of specialist fields supported by ESIF (e.g., technology transfer, renewable energy).

2.3.3 Summary of strengths and weaknesses

A summary of the main strengths and weaknesses of the monitoring system is set out in Table 7.

Table 7: Romania’s ESIF monitoring system 2014–2020, overall assessment

Strengths	Weaknesses
<ul style="list-style-type: none"> - Regulatory compliance throughout the system - PA-level working groups appear as good vehicle for exchanging ideas/practices 	<ul style="list-style-type: none"> - Emphasis on compliance and absorption risks less results orientation in the system - Lack of strong coordination overall—no coordination between ETC and mainstream
<ul style="list-style-type: none"> - Comprehensive framework of common and specific indicators in use—completion of Performance Review as a test of the system - Close internal monitoring of implementation stages (contracting, procurement, permits etc. as relevant) beyond formal indicator framework - Beneficiary Guides on indicators for most OPs (LIOP, ROP, OPHC, OPC, OPAC, OPTA) 	<ul style="list-style-type: none"> - Limits in the understanding of the use of certain indicators—despite guidance provided - Lack of results-driven complementarity between OPs - Specific results indicators used in certain OPs not always able to capture effects close enough to interventions (LIOP), or on target segments (OPC) - Some duplication between common and specific indicators - Insufficient emphasis on risk-based management/monitoring (except for ETC)
<ul style="list-style-type: none"> - OP-specific IT systems—e.g., POCUForm (partially) and certain ROP IB applications have provided practical solutions before SMIS modules operational, or not meeting OP needs - eMS system for ETC (except ENI) a successful model with good user-friendliness - SMIS programmers available to prepare system refinements for 2021–2027 - Hands-on support provided to the beneficiaries by MA/IB officers, in case of most OPs - Overall beneficiary satisfaction with MA/IB support, guidance and training provided 	<ul style="list-style-type: none"> - Shortcomings in SMIS and related central IT systems lead to needs for parallel OP-level systems and manual data entry etc. with negative impacts on efficiency - Some overlapping/excessive verification processes on projects remain (despite some improvements during the implementation period) - Complexity of reporting processes—lack of unitary format for MAs/IBs under the same Fund - Under-use of Simplified Cost Options limits the potential to improve monitoring efficiency
<ul style="list-style-type: none"> - Growing experience of the personnel involved in monitoring in MAs, IBs and beneficiaries - Staffing levels for monitoring generally considered adequate in MAs/IBs (but with notable exceptions) - Relevant training provided to MAs/IB staff (ETC and ROP are good examples), although some gaps still perceived 	<ul style="list-style-type: none"> - Institutional changes have led to some instabilities in staff deployment - Work overload frequently exceeds capacities in a small number of OPs (OPHC), leading to rushed recruitment processes in certain cases - Lacking overall vision on training needs and relevant training delivery—limited data analysis skills in MA/IBs and gaps in technical knowledge for specialist fields
<ul style="list-style-type: none"> - Some recent improvements in Monitoring Committee performance (OPTA, OPAC)—effectiveness of certain Monitoring sub-group structures (LIOP, OPHC) - Good interactions noted between some Monitoring Committees and certain National strategies (Public Administration, Digital Agenda) - Some examples of successful communication/publicity based on monitoring information 	<ul style="list-style-type: none"> - Overall, Monitoring Committees not proactively result oriented—decision makers seem currently preoccupied with absorption and less interested in results - Limited exchange of data between ESIF monitoring and broader national policy development in certain key areas (e.g., Roma/disabled persons) - Lack of ownership of communication agenda in certain (but by no means all) MAs/IBs

3. The Evaluation System for ESIF 2014–2020: Strengths and weaknesses

3.1. Assessment of the legal, institutional, and procedural framework of the evaluation system

3.1.1. Overview of the ESIF evaluation system

140. In the ESIF context, evaluation is conducted separately from monitoring but follows the same multi-level implementation structure. Based on EC requirements and guidance, the Romanian authorities have set-up a system with two types of Evaluation Plans—at the level of the Partnership Agreement and respectively for each OP. The evaluation function at PA level has a horizontal character and looks at improving the overall implementation of ESIF. This function is performed by the Evaluation Central Unit (PEO) and addresses horizontal themes for all OPs such as Europe 2020, GDP, unemployment, Country-Specific Recommendations, and EU Thematic Objectives, or key aspects relevant to implementation and coordination of funds. Evaluation at OP level is focused on specific aspects pertaining to OP implementation and the impact at the regional/sector level or the change at the level of the groups targeted. At this level, evaluation considers the implementation mechanisms and the horizontal aspects of the system in which the funds are implemented. These plans take a specific macro(OP level) and micro (project) level focus and address issues related to the specific objectives of the programs.

141. Evaluation has an important participatory component. There are four types of participatory bodies supporting the evaluation function: (i) Evaluation Coordination Committees comprise the main stakeholders for the topic and play a key role in the approval of the reports; (ii) the Scientific Committees are by MIEF and comprise experts (individuals and institutions) in the field targeted by the evaluation and support the evaluation unit in the quality assurance process; (iii) the Evaluation and Performance Functional Working Group is meant to ensure a common M&E approach across OPs; and (iv) the Monitoring Committee of each OP is central for ensuring the uptake of recommendations at OP level, as they should analyze the evaluations, issue recommendations to the MAs and monitor the actions that the MAs have taken as a result of its recommendations.

3.1.2 Main EU requirements

142. The EU regulations set out the role of evaluations. According to Article 54 of the CPR, evaluations must assess the effectiveness, efficiency and impact of the OPs and contribute to the improvement of their implementation providing information with respect to what works and what does not, and why. Existing regulations state that one of the primary tasks of an evaluation is to identify what can be directly attributed to the relevant interventions. Evaluation can also address the effectiveness of the mechanisms used, so as to identify options for improvement.

143. Evaluators must be functionally independent of authorities responsible for the preparation and the implementation of the program. The EC provides extensive guidance to Member States on how to set up and conduct the evaluation to ensure independence and impartiality, while also ensuring that evaluators are adequately acquainted with the interventions they assess. The EC considers it best practice to assign the evaluation to external experts or to an organization that is not responsible for implementing the program.

144. Evaluations should be carried out according to an Evaluation Plan reflecting the specific evaluation needs of the OP(s) concerned. As recommended by the EC, the OP Evaluation Plans for 2014–2020 should also include evaluations of impacts from the previous programming period (2007–2013). The types of evaluations foreseen in the EU 2014–2020 regulatory framework are the following:

- Ex ante evaluations (meant to improve the design quality of each OP)—responsibility of the Member State, with results to be integrated into the OP.
- Evaluations conducted during implementation to assess the effectiveness, efficiency, and impact (responsibility of Member State). At least once during the programming period, an evaluation should assess how support from the ESIF has contributed to the objectives for each priority. Evaluations across all OPs under the Partnership Agreement are also encouraged.
- Ex post evaluations (done by EC, or by the Member State in close collaboration with the EC).
- Ad hoc evaluations—as needed, for example, evaluations triggered by under-performance against the OP or Performance Framework targets.

145. Evaluation has a key role in supporting decision-making, for both implementation and designing future interventions. As such, evaluation should facilitate the consideration of findings by the authorities responsible for programming and implementation. To this end, the evaluation plans include a detailed strategy for communication and monitoring of the evaluation results. Three main target groups are envisaged:

- Those responsible for managing and conducting evaluations, namely evaluators, managers of evaluation, evaluation and scientific coordination committees, data providers.
- Users of evaluation: policymakers and social partners who use the results of the evaluation, supporting the process of formulating informed public policies; in this sense, evaluations and their follow-up must be examined by the MC and sent to the EC, preferably in electronic format.
- The general public, with an interest in good governance.

146. Key EU guidance documents for evaluation offer valuable support in designing and carrying out evaluations to ensure the appropriate level of quality. Examples of relevant guidance documents include: EVALSED: The resource for the evaluation of Socio-Economic Development—Evaluation guide,⁵² EVALSED Sourcebook: Method and techniques,⁵³ EC Guidance document on evaluation plans,⁵⁴ Concepts and recommendations (revised 2018),⁵⁵ Guide on ex ante evaluation,⁵⁶ Guidance for the Terms of Reference for Impact Evaluations⁵⁷ Other documents (e.g., Outcome indicators and targets, Good practices in selection and use of Outcome indicators; etc.),⁵⁸ etc.

3.1.2 Institutional framework for evaluation

147. Romania’s institutional framework for evaluating ESIF 2014–2020 operates at PA level and at the level of different OPs. The PA evaluation function is based on three pillars: Programs Evaluation Unit (PEO), the Evaluation Steering Committee (ESC), and the Scientific Evaluation Committee. Together, they are responsible for coordinating and implementing the Evaluation Plan of the Partnership Agreement, as well as monitoring and promoting the quality of evaluation activities throughout the entire evaluation cycle.

148. Individual or common evaluation units are set up for the OPs. For the four programs managed by MEIP (OPHC, OPAC, OPTA, LIOP), evaluation is performed by PEO. For ROP and OPAC, separate Evaluation Units are established within the OP MA structures housed in MDPWA. Another Evaluation Unit, also in MDPWA, is responsible for the evaluation function across all the ETC programs.

⁵² https://ec.europa.eu/regional_policy/sources/docgener/evaluation/guide/guide_evalsed.pdf

⁵³ https://ec.europa.eu/regional_policy/sources/docgener/evaluation/guide/evaluation_sourcebook.pdf

⁵⁴ https://ec.europa.eu/regional_policy/sources/docoffic/2014/working/evaluation_plan_guidance_en.pdf

⁵⁵ EC Guidance Concepts and Recommendations—[guidance_monitoring_evaluation_en.pdf](https://ec.europa.eu/regional_policy/sources/docoffic/2014/working/ex_ante_en.pdf) (europa.eu)

⁵⁶ https://ec.europa.eu/regional_policy/sources/docoffic/2014/working/ex_ante_en.pdf

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https://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/guidance_tor_impact_evaluation_102_013.pdf

⁵⁸ https://ec.europa.eu/regional_policy/en/policy/evaluations/guidance/#2

This is a changed approach compared to the previous programming period (when Evaluation Units with 1-2 persons were active at the level of each MA), with potential effects on the planning and effectiveness of evaluation, as well as with regard to ownership and take-up of results.

149. The PEO, established within the MEIP, aims to ensure a coordinated national evaluation system, develop evaluation capacity across all OPs, and plan and manage the PA's evaluations. The PEO is part of MEIP's General Directorate for Programming and System Coordination, and performs the evaluation function for the four OPs for which MEIP acts as the MA (LIOP, OPC, OPHC and OPTA). PEO designs and coordinates the implementation of the evaluation plans of those OPs. It also coordinates evaluations at PA level, covering horizontal or transversal aspects such as complementarity of funds, partnership arrangements, capacity related issues or administrative burden. Evaluation of the Danube Delta ITI is also foreseen in the context of the evaluations planned for PA level, as part of the examination of complementarities between Funds and integrated approaches. Progress in meeting targets of indicators included in the PF of the OPs is also assessed commonly for all OPs.

150. ESCs are set up for each OP or evaluation theme of the Partnership Agreement. They bring together the main actors—public institutions or economic and social partners—interested in the results of a given evaluation, or essential for the achievement of planned evaluations, such as data providers. For the specific case of the ESC for the Partnership Agreement, five Thematic Committees are established (one for each evaluation theme), supporting PEO in ensuring the quality of analyses. The main responsibilities of the Evaluation Steering Committee include:

- Checking that the evaluation meets the information needs (by reviewing the ToRs proposed by the Evaluation Units and the initial, progress and evaluation reports prepared by the evaluators);
- Providing the necessary information to carry out the evaluation;
- Participating in discussing the evaluation results;
- Presenting opinions on the clarity of the reports.

151. The ESC plays a key role in the approval of evaluation reports. Usually, there are two meetings of the ESC—one for inception and one for analyzing and approving the report, but there might be more, depending on the evaluation theme and the needs. The ESC analyzes the recommendations made by the evaluators and decides which should be implemented and the responsibilities in this regard. As such, it acts as a forum for discussing the recommendations, but also sets the stage for further ownership by the actors concerned (i.e., authorities that would need to implement the respective recommendations). Recommendations selected for implementation are also registered in a dedicated (electronic) registry, for easier follow-up. Such registries are set-up at the level of each MA and at the level of MIEP (Programming and Analysis Directorate) and progress is reviewed quarterly (by the MA or, respectively, by MIEF for the recommendations pertaining to their specific OP/PA) or yearly by BEP for all recommendations. Status of implementation of recommendations is also presented in the Monitoring Committees/CCMAP. As part of the yearly review by BEP, delays of more than 6 months in implementing recommendations are flagged and further assessed in a dedicated meeting of the ESC. A decision is thus made with regard to whether the recommendation is still relevant and, if the case, analysis of impeding factors and necessary steps for implementation.

152. The Scientific Committee supports the Evaluation Units and the ECS in ensuring evaluation quality in the essential stages. The responsibilities of the Committee include completing ToR for procuring evaluations with regard to the feasibility of the subjects proposed for evaluation ('evaluability') and the approach foreseen, acceptance of the methodology proposed by the evaluator and approval of the different versions of evaluation reports. In this regard, the Scientific Committee has a key role in verifying the accuracy of the data used in evaluations, the quality of analysis and the objectivity of conclusions. Contribution of the academia as part of the overall process is an important

gain brought by the set-up of Scientific Committees, with potential gains in terms of overall quality of the evaluations, but also with regard to the information exchange process.

153. The Functional Working Group for Performance Assessment (FWGPA) at PA level plays a key role in coordinating evaluations. As such, it aims to harmonize the different approaches and the guiding elements in the field of performance evaluation—i.e., Performance Framework, indicators, statistics, reporting, financial management, forecasts. It also looks at ensuring the coordination, complementarity and synergy among the different OPs, in terms of both evaluation activities and provisions of the Evaluation Plans.

154. Beyond Romania's institutional structures, is the Romanian evaluation network—an unregulated professional community, which aims to enhance evaluation culture and promote evaluation quality by facilitating the exchange of experience between practitioners. The evaluation network was built up as part of ongoing technical assistance and currently is developing its organization and functioning. Its activity is coordinated by the FWGPA. The evaluation network includes evaluation managers and people with key roles in the field and aims to promote quality in the evaluation process and the development of an evaluation culture overall. Currently, the network heavily relies on the involvement of its members in actively supporting a collaborative approach to facilitating learning and strengthening capacity. Moreover, the coordination role of the network, the commitment to build governance and strengthen capacity in this area is yet to be assumed. While this is essential for the institutional and financial sustainability of the network, it is considered that BEP capacity in this respect is insufficient. Financing of the network is another aspect that, while currently solved (as the network is financed by the TA project) can significantly impede the sustainability of the network once the TA project is finalized.

155. Overall, the governance of the evaluation system seems adequate in terms of design and participation. There are enough elements in place, institutionally and procedurally, to enable an appropriate response to new developments and identified needs, and to facilitate transparency and accountability. Evaluation units are established to ensure that evaluation plans are implemented at OP and for PAs. Similarly, management structures, relevant stakeholders and the scientific community are involved in designing and implementing evaluation plans for ESIF. Overall appreciation of the role and strong contribution of the PEO in MEIP was evident from the interviews that were part of the assessment. Coordination Committees and the Scientific Committees add value to the set-up of the ESIF evaluation system, by opening up the process to external stakeholders and involving the academia. The MEIP Director General for Monitoring and Evaluation noted that the Scientific Committees were useful especially for evaluation managers in assessing the quality of evaluation reports, without replacing their responsibilities, but giving insights on specific policies or methodological issues.

156. The mechanism created for monitoring the implementation of evaluation recommendations could be further improved. Under this mechanism, registries with evaluation recommendations to be implemented are set-up at the level of each MA and at MEIP. Progress on their implementation is then supposed to be reviewed quarterly by each MA/MEIP and yearly by the PEO for all recommendations. The status of implementation of recommendations is also presented in each respective OP MC / CCMAP. As part of the yearly review by PEO, delays of more than 6 months in implementing the recommendations are to be signaled and the status further assessed in a dedicated meeting of the ESC. The relevant MA/MEIP then takes a decision on whether the recommendations in question are still relevant and analyses impeding factors and necessary steps for implementation, as relevant. However, as shown by the results of the 2018 OPTA evaluation, these procedures are only partially implemented, and it remains unclear how monitoring of recommendations is carried out in practice. The evaluation notes that the MA/IB interest for the topic is low, due to the lack of evaluation culture

and the theoretical/abstract approach of evaluation reports⁵⁹. So while the current European and national legislative framework and the ESIF evaluation policy provide the pre-requisites for overall sustainability in the evaluation process, real sustainability in the field can only be achieved if sound evaluation recommendations are actually implemented.

157. Enhanced coordination of the evaluation process at the level of the different OPs can potentially lead to optimized use of resources and increased impact of funds. Coordination between the evaluation Units for the ROP, OPAC and ETC programs and the PEO in MEIP is currently achieved in joint activities. These include participation in the ESC for MEIP evaluations relevant to them, the PA-level Evaluation Working Group and evaluation-related trainings organized by MEIP. Arrangements in this regard are yet to be improved for enhanced effectiveness. These could include common evaluations, data exchange, common analysis and follow up of recommendations, etc. Coordination of the institutions responsible for implementing the recommendations can also be beneficial, together with the exchange of relevant information on good practices or, if the case constraints.

158. However, the system's performance is not always optimal, possibly indicating the need for a series of changes at the institutional level. As shown in Section 3.2 of this report, both efficiency and effectiveness of the evaluation processes could be further improved. As also recognized by the consultations, the centralized approach to evaluation (i.e., one single evaluation unit for more OPs) may count for one of the reasons for the limited ownership and use of evaluation results. A stronger involvement of the MAs in the overall process, starting from the identification of evaluation needs and regarding the implementation of results is essential in the process. Evaluations should strongly support the decision-making process, in terms of both programming and implementation related aspects. As such, the set-up of individual Evaluation Units at OP level, closely linked to the programming departments of each MA could lead to important gains in terms of both efficiency and effectiveness of the process.

3.1.3 Evaluation plans and related procedures

159. Procedures for drafting the Evaluation Plans have been developed to cover each mainstream OP and the ERDF CBC programs. MEIP elaborated a unitary procedure for the four OPs for which it is MA, whilst individual procedures were elaborated by the MAs for ROP and OPAC, with the single Evaluation Unit for the IPA and ERDF CBC programs developing a unitary procedure for the ETC programs. These procedures allow for a “participatory process, with the involvement of partners,” as foreseen in the EU regulations. Arrangements for the dissemination of the evaluation results and for enhancing the use of findings are also included, such as action plans with proposed measures for the implementation of evaluation recommendations, as well as annual meetings for discussing progress.

160. Evaluation Plans are in place for each program⁶⁰ and embrace all relevant topics, including implementation aspects and impact. The Plans cover impact evaluations for the 2014–2020 period, as well as for 2007–2013 period. For the mainstream OPs, two/three rounds of impact evaluations are foreseen for each IP included in the 2014–2020 OPs, as to understand program progress. Coverage of evaluations, in terms of priorities, is also comprehensive, including both sectoral and horizontal themes; while not directly specifying the themes for which ad hoc evaluations are to be carried out, the plans leave the possibility for such evaluations (including part of larger evaluations lots, with an open provision, based on the needs).

161. The Evaluation Plans include the evaluation strategy, main evaluation themes and recommended methods as well as arrangements for the governance of the Plan. The primary objective of the evaluation plans is to support evidence-based decision-making. They are designed to

⁵⁹ OPTA evaluation, 2018

⁶⁰ The ENI CBC programs are an exception because the evaluation is performed by the European Commission.

support the preparation of progress reports to be submitted to the EC, including the conclusions and findings of evaluations. Plans also seek to improve the quality of evaluations through appropriate planning, including by identifying the evaluation's data needs, for evaluations and facilitating data collection planning, and by ensuring adequate funding and management resources are available for evaluations. Based on the OP content, the plan includes a number of evaluation themes.

162. The Evaluation Plans incorporate the proposed methodology for the evaluations foreseen. The methodology has a compulsory character, which in some cases, is highly detailed. Wherever possible, there is a combination of counterfactual with theory-based methods. The assessment showed that the most rigorous methodological requirements are in those evaluations managed by the Evaluation Central Unit from MEIP. The Terms of Reference (ToRs) created by MEIP go into great detail, highlighting the minimum of the evaluation methods and topics to be included on each evaluation question. On the other hand, MDPWA is more flexible in its evaluation plans for ROP, OPAC and IPA and ERDF CBC programs, only suggesting methods that can be used and leaving it to the evaluators to develop the evaluation matrices.

163. In addition to detailed guidance at EU level regarding the methodological approach for evaluation, Romania has issued a national guidance specifically related to evaluation planning. The main items in this regard include the OP evaluation plans (which provide guidance for future contractors on the methodology for evaluation, arrangements for assessment and approval of evaluation reports, as well as for the dissemination of evaluation results) and the Procedure for evaluating the Partnership Agreement and the OPs falling under MEIP responsibility (MEIP, May 2018).

164. Data for evaluations are gathered from the electronic systems, from national statistics and from other sources. SMIS, eMS and other OP-specific instruments provide the main data for the evaluations. However, challenges were reported by evaluators both in respect to access and to data quality. Other data is gathered by the independent evaluators during the evaluation exercise, using different methods. As shown below, this can translate into quite a burdensome exercise, with effects on both efficiency and effectiveness of evaluation.

165. The procedural set-up is generally in place and designed to ensure the quality of the evaluation process. Overall appreciation of the role and strong contribution of the PEO in MEIP was evident from the interviews carried out as part of the assessment. The EC Evaluation Helpdesk supporting DG REGIO and DG EMPL noted during its latest peer review meeting with Romania, in February 2021, that the impact evaluations on the 2007-2013 period had made a serious attempt to assess the effects of interventions by using advanced methods in most cases, including counterfactual analysis in some⁶¹.

3.2. Assessment of the performance of the evaluation system

3.2.1. Progress in implementation of Evaluation Plans

166. Implementation of most Evaluation Plans for the 2014-2020 period is delayed due largely to public procurement, institutional reorganizations and/or changes in specifications of expertise required for participating in tenders. Nevertheless, almost all evaluations covering the 2007–2013 period have been completed. Of the 48 evaluations published since the beginning of 2015, 24 relate to the 2007–2013 period, of which 20 are impact evaluations. Regarding the 2014–2020 programming period, most of the evaluation topics included in the dedicated OPTA, OPHC, LIOP, OPAC, ROP and ETC Plans have been addressed in the 24 evaluations carried out. Evaluations have been carried out at PA level, looking at horizontal and coordination aspects for all Funds. The consistency and relevance of

⁶¹ EC Evaluation Helpdesk 2014-2020 (2020CE16BAT061), Summary report of online meeting, Romania, 26 February 2021

OP level evaluations is influenced by the generally low maturity of the project portfolio. For example, in the case of the ROP 2014–2020, the first set of evaluations designed to measure impact had to focus instead on implementation related aspects, due to slow progress or the nature of the investments to be covered (i.e., infrastructure, for which impact can only be assessed later on in the process). In terms of distribution by Fund, just six of these are on ESF or YEI-financed programs, the other 23 on ERDF and/or Cohesion Fund OPs, as shown in Table 8.

Table 8: Evaluations completed, by type, fund, and programming period

Period and Fund concerned by evaluation	2007–2013				2014–2020				Both periods				
	ERDF+CF	ESF+YEI	Multi-Fund	Total	ERDF+CF	ESF+YEI	Multi-Fund	Total	ERDF+CF	ESF+YEI	Multi-Fund	Total	Overall
Impact-oriented (I)*	17	2	1	20	2	1	0	3	0	0	0	0	23
Process/implementation-oriented and/or Monitoring/progress oriented (P+M)	0	4	0	4	18	5	0	23	0	0	0	0	27
Total	17	6	1	24	20	6	0	26	0	0	0	0	40

Source: EC Evaluation Helpdesk updated ⁶²

*Although evaluations under ROP are intended as impact oriented, lack of relevant data led to their classification as “process/implementation and monitoring oriented”

167. Progress varies by OP, with ROP accounting for the most evaluations completed for the current period. As of September 2020, 18 evaluations had been completed under ROP. This may also be due to the arrangements set for evaluation under this OP, i.e., one contractor per evaluation exercise covering all the relevant themes and a less rigid methodological approach. For the other OPs financed from ERDF/CF there have been particularly acute delays in contracting evaluations in highly ‘technical’ thematic areas for 2014–2020, such as LIOP interventions in the field of energy, as well as for OPC in general, for which there are still no evaluations close to completion. For ESF/YEI, the four completed evaluations for 2014–2020 include coverage of NEETs interventions under OPHC, but also three evaluations on OPAC. The evaluations regarding interventions for NEETs were ad hoc. The evaluations under OPAC correspond to the three SOs of this OP. Two more evaluations are underway under OPHC, for the interventions in the field of Social Inclusion and Technical Assistance.

168. A contract⁶³ was signed by the MEIP PEO, supporting capacity development in the field of evaluation. The contract finances the set-up and functioning of the evaluation network, as well as other relevant capacity development activities for the staff with responsibilities in the evaluation field (e.g., training, needs assessment, etc.). It also included a testing exercise, looking at assessing completeness and accuracy of administrative data sets necessary for evaluations of OPAC, OPDP, ROP, OPTA, OPC, LIOP, OPHC 2014–2020, as well as for POSDRU 2007–2013. The test results were disseminated to the MAs in order to correct errors and were presented in workshops. The contract was also used for supporting an internal evaluation, by the MEIP Evaluation Unit, of the Youth Employment Initiative and for the internal evaluation of the governance of the ITI mechanism for the Danube Delta.

169. Assistance was also provided on how to access advisory services for establishing the evaluation system and the post 2020 system of indicators. The Scientific Committees related to the

⁶² EC Evaluation Helpdesk 2014–2020 (2019CE16BAT044), ‘Evaluations of Cohesion policy programs published in 2014–2020 period—Country Fiche for Romania (October 2020)

⁶³ ERNST&YOUNG SRL, QURES Quality Research and Support SRL and the National Institute for Scientific Research in the field of Labor and Social Protection (INCSMP), GREENSOFT (subcontractor).

OPHC Education, LIOP Transport, and POCU programs were mobilized and scientific reports were drawn upon the quality of the evaluation or evaluation reports for ongoing evaluations for POCU Employment, POAT, and Environment POIM. These reports aimed to contribute to increasing the scientific rigor of the evaluation exercises.

3.2.2. Efficiency of evaluation processes

170. Evaluation reports often lack the required quality, being too long and not focused on actionable solutions. Lack of operational usefulness of evaluation reports was identified repeatedly as an issue by institutional stakeholders during the interviews, often due to excessive length and too general recommendations. A recent evaluation of the OPTA, for example, is 900 pages long. Whilst some LIOP stakeholders noted the evaluation conducted into its 2014–2020 transport interventions contributed to a better alignment with the priority projects defined by the General Transport Master Plan, most highlighted that evaluation results arrived too late (toward the end of the OP commitment period). The OPAC MA observed that in addition to the late timing, the recommendations provided in evaluation reports are perceived as very general and their lack of specificity and novelty prevents their implementation. The recommendations for OPAC were not considered helpful (e.g., the recommendation to launch new calls). The same situation was encountered in evaluations of ETC programs, as some recommendations are considered for the next programming period.

171. The quality of tender documentation for evaluations is steadily improving with support from the EC Evaluation Helpdesk. Two impact evaluations, respectively on Employment and Education for the 2007–2013 OP Human Resource Development (POSDRU) were peer reviewed at the request of the MEIP PEO, with the support of the EC Evaluation Helpdesk service. The external experts involved in the exercise praised the quality of the ToR overall. However, in terms of efficiency, they found their specifications to cover too many topics (e.g., vocational training Continuous, Entrepreneurial Culture, ANOFM Capacity, Active Employment Measures, etc.) and recommended division into separate, smaller contracts, as well as shorter report lengths (maximum 150 pages). They also felt the indicative methodologies presented in the ToR were too detailed, leaving limited room for tenderers to come with their own perspective. A further peer review carried out by experts from the EC Evaluation Helpdesk in February 2021, focusing on an evaluation of research, development and innovation interventions under OPC 2014-2020, noted improvements in the ToR in relation to the latter issue. The Helpdesk experts considered that the ToR in question did indeed give tenderers sufficient freedom to elaborate their own approaches. However, they also felt that further detail could have been provided on available data and data still needing to be collected, as well as greater clarity on the key causal links to be verified/tested as well as an indication of the likely difficulty of doing so, given the data available⁶⁴.

172. Selection criteria were found at times to be either too restrictive or insufficiently adapted to the scope of evaluations.⁶⁵ Evaluation criteria for experts can be too restrictive and difficult to meet, limiting participation in tenders for newcomers, or younger people with less experience. The EC approach for the entire pool of experts may be an option to consider, where expertise is assessed cumulatively. Other selection criteria⁶⁶ may also need to be adjusted for increased quality of evaluations. Cases were highlighted where experts carrying out evaluations were not sufficiently qualified in the relevant subject matter. One such shortcoming was signaled under ROP PA 1—Promotion of Technology Transfer, but also on a more general note (highlighted as part of the consultation process). Evaluation budgets and corresponding payment conditions are crucial for

⁶⁴ EC Evaluation Helpdesk 2014-2020 (2020CE16BAT061), Summary report of online meeting, Romania, 26 February 2021

⁶⁵ As per consultations carried out with members of the evaluation network (representatives of the academia, research environment, consultancy companies, evaluators)

⁶⁶ e.g., no. of publications per expert, member of academia

market actors and current arrangements in this regard were said to favor the participation of large companies with larger financial reserves.

173. According to the consultations, streamlining the overall planning of the process could further increase evaluation relevance and quality. There is a need for an increased flexibility of evaluations, which should go beyond the minimum required by the regulations and look at specific aspects that can support planning, implementation, etc., in line with the needs identified by the beneficiaries of evaluation. To this end, the use of large-scale evaluations can be mixed with the use of small-scale contracts that allow a more innovative approach and may have a higher flexibility to respond to the identified needs. While large evaluations are good for accountability, small evaluations are good for learning. However, evaluations which are too large may be difficult to integrate by both PEO and MAs. The frequency of evaluations should also be adjusted to allow assessment of problems in a systematic manner and identification of changes over time. To support the planning and implementation process and enable predictability and a clear calendar should be available. This could also benefit the market and in the long term, support capacity building and development.

174. Cumbersome and lengthy public procurement processes lead to significant inefficiencies, impacting directly the effectiveness of the evaluation system. Along with current planning arrangements, these issues may result in a generally low demand for evaluation and lack of predictability. The way evaluations are tendered prevents contractors from planning adequately and is considered to hinder capacity building efforts in this area. Public procurement recurred throughout the interviews as one of the main factors of why ESIF evaluation in Romania seems not to realize its full potential.

Availability of data for evaluation

175. There appear to be significant inefficiencies in data gathering for evaluations, with evaluators spending excessive time generating data, which should be more automatically accessible from the outset. Lack of publicly available and/or interconnected databases and limited efforts to support data collection at the central/MA level were mentioned by stakeholders from different MAs. Major constraints were reported in this regard, particularly in connection with the Education sector, where a collaboration protocol with the Ministry of Education, proposed by the MEIP PEO, was not concluded satisfactorily.

176. Problems regarding data availability pertain to the entire administration, not only for evaluation. Problems relate not only to general data availability, but also to the fact that relevant datasets are not often at the level of disaggregation needed or are not stored in a way that allows timely and correct extraction. Particular difficulties were highlighted about obtaining data for intensely quantitative activities, such as counterfactual evaluations. Limitations in data availability were said to often lead to adjustments of the methodologies and instruments used for evaluations, with effects on their overall quality and relevance.

177. A functional mechanism for collecting and accessing data at all levels is needed. Data suppliers need to clearly understand their role in the overall system and efforts to collect data should be systematic, not just when evaluations are carried out. The role of the academia should be further enhanced regarding data collection, as well as data interpretation for further analysis. Interconnection of databases of different actors starting from the local to the national level is essential in this area. MEIP PEO indicated that it had long term plans in this regard, including improving access to national registers and harmonising systems to link different national data sources. EC Evaluation Helpdesk experts suggested that it could be useful to put arrangements in place to collect data for rigorous

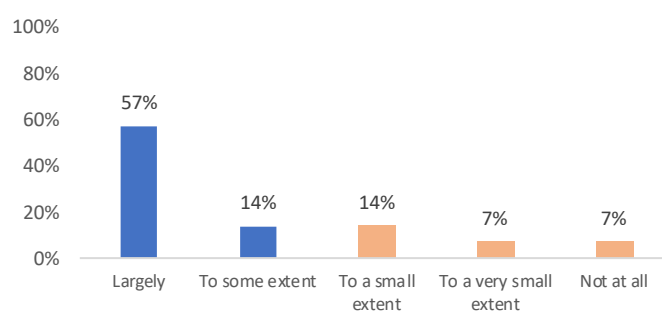
impact evaluations as part of the monitoring requirements – i.e. to reduce limitations related to ex-post cognitive recollections of ‘what happened’ in the past, when interviewing key stakeholders⁶⁷.

Dissemination of evaluation results

178. A largely compliance-type approach toward the dissemination of information on evaluation results was observed overall, although the involvement of Evaluation Steering and Scientific Committees offers possibilities for greater proactivity. The assessment revealed that the presentation of evaluation findings in the OP MCs, as required by the EU regulations, remains a formal exercise in most cases, often perceived by the MC members as having low importance. However, analysis of recommendations in the Evaluation Steering Committee, as well as discussion of evaluation findings in the Scientific Committees, can together promote an enhanced awareness of evaluation results. Evaluation Unit members interviewed mentioned possibilities for added use of evaluation results as part of further studies and research, given the presence of representatives of the academic institutions in the Scientific Committees and felt that use of such channels could be enhanced.

179. Other dissemination means are also used, including a dedicated web page for evaluation where all reports, or at least executive summaries, are published. Also useful are the relevant sections of the websites of each OP, notably the results evaluation section included in the presentation of each OP, which was reported to usually be more up to date than those in the website (evaluare-structurale.ro). In addition, launch and closing conferences for evaluations undertaken are used for dissemination purposes. Overall, dissemination of evaluations was deemed adequate by respondents to the IS. 71 percent of actors consulted considered that findings of evaluations have been disseminated at least to some extent (Figure 22).

Figure 21: Perception on dissemination of evaluation results



Source: IS.

180. The Evaluation Network could play an important role in disseminating evaluation results, furthering exchange of good practices and know-how on evaluation. Such an approach depends heavily on how the network evolves in terms of its role across the system, as well as its capacity to attract and maintain a sufficient pool of members, that could foster—through their expertise—the value added of the network.

3.2.4. Adequacy of administrative capacities

181. While staff numbers across the OP Evaluation Units are considered adequate, further improvements are needed regarding their specific skills in data proficiency. Data collection, validation and analysis and statistical skills, as well as the elaboration of ToR based on needs identified

⁶⁷ EC Evaluation Helpdesk 2014-2020 (2020CE16BAT061), Summary report of online meeting, Romania, 26 February 2021

by the evaluation beneficiaries, are among the areas highlighted for further development during the interviews with Evaluation Unit staff. More effective sectoral specialization is also needed in cases where OPs cover diverse investment fields.

182. The PEO in MEIP manages training and capacity building actions for evaluation-related personnel, open to all OPs, as well as the ESC and FWGPA members. Several training sessions took place during the reference period as part of the ongoing TA project for capacity building, on subjects such as: theory of change, evaluability, evaluation quality control and indicators for monitoring and evaluation. A total of 86 participants were registered for these training sessions, of which 17 members of different OP Evaluation Units, 34 members of the ESCs and 35 members of the FWGPA. OPs with their own Evaluation Units (ROP, OPAC), as well as ETC programs also organize their own trainings.

183. OP MAs located in MEIP acknowledge the competencies of the MEIP Evaluation Unit, but they would prefer to have their own evaluation capacities in-house. Several interviewees from these OP MAs said they felt that having their own in-house evaluation capacities would help them respond better to emerging needs, particularly where OPs cover highly specialized and/or technical investment fields.

184. For OPTA, the merger of MEF with MDPWA and subsequent re-separation, as well as the transfer of IBs from one ministry to another were said to have had an adverse effect on evaluation capacities. The OPTA MA noted that these changes affected the availability and consistency of staff data relevant for their evaluations. The process of cleaning and aggregating data to bring them to the format and structure needed for statistical analysis was reportedly long and demanding in terms of human resources and time.

185. Some uncertainty regarding the future was noted from the interviews with the ROP and OPAC Evaluation Units. With the creation of 8 regional level MAs for the next program period the future of the current ROP Evaluation Unit is not clear. A similar situation exists for the OPAC Evaluation Unit given the decision not to continue with administrative capacity development as a separate OP for 2021–2027.

186. The availability on the Romanian market of evaluators with suitable capacities is limited, with the same small number of companies competing for the existing tenders.⁶⁸ The working language for evaluations was changed from English, during the 2007-2013 period, to Romanian for 2014-2020. This has served to reduce the interest of international consultancies and has left the market to domestic companies, which are limited in number and often without the expertise required⁶⁹. Some calls for tender on particular topics, such as energy or ICT, did not elicit any proposals from domestic markets. They are now being implemented with the World Bank support. Lack of predictability and insufficient demand were further reported as important problems affecting capacity on the market. For example, there have been two breaks of two years when no evaluations were tendered, interspersed with the frantic workload during busy periods. Romania's education system was also mentioned as possibly failing to equip young people with critical thinking skills and the ability to adequately analyze information. Budgetary limitations within the projects, limiting possibilities to bring in non-Romanian expertise, were also recognized as constraints by some stakeholders.

187. In terms of qualifications, further development is needed to increase the quality of evaluations, and enhance the use of results. Formulation of useful recommendations for beneficiaries, specializing in innovative areas and data analysis, are key areas where evaluators need to further improve their skills. Such specialized areas were also highlighted as needing more in-depth

⁶⁸ Source: Interview with evaluation network members (February 2021)

⁶⁹ EC Evaluation Helpdesk 2014-2020 (2020CE16BAT061), Summary report of online meeting, Romania, 26 February 2021

evaluation approaches to enhance added value, including: contribution analysis, qualitative comparative analysis, outcomes harvesting, further use of advanced counterfactual methods, cost-effectiveness analysis, modelling, visual data analysis, etc. According to the interviews with evaluation network members, the generalist approach is not seen as a viable, competitive option anymore. Versatility and adaptability are also increasingly valued for providing answers that the evaluation client can use.

3.2.5. Effectiveness of the evaluation system

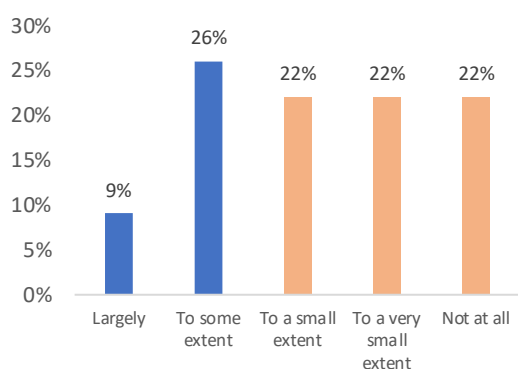
Engagement of decision makers with evaluation results

188. Evaluation tends not to figure prominently on MC agendas and seems to rarely be discussed in-depth. MA/IB stakeholders interviewed mentioned that evaluation findings were presented in a format that was too extensive to be digested by MC (ROP), or that too little time was devoted to the discussion (OPHC). MCs do not often formulate recommendations about following up evaluation findings. Stakeholders from two OPs (ROP and OPAC) felt that the focus on evaluation in MC meetings depends largely on the EC representatives’ specific interest in the topic(s) in question.

189. Lack of ownership of evaluation processes was noted from MAs of OPs for which the evaluation function is performed by the PEO. The OPTA MA stakeholders, for example, praised the PEO’s work in preparing procurement documentation and involving the MA in the process. However, they also pointed out that once an evaluation project is contracted, the involvement of the MA is significantly reduced. They felt it would be useful to have dedicated staff in the MA to conduct evaluations that are more relevant for them—also to conduct them whenever needed, not only depending on the evaluation plan. Some stakeholders from certain IBs (e.g., Education under OPHC) and members of MA monitoring departments (e.g., OPC) claimed they were not involved in developing the evaluation plan for their OP. Some even questioned its relevance for this reason.

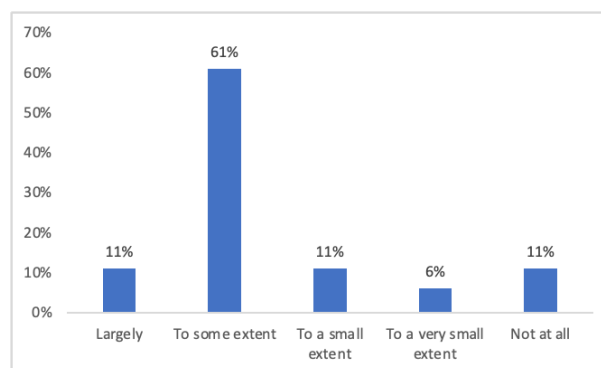
190. Awareness of the evaluation plan provisions remains limited at the level of the actors consulted. Less than a tenth of the institutional actors consulted were familiar with the evaluation plans, with about 66 percent of respondents declaring they know the plans to a small or very small extent, or never saw the plans (Figure 23). As regards the status of implementing the plans, about 11 percent of the respondents believe that the plans have been largely implemented, while about 28 percent consider that this happened only to a small extent or no evaluations have been carried out (Figure 24).

Figure 22: Awareness of the evaluation plan



Source: IS.

Figure 23: Perception of evaluation plan’s implementation status



Source: IS.

191. Ownership and accountability are key for enhancing the use of evaluation results. Evaluation is still generally perceived as a formal requirement and this significantly impacts the perception of evaluation relevance and utility. While the institutional set-up is in place for the take-up of evaluation results in the form of the Evaluation Steering Committees, its operationalization remains limited. Interviews with institutional stakeholders indicated that even if Ministries formally approve recommendations in an Evaluation Steering Committee, this is usually not enough to ensure their enforcement. Ministries are generally represented only technical level in these Committees and many evaluation recommendations imply high-level changes in public policy, rather than changes at the operational level.

Utility of evaluation results for OP implementation

192. While it may be too early to analyze the full extent to which evaluation recommendations have been followed for the 2014–2020 period, the general view is that results are used only to a small extent. Whilst the assessment revealed some examples of evaluation recommendations having an impact on the implementation of the current OPs, these were tempered by negative views emerging from the interviews on the utility of evaluation results so far.

193. Only a few cases of 2014–2020 evaluation recommendations being implemented successfully are so far evident for current OPs. The evaluation of OPHC made 11 recommendations on YEI implementation, of which 6 were considered implemented and 5 were said to be under implementation—marking significant progress over the previous year. Most of the recommendations that are implemented refer to increasing the duration of project implementation and reducing the targets of some indicators. One recommendation led to the proposal to increase the age targeting of NEETs between 24 and 29 years. Among the recommendations not yet implemented was the development of a methodology for monitoring the effectiveness of training activities directed at youth unemployed. Another example identified of evaluation influencing OP implementation is the modification of the ROP Priority Axis for Technology Transfer. ROP MA representatives interviewed acknowledged in this case that the evaluation was primarily backing up decisions already taken, rather than actually driving the process.

194. Reasons for the limited use of evaluations are both evaluator- and user-related. The use of results depends on the beneficiary organization’s capacity to define its needs and to understand and integrate results, as well as on the capacity of the evaluation teams to generate valid results. Accurate and timely identification of evaluation needs is key to the process. Moreover, while many users do not trust evaluation and its results, others simply lack knowledge on how to use them. Yet conveying evaluation results in a useful way remains a challenging task, especially in the context of ever more sophisticated methods and the specialized language used in evaluations. Consensus emerges from the assessment that the use of evaluation results will remain limited, as long as decision makers do not perceive the utility of evaluations.

195. A desire for more emphasis on ad hoc evaluations was expressed by stakeholders from many OPs. For ETC programs, there was consensus within the ETC General Directorate that more flexibility is needed, with real possibilities for ad hoc analysis and quick response, for evaluations to be useful in the decision-making process. However, many MA/IB persons interviewed also recognized their lack of capacity or time to manage/carry out ad hoc evaluations effectively at present.

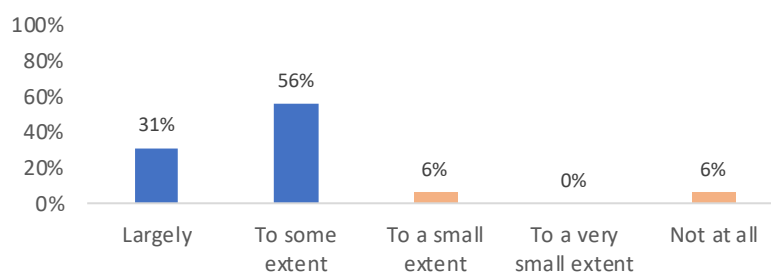
196. Evaluation Network members expressed the need for a more systematic approach to evaluation, along with increased coverage of evaluation themes. One-time evaluations, strictly limited to what is at minimum required by the regulations, cannot provide answers to all problems. On the one hand, ad hoc evaluations are needed, according to specific needs identified, for example, to support programming or during the implementation stage. On the other hand, a certain periodicity is needed to ensure that all relevant aspects for a given area/theme evaluated are understood and properly analyzed. The UNICEF approach—with evaluations carried out every 3–4 years for each

theme, from different perspectives—was identified in this regard by Evaluation Network members as an example of good practice.

Utility of evaluation results for OP design

197. There was a strong consensus among institutional stakeholders that evaluation is mainly useful for future programming periods. Ex ante evaluation (although no longer foreseen for 2021–2027) was deemed as most useful in this regard. MEIP has recently set up working groups for each future OP gathering specialists from the Programming Unit, Evaluation Unit, current MAs, line ministries and socioeconomic partners, which use evaluations in their discussions on the design of the new OPs. Optimum conditions were said to exist for evaluation to have an influence where intervention fields remain similar from one programming period to the next. The draft OP Education and Employment 2021–2027, for example, cites lessons learned from the evaluations under previous programming periods, such as the importance of correlating interventions with one another, in order to avoid overlaps or the persistence of unaddressed or unresolved problems, as well as focusing on integrating practices and project results in the educational process. The intervention logic of the new draft OP clearly allows for correlation of complex interventions in this way. Similarly, the draft Interreg VI-A Romania-Bulgaria program 2021–2027 mentions earlier evaluation recommendations to further involve the private sector, in order to stimulate the integration of services and the exchange of good practices between public and private sectors in the cross-border area. The use of evaluations for informing the future programming periods is also confirmed by the results of the IS, with 87 percent of the actors consulted considering that results of evaluations have been used, at least to some extent, for this purpose (Figure 25).

Figure 24: Use of evaluations for informing the future programming period



Source: IS.

Usefulness of evaluation results in other related policy learning by different ESIF partners

198. While the potential use of evaluation for wider policy development was recognized by MA stakeholders during the assessment, the actual use for policy learning appears negligible at present. The OPAC MA, for example, highlighted how an evaluation covering the entire judicial system could embrace two of the OPs Specific Objectives, as well as making a major contribution to the National Sectoral Strategy, bringing mutual benefit to both. Nevertheless, there is no evidence that key actors in Monitoring Committees (except for the EC representatives) drive forward the idea of evaluation supporting ‘other’ policy learning. There were also doubts expressed that potentially key evaluation findings are communicated effectively (or communicated at all) to the relevant policy decision-makers.

Evaluation culture

199. The general perception is that evaluation culture in Romania is not mature enough, even at the level of the institutions involved in ESIF management and implementation. The need for studies and analyses is not internalized, and evaluation is still perceived as a verification. As shown above, the

usefulness of evaluation is perceived as limited and a certain resistance to evaluation persists across the system.

200. Fostering an evaluation culture will require a hands-on approach. Along with increased awareness of evaluation benefits, establishing the pre-requisites for an increased evaluation demand (e.g., by extending the remit of evaluation beyond ESIF, also to National programs and policies) would require substantial additional work. An earlier TA project⁷⁰ initiated by ACIS, which created an envelope for small evaluations for the National programs, as a first contact of those entities with evaluation represents as a good practice in this respect. Other ideas suggested by institutional actors during the interviews referred to the training of representatives of both demand and supply side of evaluation (i.e. the potential users and the commissioners of evaluation studies), to foster a better understanding of the benefits of evaluation benefits, beyond the compulsory ESIF context. Evaluation culture in Romania was measured by another TA project⁷¹ based on a composite index, between 2012 and 2014. It was felt by certain institutional stakeholders to have been useful for understanding how evaluation is perceived by the different actors. No follow-up has taken place since the last measurement taken in 2014, so there could be scope to resuscitate the approach as a basis for further action on building evaluation culture.

3.3. Analysis of strengths and weaknesses of the evaluation system

Through the analysis of the outcomes of the different strands of the assessment—the interviews, surveys and documentary review were taken together—the following picture emerges of the main strengths and weaknesses of Romania’s ESIF evaluation system overall.

3.3.1 Key strengths of the evaluation system

201. A key strength at the core of the evaluation system is the coordination by the PEO in MEIP and the competence of technical inputs by the PEO and the other Evaluation Units. The guiding hand provided by the PEO in particular across the range of theoretical and operational aspects of evaluation appears to be highly appreciated by institutional stakeholders. Moreover, the evaluation related training provided—accessible to interested persons from all OPs, as well as other stakeholders—represents an important building block for evaluation culture. This is complemented by the centralized Web resources for evaluation, which can be developed further.

202. The comprehensive Evaluation Plans in place for all OPs have high operational value, enhanced by the partnership involvement brought by the Evaluation Steering Committee and academic input of the Evaluation Scientific Committee. The Plans provide a solid basis and focus for all evaluation activity, covering both 2007–2013 and 2014–2020 phases, as well as detailed methodological aspects. The Evaluation Steering Committees’ systematic involvement of partners from different sectors in key stages of the evaluation process can be seen as an example of good practice, Evaluation Scientific Committees add an important element of academic scrutiny and possible opportunities for further research using evaluation results. It seems that the whole structure could be more effective, though, if complemented by a dedicated management mechanism to facilitate increased ownership of evaluation results and accountability for the implementation of evaluation recommendations in the institutions concerned. There may also be a question as to whether the ESC takes over too much of the role of MCs in this respect.

203. The positive role of evaluation in the development of future OPs, noted by a wide range of interviewees, demonstrates genuine policy learning within Romania’s ESIF community. This beneficial influence of evaluation, from one programming period to the next, emerged from the

⁷⁰ Strengthening the capacity of the Evaluation Units in the MAs and ACIS.

⁷¹ Project implemented by E&Y: Technical assistance for supporting the evaluation capacity.

analysis as the main benefit of evaluation perceived by stakeholders. Learning from evaluation may be stronger in practice than actually acknowledged, as evaluation findings can be assimilated as part of natural learning processes.

3.3.2 Main weaknesses of the evaluation system

204. The centralization of evaluation at PEO level also appears as a weak part from the point of view of certain MAs and IBs, who sometimes feel uninvolved in evaluation processes. This can lead to a diminished sense of ownership in the outcome of evaluation results leading to a corresponding lack of interest in the case of OPs for which PEO carries out the evaluation function. Reduced perceived relevance of evaluations, through insufficient alignment with the specific needs of the actors involved in particular OPs and resulting lack of accountability, were also noted by institutional actors in the four OPs concerned. Moreover, staff capacities for evaluation are weaker in MAs which depend on the PEO for evaluation services. The lack of dedicated staff increases the potential for low ownership by reducing possibilities for these MAs to participate operationally in evaluation.

205. The most important weakness to emerge is the apparently limited usefulness of evaluation studies overall, given their variable quality and often generic recommendations, which have little scope to translate into actionable solutions. Lack of usability of evaluation reports was identified repeatedly as an issue by institutional stakeholders during the interviews, often due to excessive length and highly general recommendations. Lengthy and cumbersome public procurement processes further limit the usefulness of evaluations. Low efficiency of evaluation procurement processes recurred as a key weakness throughout the assessment. Delays with procurement are often compounded by additional delays incurred at the beginning of evaluation studies, as contractors spend additional time gathering necessary data, which is not otherwise really available. Quality of final evaluation studies can be affected by over-restrictive, or over-flexible tender specifications, in terms of evaluation methodology and criteria of the selection of experts. The market of evaluation professionals is under-developed in Romania, leading to problems with the supply of appropriate expertise. Particular difficulties arise due to the uneven pace of the launch of evaluation tenders, compounded by the unpredictability of procurement procedure duration, since a relatively small number of companies tend to bid for the same projects.

206. A lack of strong engagement by MC members and other decision-makers in following up on evaluation recommendations is evident under most OPs. On the one hand, this may be due to high technical complexity in the subjects covered by evaluations, or simply over-lengthy evaluation reports. On the other, it could be linked to a lack of dynamism in the way evaluation results are communicated to decision-makers. MA Evaluation Units not being full members of their OP MCs was also suggested as a possible cause. The issue links to a certain under-valuation of communication in evaluation processes in general, which appears as a symptom of an under-developed evaluation culture.

207. The reduced use of evaluation results risks causing a vicious circle of limited relevance and importance of evaluations. The risk relates to both the demand and supply side of evaluation. To mitigate it, improvements are needed collectively in the quality of evaluation reports and the way results are presented to decision-makers, as well as in the users' capacity to understand and integrate results.

3.3.3 Summary of strengths and weaknesses

208. A summary of the evaluation system's main strengths and weaknesses is found in Table 9.

Table 9: Romania’s ESIF evaluation system 2014–2020, overall assessment

Strengths	Weaknesses
<ul style="list-style-type: none"> - Regulatory compliance throughout the system - Strong institutional lead provided by MEIP Evaluation Unit—which also carries out the evaluation function for 4 OPs - evaluation network in place, as a potential driver for exchange of good practices and knowledge dissemination 	<ul style="list-style-type: none"> - Insufficient involvement of certain MAs and IBs in the evaluation planning process - Some MAs/IBs, for OPs where MEIP Evaluation Unit manages evaluation, feel distant from the evaluation process—particularly after contracting—possibly diminishing their sense of ownership and interest
<ul style="list-style-type: none"> - Comprehensive evaluation plans in place—with institutional coordination through Evaluation Steering Committee (ESC) and quality control through Evaluation Scientific Committee appreciated by majority of MAs/IBs - Positive EC-supported peer review on quality of a sample of tender documentation adds credibility 	<ul style="list-style-type: none"> - Suboptimal planning process for evaluation and lengthy public procurement process—impacting negatively on effectiveness of the entire evaluation system - Evaluation often insufficiently aligned to needs in terms of planning with regard to timing and coverage, methodologies used, selection criteria etc.) - Frequent difficulties for evaluators to obtain relevant data for evaluations—excessive time spent data gathering diminishes efficiency
<ul style="list-style-type: none"> - Strong staff capacities of MEIP and other Evaluation Units (although current question mark over future of ROP Evaluation Unit in context of 8 ROPs for 2021–2027) - program of training and capacity building managed by MEIP Evaluation Unit for evaluation-related personnel under all OPs 	<ul style="list-style-type: none"> - Tender conditions and arrangements possibly leading to limitations of expertise and reduced relevance and quality of evaluation reports - Restricted availability of high-level evaluation expertise in the Romanian market, due to budgetary constraints - Limited accountability for results and implementation of evaluation recommendations
<ul style="list-style-type: none"> - Consensus on the usefulness of evaluation for future programming processes (although this mainly relates to ex ante evaluation no longer required for 2021–2027) - Evaluation perceived useful for backing up OP implementation decisions already made (even if results arrive late) - Existence of centralized web resource for evaluation results 	<ul style="list-style-type: none"> - Widespread perception of low value of evaluation for current OP implementation—mainly due to late arrival of results, simply confirming what is already known - Frequent negative views expressed about low quality of evaluation studies, excessive length and low relevance/general nature of recommendations - Presentation of evaluation findings to Monitoring Committees often low on meeting agendas and not delivered in an easily digestible way—little evidence that Monitoring Committees ever formulate recommendations on following up of evaluation findings - No evidence that ESIF evaluation findings effectively reach decision-makers/owners of other key related national policies

3.3.2. Case study in good evaluation practice from elsewhere

209. Countries from all over the world engaged with M&E for different purposes and motivations. It could be to embrace a Result based Management, attend to donors' requirements, or address government mistrust. According to a Global Partnership report for effective development cooperation, in 2018, 64 percent of countries had quality national development strategies; however, only a third had the necessary data and systems to track their implementation.⁷² In this context, identifying lessons learned where countries have achieved medium-term sustainability of their M&E system could reduce the M&E gap.

210. The case study presented below is on the activities of Mexico's National Council for the Evaluation of Social Development Policy, CONEVAL. The case comes from a different regulatory and funding context, but nevertheless illustrates many aspects of relevance for Romania's evaluation system today.

Box 10: Case study: Mexico's monitoring and evaluation system

In 2020 the National Council for the Evaluation of Social Development Policy, CONEVAL (by their acronym in Spanish), in Mexico, documented almost 8,000 actions where government, media, academics, and citizens used evidence derived from evaluations and monitoring. 33 percent improved public programs, 25.5 percent strengthen institutional capacities, and the rest (41.5 percent) supported evidence-based opinions and improved policy proposals.⁷³ These numbers can be interpreted as a measure of the effectiveness of the evidence.

Three main elements characterize Mexico's M&E system. First, the M&E system is coordinated in partnership between CONEVAL (a technical institution)⁷⁴ and the National Finance Ministry (SHCP, for their acronym in Spanish), that establishes an academic and rigorous M&E approach assorted with the power of the budget holder. Second, an integrated and common institutional M&E framework that allows (i) M&E to be the gear to improve planning, budgeting, and implementation; and (ii) a well-defined set of rules that is the same for all stakeholders. Third, the obligation of public dissemination of every M&E report addressing transparency and accountability in different ways: (i) CONEVAL, SHCP, and all Ministries responsible of programs and policies must publish the evaluation reports in their websites; (ii) in the Mexican Official Government Gazette (*Diario Oficial de la Federación y de los Estados*); and (iii) the reports have to be delivered to Congress, the General Audit office, and the President Office at the latest ten days after they are finished.

The Guidelines identified actors involved, roles, and responsibilities in the evaluation process and the types of evaluations. To foster the use of evaluations, CONEVAL identified the timeliness of the evidence generated

⁷² Global Partnership for effective development cooperation. (2018) https://www.effectivecooperation.org/system/files/2020-01/GPEDC_2019-Report_Glossy_EN.pdf

⁷³ CONEVAL (2020). *Usos de la información CONEVAL. Principales resultados.* https://www.coneval.org.mx/quienessomos/ComoNosMedimos/Documents/Principales_Resultados_Usos_informacion_CONEVAL_2020.pdf

⁷⁴ Although CONEVAL is a government institution, its board is integrated by eight members: the Social Development Secretary, the Finance Secretary and six highly recognized academics chosen by an open call for proposals to all academic experts in evaluation and poverty measurement. Additionally, the six academics meet with the senior staff of CONEVAL in a monthly basis, to review and approve evaluation, monitoring and poverty measurement strategies (design, implementation and dissemination focus on its use in public policy).

by the M&E exercises and defined an M&E Horizon⁷⁵ that has guided program stakeholders to define evaluation needs according to the maturity of policies and the annual planning and budgeting processes.⁷⁶

To implement evaluation exercises systematically and more broadly, CONEVAL also developed standard ToRs (design, consistency and results, processes, and performance evaluations),⁷⁷ processes guides, systems, and quality assurance mechanisms.⁷⁸ The development of digital systems has been a useful tool to promote monitoring practices, develop standard evaluations, and encourage the use of evaluations' findings. As an example, the Follow-up Mechanism System has fostered the use of key evaluation findings and recommendations, translating them into program enhancement. In the latest report of the Mechanism,⁷⁹ of the 361 Follow-up commitments considered, 265 concluded with all of their activities scheduled for March 2020, which represents compliance of 74.2 percent for the 2019-2020 cycle.

A constant dialogue between Ministries, Congress, and civil society was crucial in constructing evaluation capacities among the Public Administration and fostering an enabling environment for M&E (e.g., Incubator of impact evaluations).⁸⁰ CONEVAL created an annual training program with additional technical workshops to enhance evaluation understanding, which results in a common language over evidence use and the importance of policy assessment and monitoring. This has shown to be a fundamental practice to strengthen evidence-based decision-making, especially in a social and political changing context. In the case of the Impact Evaluations Incubator, a better understanding of the assessment exercise and the participation of a broad set of managers from over 40 programs throughout the years has enhanced the development of evaluations such as the "Impact of the Grant for Basic Education for Single Mothers and Young Pregnant Women" exploratory impact study recently published.⁸¹

⁷⁵ It is a representation of the ideal monitoring and evaluation cycle to which a social development program should be subject during their first years of life (see figure 18). It facilitates planning of monitoring and evaluation exercises in the short and medium term. This horizon developed by CONEVAL has helped those responsible for the evaluation areas in the dependencies to identify their monitoring and evaluation needs and, based on the maturity of each program.

⁷⁶ Consejo Nacional de Evaluación de la Política de Desarrollo Social. La política de evaluación en México: 10 años del CONEVAL. México: CONEVAL, 2015.

https://www.coneval.org.mx/InformesPublicaciones/Documents/CONEVAL_politica_de_evaluacion_10_A.pdf

⁷⁷ TOR's links: Design: https://www.coneval.org.mx/Evaluacion/MDE/Documents/TdR_diseno_tc.zip

Diagnostic: https://www.coneval.org.mx/Evaluacion/MDE/Documents/Oficio_VQZ.SE.164.19.pdf

Consistency and Results: https://www.coneval.org.mx/Evaluacion/MDE/Documents/TDR_ECR.zip

Processes:

https://www.coneval.org.mx/rw/resource/coneval/EVALUACIONES/NORMATIVIDAD/TdR_Procesos_2013/TdR_Procesos%202013_Oficio.pdf

Performance: https://www.coneval.org.mx/Evaluacion/MDE/Documents/Modelo_TDR_EED_2014_2015.pdf

⁷⁸ Available at:

https://www.coneval.org.mx/Evaluacion/MDE/Documents/Calidad_de_las_evaluaciones_tercera_edicion.pdf

⁷⁹ The Follow-up commitments (ASM for their acronym in Spanish) are commitments assumed by a dependency or entity of the Federal Public Administration (APF), derived from an evaluation, the purpose of which is to improve programs. It is throughout the Follow-up Mechanism that the agencies, who know in greater detail and operate the programs and actions, decides which recommendations and findings derived from an evaluation are feasible to include as concrete actions into their process chain. https://www.coneval.org.mx/Evaluacion/Documents/Informes/Informe_ASM_19_20_VF.pdf

⁸⁰ Since 2013, CONEVAL has coordinated the implementation of the Impact Evaluation Incubator as a space to promote the design of rigorous impact evaluations that contribute to having evidence on the effectiveness of social programs in solving the problems for which they were created. The Incubator seeks to strengthen the capacity of federal public servants in defining the key elements of the design, planning and implementation of a rigorous impact evaluation through training courses and a technical assistance component to define elements of the design of an IE of specific social development programs or interventions. The Incubator had strengthened the use of IE, by sensitizing public officers about the scope and difficulties to implement IE. This exercise also helps to identify when to perform impact evaluations as to optimize resources, knowing that IE's are often very costly. https://www.coneval.org.mx/Evaluacion/ESEPS/Paginas/incubadora_impacto.aspx.

⁸¹ Available at: https://www.coneval.org.mx/Evaluacion/IEPSM/Documents/Exploratorio_PROMAJOVEN.pdf

CONEVAL has coordinated impact evaluations for emblematic social programs such as Seguro Popular (access to health services) and Prospera (former Progresá and Oportunidades).⁸² In the first case, the evaluation's objective was to analyze the potential effect on the use of health services, health expenditure, and catastrophic health expenditures using a randomized matched-pair cluster. The results indicated that the program had a protective effect against catastrophic health expenses. As a consequence of this evaluation, the program increased its coverage in 2011 to 51.8 million people, becoming one of the most important social programs nationwide.

Prospera (conditional cash transfers program) was the first experimental evaluation in Mexico (2000). It aimed at identifying the impact on consumption, earnings, employment, and child nutrition, and the program's effect on health indicators and on the use of health services. The evaluation revealed a decrease in anemia, low-height prevalence in school-age children, an improvement in school attendance and the use of health care services, and a delay in the start of the reproductive cycle for young people. The evaluation results encouraged the continuity of the program for over 20 years and the escalation of the program's coverage into urban areas.

Isolated, impact evaluations have had a limited potential of influence in the design of new programs, therefore in 2016, CONEVAL delivered the "Practical guides for designing public policies," a set of infographics, three-pager reports, and extensive reports bundling best practices for social policy in issues like childhood malnutrition, financial inclusion, among others. By choosing one public problem to address and based on systematic reviews of impact evaluations to enhance the use of available evidence, these Guides helped to design and redesign social programs by using robust evidence to show "what works and what does not."⁸³

From 2007 to 2020, CONEVAL has coordinated almost 3,000 evaluations of social programs and policies. Most of the evaluation types developed by CONEVAL have been replicated and adapted by SHCP and other Ministries. Moreover, CONEVAL has given technical assistance to subnational authorities promoting the strengthening of local M&E Systems. The efforts of performing on average 230 evaluations a year have enhanced a national evaluation culture in public service by providing close technical assistance and participatory evaluation exercises during the assessments; by doing this CONEVAL has also contributed to better communication among public actors, more insightful findings, and, therefore, policy improvement based on evidence.

⁸² Information of relevant impact evaluations:

https://www.coneval.org.mx/Evaluacion/ESEPS/Documents/Evaluaciones_de_impacto.zip

⁸³ The practical guides can be found here:

https://www.coneval.org.mx/Evaluacion/ESEPS/Paginas/Guias_mejorar_politica_publica.aspx

4. Recommendations for improving Romania's ESIF monitoring and evaluation system

211. The overall view emerging from the assessment is that the management and functioning of ESIF M&E processes in Romania have significantly improved compared to the 2007–2013 programming period. This has much to do with greater familiarity with the management of EU post-accession funds, and especially with improving people's experience throughout the system, including beneficiaries.

212. Romania has invested heavily in ensuring regulatory compliance for ESIF monitoring and evaluation, but real progress toward results orientation remains questionable. The overwhelming emphases in Romania's ESIF monitoring system emerge from the assessment as absorption and compliance. While on the one hand, this may be understandable and broadly consistent with what might be expected in the early stages of OP implementation, there was little evidence to suggest, for example, that actual or potential results were really the driving force behind recent decisions on OP implementation. Romania's ESIF evaluation culture is not yet mature enough for evaluation to be truly supported by users, or for decision makers to fully understand how to apply its results. This is not to say that Romania is not moving in the right direction with monitoring and evaluation. Nor is it to say that many of the problems are not linked in some way to technical issues, such as IT systems and public procurement. But it will take more than simply resolving the technical issues to develop an effective results orientation. An upgrading throughout the system and its different components will be needed and the forthcoming 2021–2027 programming period provides an ideal opportunity.

4.1. Contextual changes expected for ESIF monitoring and evaluation in Romania for 2021–2027

213. When considering what kind of improvements to Romania's monitoring and evaluation systems would be desirable and feasible for 2021–2027, full account must be taken of the differences expected in ESIF programming and the overall system in the new Cohesion Policy phase.

214. Overall, in the proposed new ESIF regulatory framework for 2021–2027, an increased results orientation is foreseen, going hand-in-hand with greater simplification. The changes relevant to monitoring and evaluation in the new framework are summarized below:

Evaluation:

- No requirement for ex ante evaluation of OPs as part of programming processes (although this remains an option for Member States).
- Requirement elevated to regulation for the Member State, or the MA, to ensure procedures for producing and collecting the data necessary for evaluations.

Programming:

- A new system of EU-level common indicators more clearly linked to the Specific Objective level.
- Common indicators will cover a high share of OP interventions, with common output and results indicators for ERDF/CF, as well as for ESF—there will be no obligation to have specific indicators (although as for 2014–2020, Member States may choose to do so).

- Specifically for ESF+: a reduced number of indicators for general support, with greater use of registers when data is thus available and of informed estimates⁸⁴ by beneficiaries for certain indicators.
- All indicators used in an OP will be part of its Performance Framework.
- Elimination of the performance reserve—to be replaced by “5+2” programming (i.e., 5 years initial programming, with 2026–27 programmed after mid-term review in 2025), based on emerging needs and performance, with technical adjustments to modify allocations possible from 2025.

Monitoring during implementation:

- Desk-based checks on payment claims by beneficiaries (i.e., “Management Verifications”) will be risk-based and proportionate to the risk management strategy. In most of the cases, it is expected that checks will not cover 100 percent verifications as in the current period.
- Electronic transmission to the EC—every two months—of up-to-date financial and physical monitoring data to feed into the EC Open Data Platform.
- No need to prepare and submit AIRS or progress reports to the EC.

Simplification:

- Use of SCOs compulsory below €200,000 and their use built more into the programming process, rather than requiring separate decisions.
- New option available for “financing not linked to costs”—where EU reimbursements are based purely on the results achieved or conditions fulfilled against targets agreed during programming.
- New option available for technical assistance to be reimbursed by the EC as a flat rate of mainstream expenditure declared (2.5 percent for ERDF/CF, 4 percent for ESF+, with 5 percent for the material deprivation program).

These changes will be confirmed by formal publication once the final versions of the new EU regulations are adopted.

215. Romania has proposed a new OP architecture for 2021–2027, aligned with revised institutional arrangements set out in the new government’s Governing program.⁸⁵ The main changes foreseen include an increased number of OPs—including three integrated ERDF-ESF OPs (one of which will replace the ITI approach currently followed for the Danube Delta, with additional target territory), plus one OP financed by the new Just Transition Fund. There will also be eight separate ROPs, each with a regional-level MA (the current ROP IBs), and the OPAC will be discontinued, although administrative capacity development can be built into other OPs. It is also understood that a mid-term intention of the new government is to move some MAs from MEIP to line ministries.

4.2. Success factors and key areas for improvement

216. There are several ways an M&E system can effectively support a results orientation. These mainly refer to the availability of reliable, timely, high-quality input and usable and available information output;⁸⁶ appropriate enabling conditions and institutional foundations; and strong demand and use of M&E information in decision making.

⁸⁴ An “informed estimate” is an estimate to which it is not possible to attach confidence limits. Nevertheless, it should be based on a documented methodology, including attempts to identify possible bias sources and how to avoid them – Source: EC—Draft ESF+ Common Indicators Toolbox—Data Support Centre—VC/2020/014.

⁸⁵ Romanian Government’s Governing program—https://gov.ro/fisiere/pagini_fisiere/Program_de_guvernare_2020_2024.pdf

⁸⁶ Edmunds and Marchant 2008.

217. A stronger focus on understanding the actual change fostered by the interventions is central to the process. Other key elements to be included by a results-based M&E include: baseline data to describe the problem or situation before the intervention; indicators for outcomes, as well as relevant data on outputs and how/whether they contribute to the achievement of outcomes. Better capturing perceptions of change among stakeholders, along with systemic reporting with more qualitative and quantitative information on the progress toward outcomes, are key to the process. Finally, the partnership should be enhanced in M&E processes. The following sub-sections describe the World Bank team's initial recommendations for each element contributing to a results-based M&E, outlining also the key links between them.

4.2.1. Areas for improving the monitoring system

218. Decision-makers, including MC members and other key partnership groups, need to be fully aware of the importance of results orientation and kept continuously up-to-speed on how best to achieve and maintain it. Decision makers need to create a demand for genuine results orientation, which also boosts complementarity between ESIF OPs, as well as with key national level strategies, with mutual benefits for both. Actions in this regard might include:

- Increasing awareness and capacity of decision-makers (including MC members) on evidence-based decision making, as well as data analysis and interpretation, by facilitating learning and knowledge sharing, both at national level and with EU peers.
- Providing better, more focused, and more accessible materials to decision-makers, by specifically training a dedicated pool of staff to support decision-makers, as well as the members of the MC Secretariat.
- Improving the design of reports generated by IT systems to facilitate data visualizations and allow for analytics, especially in respect to the results achieved, to better support the decision-making process; allow for cross-OP, sectoral dashboards, for cross-cutting themes.
- Increasing the involvement of MC members in the monitoring and implementation of the OPs, by encouraging participation in working groups (see OPHC example), requesting feedback on materials outside of the formal meetings, actively engaging and supporting them to deliver on all their responsibilities, as per the ROF.
- Building proactive and imaginative linkages between results orientation and communication/publicity efforts to help underpin the engagement of decision makers.

219. Adopting and maintaining a proactive approach toward results orientation begins with the indicators to be used in OPs. These should be parsimonious (i.e., without overlap or redundancy) and defined to be as easy to understand and use as possible. Regardless of their type-specific or common—results indicators should be able to capture effects close to the interventions themselves. All experiences with similar interventions should be brought to bear to enhance the target setting. Key challenges with indicator setting can be expected in the context of locally focused interventions, as well as to facilitate an accurate understanding of changes at the level of different target groups, sectors, or territories supported. As such, Romania would be well advised to:

- Establish a robust process for defining any specific indicators to be used in OPs, with the participation of relevant stakeholders and involving M&E experts; particular attention should be given to indicators monitoring overall results of cross-sectoral or integrated interventions.
- Prepare comprehensive unambiguous guidance, as early as possible, on how to interpret and use the indicators and calculate achievement values. Update the guidance regularly to take account of the experience gained during implementation.
- Ensure that guidance is systematically absorbed by MA/IB staff and beneficiaries, through dedicated training-type initiatives as appropriate, completed by evaluations based on relevant samples of projects and indicators.

220. Comprehensive, results focused, OP-adaptable, and user-friendly IT systems—fully operational from the beginning of program implementation—are crucial for effective data management. IT systems should be interoperable with all other databases relevant for monitoring and reporting purposes, based on easily accessible yet secure communication platforms, and capable of accepting direct data input by beneficiaries, with all necessary automatic validations. The IT systems should be able to automatically generate the full suite of relevant reports likely needed by MAs/IBs and higher management, minimizing the need for the use of parallel systems. MEIP should move swiftly to:

- Ensure optimal functionality in SMIS as soon as the 2021–2027 OPs are approved, to adequately respond to the data collection and reporting needs of all stakeholders involved (MAs, IBs, beneficiaries) and support coordination between funds.
- Consider establishing an operational linkage between SMIS and other ESIF IT systems, such as eMS (and/or its successor) systems, to facilitate data analysis across OPs.
- Systematically provide full training, based on a clear schedule, for all users from MAs, IBs and beneficiary organizations on the use of the IT systems, for all functionalities, especially as part of any “induction package” (e.g., for beneficiaries at the beginning of their projects).

221. Simplification of procedures and data collection/reporting formats, including—where possible—adopting a unitary approach between different OPs, are key for streamlining the data collection and reporting process and for refocusing it toward results achievement. While this should go hand-in-hand with the development of IT systems, it may also include simplifying processes and requirements. Where possible, an extended deployment of SCOs should also be considered, to help eliminate redundancies in systems for financial monitoring in particular, by reducing the need to prepare and submit voluminous substantiating documents. The constant aim should be maximum possible efficiency, in order to allow a greater focus on results. Romania’s MAs/IBs, with the support of MEIP coordination, should:

- Radically simplify procedures—based on a thorough review in a coordinated manner for all OPs (possibly with MEIP as coordinating body) and in consultation with the Audit Authority to determine what can be removed—eliminating overlaps between financial and physical monitoring and cutting redundancies in data collection and document storage.
- Take a unitary approach to developing/revising monitoring procedures, wherever possible, so that rules and reporting formats foster increased efficiency of data verification and aggregation at all relevant levels.
- Facilitate automatic data aggregation from the beneficiary level upwards. Develop reporting formats that support evidence-based decision-making through the provision of timely and accurate information on the main challenges and bottlenecks and up-to-date information on progress on all relevant dimensions. Setting up global dashboards at OP level and outlining progress for the key indicators (both physical and financial) at all relevant levels would further support decision making and timely identification of bottlenecks impeding implementation.
- Maximize the use of SCOs, taking full advantage of the new regulatory provisions by developing a SCO adoption plan with a clear timeline at the level of each MA/fund at the beginning of the programming period. Consider initiating any essential revisions needed in the domestic legal framework to favor increased use of SCOs.
- Consider mainstreaming certain simplifications introduced for the COVID-19 crisis, which have proved to improve monitoring efficiency (e.g., online discussion replacing some site visits, flexible online training for beneficiaries etc.), while maintaining effectiveness.

222. Increased use of risk management approaches in monitoring procedures can help direct focus onto items of greatest importance, improve forecasting accuracy, and better enable early warning. Linking management processes inside MAs and IBs to overall monitoring performance can further strengthen results orientation in the monitoring system. The proposed EU regulations for 2021–2027 provide for a greater reliance on risk assessment. Moreover, the approach will become predominant for RRF where all risks of non-delivery/delays will need to be assessed early and then monitored. In this regard, MAs/IBs of all OPs should:

- Consider introducing risk management more centrally into their monitoring processes and procedures and as a central feature of their relationships with beneficiaries—e.g., through developing a risk assessment plan at the beginning of each new project, to be updated periodically.
- Harness IT system resources to automate the risk assessment and monitoring process based on selected criteria through user-friendly interfaces.

223. To enhance coordination among different OPs at regional, other territorial (e.g., urban), or sector level, as well as with the relevant national strategies, operational monitoring arrangements should be matched by specific institutional structures. Such structures must be assigned explicit monitoring tasks, where the interventions in question go beyond the normal boundaries of individual OPs. In this context, Romania should:

- Consolidate current PA level structures (including through setting up and operationalizing new working groups) for promoting coordinated program implementation approaches, in line with new imperatives arising from the 2021–2027 architecture, at different territorial levels where necessary.
- Ensure structural support for linkages between ESIF and relevant national strategies in key sectors, such as employment, social inclusion, environment, urban development etc. This could look at the alignment of indicators, M&E arrangements, as well as procedures for regular consultation for coordinating approaches, etc.

224. Close, problem-solving-type relationships between MA/IBs and beneficiaries are at the core of the monitoring system—requiring regular oxygenation through practical guidance and training. The skills of monitoring officers should be constantly upgraded, including by developing specialist knowledge in niche intervention fields of OPs. Beneficiary trainings should be automatic, starting with the application process and following key implementation stages as needed. MAs/IBs should:

- Ensure accurate guidance to beneficiaries from the outset of the 2021–2027 period, unified within and, where relevant, across OPs—consider new tools such as: instructional videos, a harmonized beneficiary manual at the fund level, coordinated helpdesk support per fund, etc.
- Consolidate capacity of MA/IB officers, as well as at the level of MEIP, to facilitate the optimal flow of activities, including by providing necessary guidance and support materials, more specialized training for highly technical activities, etc.
- Ensure a unitary approach in the provision of support to beneficiaries, in terms of common topics across OPs or, where relevant, across multiple structures (e.g., through exchanges between IBs).
- Embed results orientation into beneficiaries’ activities by increasing overall emphasis on results in project application forms and by introducing results orientation as a cross-cutting theme in all trainings delivered to beneficiaries.
- Enhance training activities for beneficiaries, particularly in new investment fields and/or where processes change between periods. Ensure availability of specialists for urgent, specific support interventions, including in the IT sector.
- Build further upon the good relationships with beneficiaries already developed—possibly using risk assessment as a tool to simplify procedures for known and trusted beneficiary organizations.

4.2.2. Areas for improving the evaluation system

225. Evaluation plans should be based on a detailed analysis of the needs of their stakeholder beneficiaries, not just limited regulatory requirements. Plans should include a mix of large- and small-scale evaluations, as well as ad hoc evaluations to meet specific needs. A certain periodicity should be factored into evaluation plans to ensure all relevant aspects for the area/theme evaluated are understood and properly analyzed. In Romania, the structures to be responsible for evaluation in 2021–2027 should:

- Ensure full involvement of MAs and IBs in the preparation of evaluation plans and ToRs and throughout an evaluation’s implementation, based on key milestones agreed at the outset.
- Incorporate shorter, more operational-type evaluation options, including ad hoc evaluation, at OP level.
- Establish a clear calendar for evaluation exercises to promote predictability for institutional stakeholders and evaluation market actors.

226. Evaluation’s role in decision-making should be strengthened. The research showed the need to bring evaluation both closer to the MAs and to decision-makers. On the other hand, coordination of evaluation for transversal or integrated themes remains equally important, with a role in promoting coordination across OPs. To this end, Romania should:

- Consider building on current inter-institutional structures established at PA level for promoting coordinated evaluation approaches, in response to the specific needs of ESIF in 2021–2027.
- Create separate OP-level evaluation units in each relevant MA, allocate adequate staff resources, and provide technical support and guidance from the central level for overall coordination. This approach should be considered for the mainstream OPs (except for ETC programs) and without prejudice to any decision taken by the Romanian authorities regarding the positioning of the evaluation function for the future eight regional-level ROPs.
- Consider positioning OP Evaluation Units as close as possible to decision-makers (e.g., under the direct coordination of the MA General Director) and ensuring relevant arrangements for adequate day-to-day collaboration with the other units (programming, contracting, program and project monitoring, etc.)

227. A change of paradigm is needed regarding data collection. Work to ensure collection of data to cover the needs of relevant evaluation actions should be initiated from the evaluation planning stage. The activity should not be limited only to data needed for evaluations, but to data collected in general by the suppliers of information. A functional IT-based mechanism for accessing data at different levels is needed, including through database interconnection. Data suppliers should be informed and involved in preparing the plan and must clearly understand their role in the overall system; efforts to collect data should be systematic. The role of academia could be further enhanced, in terms of providing advice to OP Evaluation Units. In this regard, Romania should, as a matter of priority:

- Adequately plan data collection from the stage of evaluation planning (i.e., in the evaluation plans), with a clear definition of the type of data needed, roles and responsibilities for data collection etc.
- Consider possibilities of support for different stakeholders (including those outside ESIF funds) in planning the data collection process, according to the needs identified.
- Consider increasing the interconnectedness of databases, at local/regional and central levels, in order to facilitate data collection/aggregation at different levels (both sectoral and territorial).

- Make use of the outputs and results developed under OPAC 2014–2020 SO 1.1, in support of evidence-based decision making. Such outputs include platforms with context indicators particularly designed to be used at GoR level, such as SIPOCA 11. State of the Nation Project.⁸⁷

228. Streamlined procurement processes for evaluation are crucial to enable engagement of high-quality expertise with short lead times and enabling timely availability of evaluation results for decision makers. Procurement procedures need to be demystified and simplified. An appropriate balance needs to be struck in criteria for required expert evaluators to ensure the necessary quality of experts without over-restricting participation possibilities for newcomers, or younger people with less experience. Payment rules should not be allowed to favor large companies to the detriment of smaller contractors with lower financial capacity. In Romania, the bodies responsible for the evaluation function should:

- Aim to simplify procurement processes wherever feasible, e.g., through smaller, more focused evaluations with proposal lengths proportionate to the size of study required, etc.
- Consider procuring evaluation expertise through more flexible arrangements (framework contract mechanisms, contracting external experts directly accessible to all OPs) to enable operational type evaluations, including ad hoc evaluations more easily. Planning evaluations (including ensuring the right mix between small- and large-scale evaluations) is also key in this regard.

229. A more dynamic style of presentation of evaluation findings, better adapted to the audience, backed up by a transparent system for monitoring the implementation of evaluation recommendations, can help trigger greater accountability. The challenge is to ensure that evaluation reaches decision-makers who have sufficient influence to change the situation and follow up on action subsequently undertaken. In this regard, Romania should:

- Improve the way evaluation findings and recommendations are conveyed to the different stakeholders, to facilitate an improved understanding and uptake of recommendations. Also, consider using expert facilitators to present evaluation recommendations.
- Improve the quality of the evaluation reports, in terms of usability/accessibility/specialization/length.
- Consider including Evaluation Units as voting members in MCs.
- Organize dynamic evaluation discussion events also for MA/IB personnel, in order to continually raise awareness of the importance of different evaluation aspects within and beyond their specific area of activity.

4.2.3. Areas for improving the general M&E system

230. Building the knowledge and awareness of decision makers should not be shied away from, or overlooked. This is vital to stimulate high levels of demand for results-oriented monitoring and evaluation. To this end, Romania should:

- Provide thorough training/preparation of MC members and other high-level decision-makers related to ESIF/OP intervention logic, the importance of different M&E aspects and their role in driving forward the results-oriented approach.
- Reflect continuously on novel ways to access this specific target group for conveying the necessary instruction and provide regular feedback/refresher sessions.

231. Finally, quality human resource development in the institutions concerned is the cornerstone of results-oriented monitoring and evaluation culture, upon which successful systems are built. Key competencies need to be nurtured on a continuous basis and progress in staff

⁸⁷ [Acasă \(starea-natiunii.ro\)](http://Acasă(starea-natiunii.ro))

development itself monitored and evaluated effectively. For 2021–2027, the Romanian ESIF authorities should ensure:

- Delivery of a comprehensive, coordinated program of continuous and regular training for MEIP/MAs/IBs staff, accurately tailored to their specific needs and delivered before key evolutions take place. Such a program might be expected to include:
 - intervention logic of the OP and full suite of related monitoring disciplines
 - advanced data analysis/management skills
 - special sectoral knowledge, as appropriate
 - contract management, as appropriate
 - thorough instruction on all relevant IT applications for all personnel
- Structured experience exchange and collective training, where feasible, between staff in monitoring and evaluation units.
- A complete induction training package, to be delivered to all new employees working in M&E fields. Consideration could be given to developing a dedicated M&E e-learning platform to facilitate the above training program elements, with compulsory modules updated periodically.

4.3. Outlook for the next phases of the project

232. The present assessment of Romania’s M&E system for ESIF-funded programs in the 2014–2020 period has identified challenges and successes that will help shape the system going forward, in the context of the proposed new EU regulations for 2021–2027. Considering the snapshot presented by the conclusions of this assessment, the World Bank RAS team intends to build on the improvements suggested above in the next deliverable—Output 2a, “Technical report summarizing options for improvement of existing M&E system.”

233. More specifically, in close collaboration with MEIP, the RAS team will design a strategy for the future system encapsulating a shared vision and a preferred option for development, selected from various system options. This will be achieved by involving key stakeholders to provide a reality check on the proposal, while developing ownership of its objectives. In addition to the strategy, the present assessment will inform to a certain extent the RAS team’s inputs into OP-level evaluation plans and guidance on future impact assessments.

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