ROMANIA

Reimbursable Advisory Services Agreement on Evaluation of European Structural and Investment Funds Interventions in Information Technology and Communications (P174331)

Output 4

Final Evaluation Report of Selected Completed Projects and a Consolidation of Previous Outputs, Including Recommendations for the Design and Implementation of the Operational Programme for Smart Growth, Digitalization and Financial Instruments During the 2021–2027 Programming Period

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Executive Summary

This report presents the results of an evaluation of Priority Axis 2 of the Competitiveness Operational Programme 2014–2020 (COP) in Romania focused on projects in the information technology and communications (IT&C) sector. Priority Axis 2 aimed to increase deployment of high-speed broadband, including in underserved areas, increase economic competitiveness of the sector, expand e-government systems and services, and increase internet use for health, education, and culture. By assessing the efficiency, effectiveness, and impact of funded interventions as of March 31, 2023, this evaluation seeks to inform ongoing implementation of the Operational Programme for Smart Growth, Digitalisation and Financial Instruments (2021–2027), and design of future programs in the IT&C sector. The report presents the conclusions of the evaluation and recommendations in three areas.

Expanding Access to Broadband

Although the broadband rollout was delayed, 695 localities were enabled access to high-speed distribution networks capable of providing up to 10 Gbps bandwidth, enabling access for 119,592 new individuals and 7,189 small and medium-sized businesses. Delays in implementation were primarily due to delays in the construction permitting process, legislative inconsistencies on permitting at the local administrative level, restructuring of the primary public beneficiary, administrative delays in payments and technical audits, and the legal provisions surrounding the right to use existing electricity grid networks for broadband deployment.

Within-program evaluation of lots under Ro-NET registered no significant changes to firm size or profits, but the evaluation notes that only three years had passed since the first lots were made operational, and that the firm effects may be suppressed due to the onset of COVID-19 in the year following the operationalisation of the first lot (comprising 103 of 695 villages). Previous private rollout in the 2014–19 period in villages similar to Ro-NET villages shows statistically significant effects on firm entry, suggesting that with time, Ro-NET may have some impact on private sector participation.

The evaluation recommends that national, regional, and local authorities coordinate and streamline permitting processes for the construction of high-speed internet infrastructure. Further follow-on evaluation of the effects of such rollout and resultant last-mile entry is recommended. While continuing to support broadband infrastructure, future programming must also address demand-side barriers to broadband take-up.

Increasing Economic Competitiveness

COP financed 241 projects to develop 278 innovative products and services, vastly exceeding the original target of 45 products to be developed. Flexible design and ease of communication with programme authorities during implementation were highly rated by grant recipients. However, application and administration processes can be further streamlined to cut down on the evaluation time (161 applicants waited for more than 300 days for a decision on their application), and reduce the approval to effectiveness period, which lasted for 9 months for 49 of the 80 surveyed beneficiaries.

Impact evaluation leveraging the staggered rollout of the grants registered no short-term changes to labour productivity, profits, firm size, or turnover for first-round grantees. More data and time may be required to evaluate the medium- and long-term effects of such interventions, and the evaluation recommends undertaking a longer-term evaluation (3–5-year time frame) to study the impact of grants supporting ICT products and services.

Increasing the Use of E-government Systems and Services

E-government projects, such as the big data platform of the Competition Council, the SIIEASC project to digitise civil registries, the E-cultura Platform, and the trade registry platform, were either implemented or nearing completion at the time of the evaluation.

Uncertain annual budgetary allocations for the upkeep and maintenance of developed e-government platforms, as well as insufficient investment in human resources for e-government services, are two major challenges to e-government platforms' impact and sustainability. Complex rigid procurement procedures for software products can be detrimental, and coherent and integrated whole-of-government approaches to data flows

and protection are needed. The evaluation, therefore, recommends improving coordination between ministries, significant investment into IT human resources, and ensuring that high value e-government projects include a plan for sustainability beyond the programming period.