



**Assessing the institutional policy
framework & public organizations**
The World Bank Functional Reviews in Romania
Ana Otilia Nutu
Expert Forum / Candole Partners

Proiect co-finanțat din Fondul European de Dezvoltare Regională prin POAT 2007-2013

1



Contents

- How did it start
- Objectives
- Approach
- Implementation

Proiect co-finanțat din Fondul European de Dezvoltare Regională prin POAT 2007-2013

2



How did it start

- June 2009: Memorandum of Understanding with EC (in IMF/WB/EC joint program)
- Goal: modernize public administration and improve Romania's ability to fulfill commitments in the Europe 2020
- [Use scarce public resources effectively during crisis]
- Functional Review Funding: streamlined process for EU funds

Proiect co-finanțat din Fondul European de Dezvoltare Regională prin POAT 2007-2013

3

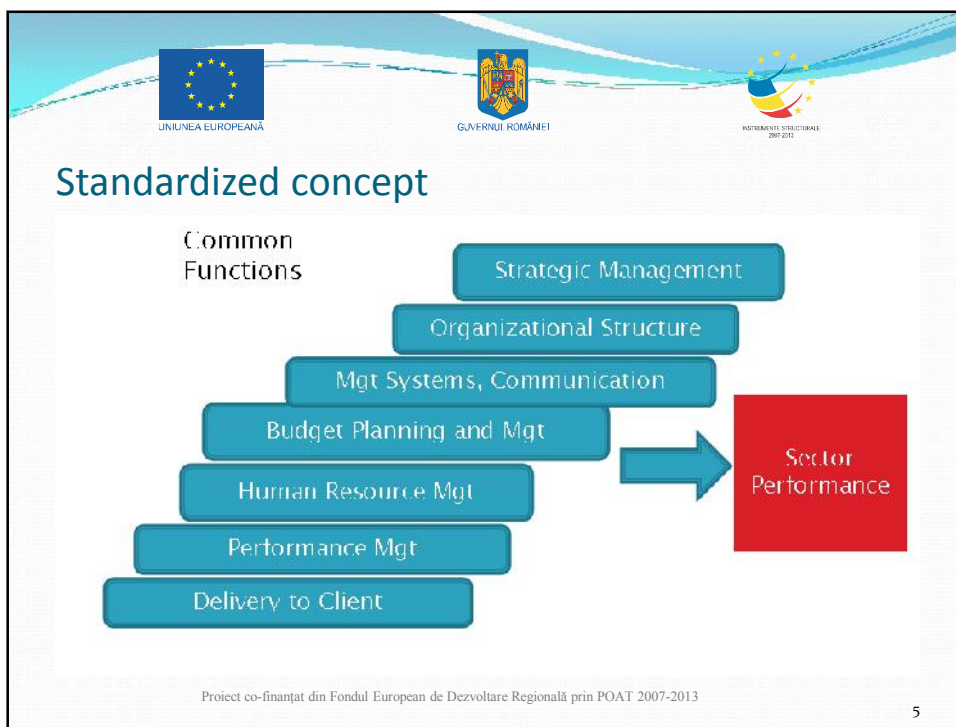


Approach

- 12 sectors in 2 phases:
 - Phase 1: (spring-autumn 2010): Competition, Finance, Pre-university education, Transport, Agriculture, Center of Government
 - Phase 2: (autumn 2010 – spring 2011): Energy & economy, Higher education & research, Environment, Regional development, Labor, Health
- In-depth reports; workshops with counterparts; discussion on action plans

Proiect co-finanțat din Fondul European de Dezvoltare Regională prin POAT 2007-2013

4



The table provides a 'Scorecard-based monitoring' overview for 2011. It lists seven functions, their status in 2011 (indicated by a colored icon), and the corresponding action plan.

Functions	2011	Action Plan
1. Strategic management	Orange square	1.1.3. Explanation for change in strategy 1.3.2. Coordinate with other ministries / GSG
2. Organizational structure	Red circle	2.3.1. Contractual arrangements 2.3.2. Mechanisms to monitor performance
3. Management systems, communication	Green triangle	No action needed
4. Budget planning and management	Red circle	4.2.1. Reduce deviations from budget proposals to ceilings
5. Human resource management	Orange square	5.2.5. Promotion based on performance
6. Performance management	Green triangle	6.1.2. Improve procedures manual
7. Delivery to client	Orange square	7.2.1. Client survey results are implemented in strategy

•Benchmarking: previous periods, other ministries, best practices
•Public visibility of improved performance

Logos at the top include: UNIUNEA EUROPEANĂ, GUVERNUL ROMÂNIEI, and INSTRUMENTE STRUCTURALE 2007-2013.

Proiect co-finanțat din Fondul European de Dezvoltare Regională prin POAT 2007-2013

6



Quality assurance & standardization

- 2-3 missions per each sector
- Standardization of approach across sectors (horizontal reviews – HR, procurement, budgeting)
- Multi-disciplinary teams, local and international
- Check consistency across sectors and test findings in one sector to
- EC feedback on each sector and EC peer review
- Inception report and final report with extensive peer review
- Consultation with Government on feasibility of options and constant advice during project; GSG member in all teams

Proiect co-finanțat din Fondul European de Dezvoltare Regională prin POAT 2007-2013

7




Key Findings in Phase 1

- **Strategic Direction:** Strategic plans tend to be ambitious relative to the technical and financial resources needed for implementation (e.g., Transport, Education)
- **Policy Coordination and Budgeting:** GSG and MOPF need a more coordinated approach to prevent adoption of new policy measures without rationalization of the existing policy commitments
- **Sector structure:** The structure of the sector sometimes contributes to unclear lines of accountability – where no one is fully responsible for performance
- **Sector Governance:** State-owned enterprises lack an appropriate “arms-length” relationship with the ministry, and adequate accountability for performance
- **Ministry structures:** Extensive network of regional and local offices are sustained by manual operating practices, and failure to implement new information technologies
- **Management Systems:** Information is not managed strategically as a tool for decision-making – which departments/programs/schools are performing well?
- **Professional Management:** The entry into senior civil service positions is not adequately controlled to assure the necessary qualifications and expertise;
- **Human resources:** The composition of skills within ministries is sometimes poorly targeted to the key needs



Recommendations in Phase 1

- Improve strategies in Transport, Agriculture, and Education by aligning them with available medium term resources and identifying programmatic trade-offs required for their implementation.
- Strengthen procedures in GSG and MOPF to assure that new policies are approved only when financing is available over the medium term and rationalize existing public investment portfolio so that projects can be implemented efficiently.
- Develop an annual Government work plan with deadlines for major legislative acts and increase consultation with external stakeholders to improve the quality of policy analysis before adoption of new laws.
- Modernize Tax Administration through implementation of new technologies and reduce reliance on manual procedures and regional office network
- Develop a new organization structure of the Ministry of Education so that it can exercise a more strategic role over the sector and facilitate accountability
- Create a more arms-length relationship between the Ministry of Transport and the state companies, starting with the introduction of a professional board of directors and increased public accountability for performance
- Strengthen the qualifications for entry into senior civil service positions to assure that experience is well-aligned to the needs of the ministry.



Implementation

- Action plans approved by Government memorandum
- Contain required actions and funding needed
- 2 Government memoranda (one per phase)
- Assistance with implementation
 - CoG assistance to prepare Annual Government Work Plan and enhance the justification process for normative acts

Proiect co-finanțat din Fondul European de Dezvoltare Regională prin POAT 2007-2013

10



UNIUNEA EUROPEANĂ

GUVERNUL ROMÂNIEI

AUTORITATEA NAȚIONALĂ DE FUNDURI STRUCTURALE
2007-2013

Thank you!

Ana Otilia Nutu
otilia.nutu@expertforum.ro

Proiect co-finanțat din Fondul European de Dezvoltare Regională prin POAT 2007-2013

11