

Executive summary

1. The ad hoc evaluation to support the establishment of simplified cost options for the Education and Employment Operational Programme (POEO) 2021-2027 (Phase 3) is part of the contract **"Implementation of the Human Capital Operational Programme Evaluation Plan 2014-2020 Lot 2: Evaluation of technical assistance interventions"**, together with three evaluation exercises aimed at the Retrospective Evaluation of the Operational Programme Human Resources Development 2007-2013, an interim and one final evaluation of the Human Capital Operational Programme 2014-2020 and other ad hoc assessments that have been defined by needs.
2. The ad hoc evaluation covered by this report was based on the request for services no. 8354/25.01. 2022, formulated by the Ministry of European Investments and Projects (formerly the Ministry of European Funds) and aims to support the identification and definition of simplified cost options applicable in the implementation of ESF+ interventions financed by POEO 2021-2027 based on lessons learned and experience from the implementation of POCU 2014-2020.
3. Two specific objectives have been set, corresponding to the stages of implementation of the evaluation, namely:
 - Identification of simplified cost options suitable for actions financed under the topics covered by this ad hoc assessment,
 - Definition of simplified cost options identified in accordance with the requirements of the European Structural and Investment Funds regulations and Operational Programme formats.
4. In the service request were specified 3 evaluation topics that delimit the POEO actions for which the evaluation methodology will be applied:
 - Topic: Identification and definition of simplified cost options related to interventions aimed at supporting the facilitation of the participation in education of children and young people belonging to vulnerable groups, namely: afterschool/ school after school + hot meal; return to the education system; second chance programs; university dropout prevention, tertiary access.
 - Topic 2: Definition of simplified cost options for indirect costs
 - Topic 3: Definition of simplified cost options for measures targeting employment activities, namely activation/outreach activities, information and counselling activities, qualification, and training activities, other than those covered by other simplified cost options already adapted.
5. The evaluation questions correspond to the two specific objectives, namely:
 1. What are the simplified cost options recommended for the topics of the analysis area?
 2. How to define simplified cost options to be subject to ex-ante evaluation by the Audit Authority and submitted to the European Commission?
6. To answer the evaluation questions, the proposed methodology included a set of methods and tools designed according to the complexity of the operational programme with a very large number of priorities, actions, types of costs, beneficiaries and target groups. The methodology was built on a process common to the three topics, but the sub-processes and tools were customized to the type of simplified costs identified and defined. Thus, the joint process consisted in updating the literature (including the latest practices in view of the major concern of the European Commission and the member states to use simplified costs in the future programming period), analysing the POEO operations for which the evaluation theme creates the opportunity to implement simplified costs, identifying suitable simplified cost options (offering advantages) from the range offered by the regulations, selecting feasible ones, for which the characteristics can be defined and calculating the amounts under the quality conditions required by the regulation and ex-ante evaluation requirements.
7. Depending on the scale calculation methodology, various methods have been developed and applied including statistical data processing, historical data of previous ESF programmes – POCU and POSDRU, qualitative analysis of operations of activities and costs, comparative analysis, validation of intermediate and final results.
8. For each evaluation topic, a study was conducted to substantiate the simplified cost options identified and proposed. The substantiation studies present in detail the methodologies - very complex in some cases – and make references

to the data sets prepared for the processing process to be re-performed, from the original data extracted to the final results.

9. Below we briefly present the main results on the application of simplified cost options for the three topics of the ad hoc evaluation.
10. For Topic 1 simplified cost options identified for operations supporting participation in education, a simplified cost "Standard scale of unit cost per student receiving remedial support" was identified and defined, which can be applied complementary to a simplified cost provided for in DRC 2021/1060 art. 56 (1) i.e. flat rate of 40% applied to direct wages, covering the costs of the operation other than the costs of direct wages. The scale is based on a cost standard established by national legislation and amounts to 200 lei/month/beneficiary.
11. Although there are many constraints related to the unavailability of data to substantiate amounts, we have identified other simplified costs that can be addressed in the short term with a similar methodology, if standard costs are adopted or updated to ensure adequate funding for quality expectations, or with a methodology based on historical data for which a proposal has been included in the substantiation study (for a standard scale of simplified cost of beneficiaries of support through Second chance programmes).
12. For the evaluation Topic 2, the analysis of the applicability of flat rates for indirect expenditure led to the extension of the study to identify a simplified cost for components of indirect expenditure in POCU 2014-2020, which can no longer be included in the future program. Thus, in a second phase of the topic 2 study, the analysis was extended on these cost elements that resulted from the analyses as disadvantageous for the application of flat rates for indirect expenses. It is about salary expenses with the staff of the team that provides project management, namely the financial officer and the procurement officer. Due to the similarity of expenses and simplified cost options, the salary costs with the project manager and the coordinators from the partners were added to the study.
13. The analyses carried out under topic 2 were extremely extensive due to many limitations of the available data, being analysed both historical data of POSDRU 2007-2013 and historical data of POCU 2014-2020. The results of the study provide recommendations on the application of flat rates for indirect expenses, standard scales of unit cost for the salary expenses of the members of the project management team, namely the project manager, the coordinators from the partners, the financial officer, and the procurement officer. The unit cost for each of the four positions is defined as both hourly wage rate and full-time equivalent monthly gross. The Managing Authority will select the type of BSCU suitable for each type of operation.
14. The evaluation Topic 3 was challenging due to the complexity of the processes through which support is provided to jobseekers for employment. These processes involve a multitude of forms of personalized support. They were identified as suitable simplified costs: "standard scale of unit cost for support through information and advice" and "standard scale of unit cost for support through mediation services". The method of calculating the amounts was the just, equitable and verifiable method, based on historical data POCU 2014-2020. As these forms of support are found in many projects distributed over many years, the extracted data on certified expenditures had a very high volume, involving laborious processing. The standard scales of unit cost were calculated based on the completed projects, as the average of the unit cost calculated for each project based on the number of beneficiaries of support and the specific identified expense for information counselling and mediation activity.
15. This ad hoc assessment provides 11 standard scales of unit cost with the details required for Appendix 1 of the operational programme format, together with the methodologies for calculating scale amounts and datasets. These are found in the substantiation studies, one for each evaluation topic. The evaluation also provides recommendations on the application of flat rates under articles 54 and 56 of the Common Provisions Regulation in addition to other simplified cost options, as well as methodological recommendations on other simplified cost options that could not be defined for reasons of data unavailability but could be addressed in the short term.
16. Last but not least, the recommendations target qualitative aspects, including analyses, case studies to identify possible negative effects, the introduction of a "top-up" supplement type tool that can boost quality and results. Substantiation studies and datasets are valuable not only for their conclusions and recommendations, but also because they are a resource (both as datasets and as methods) for defining new simplified cost options.