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2007-2013

## Interim evaluation of the Administrative Capacity Development Operational Programme (PODCA) for the period from 1 January 2007 to 30 June 2010

### -Executive Summary-

#### Introduction

The Managing Authority of the Administrative Capacity Development Operational Programme (MAPODCA) in Romania contracted the consortium led by East West Consulting to conduct an interim evaluation of the Administrative Capacity Development Operational Programme (PODCA) for the period from 1 January 2007 to 30 June 2010. The Interim Evaluation commenced in July 2010 and the first version of the intermediary evaluation report was produced in September 2010.

#### Terms of Reference

There were six evaluation questions, divided in 17 areas of examination, in the Terms of Reference for the interim evaluation. These are set out in Chapter 1. The report devotes a separate chapter to each evaluation question.

#### Evaluation Conclusions

##### Chapter 1: Relevance

#### What is the relevance of PODCA interventions to the objectives and needs identified?

The 187 projects under implementation or completed are relevant to the KAIs under which they are contracted. There is insufficient progress in implementation for the contribution to objectives at PA level to be measurable or otherwise visible. The projects are relatively small in value. Few substantial projects have been contracted in support of KAI 1.1 (better regulation); KAI 1.2 (monitoring and evaluation) and KAI 2.1 (support to decentralisation in three priority sectors). For KAI 1.3 and KAI 2.2 there is a good demand from beneficiaries and a better contracting rate. There is significant imbalance between the value of contracted projects in regions 1-7 (29%) and contracted projects in region 8 (71%), which includes the central administration. From an overall perspective, our conclusion is that the PODCA interventions to 30 June 2010 are relevant but insufficient to meet the needs identified.

#### What is the relevance of current beneficiaries and target groups to the objectives of PODCA?

PODCA beneficiaries can be classified into three groups – central and local administration organisations and the non-government sector. All three are relevant to the objectives of PODCA. The portfolio of 187 projects completed or under implementation shows that about two-thirds of the value of contracted ESF allocations is for projects from the central administration. The participation of NGOs to date is low which partially reflects the design of the KAIs although they could be used to channel more of the PODCA assistance to the level of the Communes. The MAPODCA has plans to increase the level of participation of NGOs in PODCA implementation.

### **What is the relevance of programme context indicators to the objectives of PODCA?**

Up to the end of 2009, the context indicators used to support the PODCA strategic decisions presented a stable picture – that is, that the needs identified in 2006 remained in place. The effect of the economic crisis has changed the context in a fundamental way. A new emphasis on public expenditure reduction and support to the business environment has emerged. The three priority sectors, as major spenders of public money, will remain important to PODCA. In particular, the economic crisis places an additional priority of need on the sectors for Health and Social Assistance. The public administration reform priorities are changing and this will require a new set of context indicators with a stronger economic basis for the next programming period.

In comparison with Administrative Capacity Development programmes and priorities in other Member States, it was found that the use of civil service profile indicators was common as was the relative size (in expenditure to GDP and employment terms) of the public sector. Several countries identified citizen satisfaction with the services of public utilities as a key indicator. The main areas of difference were the inclusion of indicators for eGovernment (the use of IT services for interacting with the general public) and a more specific alignment of the ACD programme with improving public services for business (reducing encumbrances/administrative burden).

## **Chapter 2: Coherence**

### **Is the PODCA strategy consistent with the latest national strategies relevant to the fields of intervention?**

Our conclusion is that from September 2009, there has been a fundamental shift in the PAR priorities arising from the effects of the financial crisis on public expenditure. The new PAR elements are visible in Law 329/2009 but otherwise are not assembled in one coherent programming document. There are two overall objectives both relevant to PODCA: a significant reduction in public expenditure and support to the business environment. PODCA has been shown to be sufficiently flexible to support the main expenditure reduction actions as identified in the functional reviews being made by the World Bank, better regulation (the standard cost model), the administrative code and the latest project

applications from NACS. KAI 1.2 could also support future projects for the introduction of the MTEF and multi-annual budgeting. PODCA was not designed to support eServices or other direct initiatives aimed at supporting the business environment. There is some scope for co-ordination with the IEC SOP in this area.

We consider that PODCA, as it is now, can fully support the new direction in PAR. The selection systems were flexible (for example for the World Bank project) and can be accelerated where the need is justified. Apart from the functional reviews, the Government decision makers have not signaled an intention to use PODCA in a coherent way in support of the commitments in the memorandum of understanding with the IMF, the convergence programme 2009-12 or the implementation of Law 329/2009. The existing owners of PAR, in particular GSG, do not have capacity for developing and managing the project portfolio originally foreseen under KAI 1.1. It appears that there is no estimate of the potential value of urgent projects that might emerge to address the commitments made in the Memorandum of Understanding or Law 329/2009. The commitments have not been translated into a strategy that could be supported by PODCA. The MAPODCA is not informed of future government plans or expectations from PODCA for the remainder of this programming period.

### **Is the PODCA Intervention system suitable for the selection, contracting and monitoring of projects launched in each key area of intervention?**

The overall conclusion is that the selection, contracting and monitoring processes are suitable but that a serious backlog in the evaluation of project applications has led to a stalling of the selection and contracting process and has overwhelmed the MAPODCA resources. This has potentially serious consequences for the smooth running of implementation over the next two years as it is possible a spike of projects will overwhelm both the monitoring and financial officers. The backlog has been caused by an unexpected high number of applications from the autumn 2009 calls at a time when the contracting of the technical assistance to evaluate them was both seriously delayed and underscoped.

The beneficiaries have expressed general satisfaction with their relationship with MAPODCA through the responses to the evaluation questionnaire.

## **Chapter 3: Effectiveness**

### **To what extent are the objectives of PODCA being met?**

By reference to the target indicators up to 2010 and the overall target for 2015 and in terms of ESF absorption, our overall conclusion is that the objectives of PODCA were not being reached at 30 June 2010. The training schemes under KAI 1.3 and the administrative simplification projects under KAI 2.2 appear to make the most relevant contribution to objectives. There are some individual examples of excellent projects relevant to both PODCA and ESF wider objectives, but not enough to achieve the desired impact. Some large projects (like the ECDL training) are necessary but the PODCA needs more

projects with specific results based on the programme indicators. In most cases, the originally designed results indicators do not have specific projects contracted at 30 June 2010 and a reassessment of the indicators is appropriate. The three priority sectors for KAI 2.1 do not have the capacity or apparent interest to bring forward meaningful projects that fit the original PODCA design.

There was little evidence of an integrated effort to develop project ideas and applications that are relevant to the new PAR priorities considered in Chapter 2. It also appears that a shortage of human resources in the main potential PAR beneficiaries of PODCA (GSG, the three Priority Ministries) is preventing a flow of projects for consideration. This situation needs immediate and urgent action by the beneficiary decision makers responsible for resource allocation.

### **How effective were the information and publicity actions so far?**

The information and publicity actions so far were reasonably effective compared to the resources available. The current TA communication project is filling much of the accumulated gap. The achieved level is a combined result of three main factors:

- small, almost no budget for the implementation of the communication plan was available; up to the signing of the technical assistance contract for information and communications;
- dedication and efforts by the MAPODCA in general and CU in particular to carry out feasible communication activities from the plan, with little money;
- good response from beneficiaries to include information and publicity actions in the projects;

## **Chapter 4: Efficiency**

### **Is the PODCA Management System Efficient?**

The level of rejection of project applications is high for both PA 1 and PA 2. We conclude there is a lack of capacity within the beneficiary organisations for the preparation of good project applications. The throughput and timeliness of the processing of project applications has been inefficient. There are a number of contributing factors which include the irregular pattern of the submission of applications (for example in cases where a call was on a rolling basis for one year but there was a surge of applications at the last minute) and delays in contracting the TA for assessors. The delay in contracting the TA projects under PA 3 was partly due to issues related to the required contribution from other directorates of MAI (legal, procurement, financial) outside the MAPODCA and to changes in the procurement legislation and its interpretation by ANRMAP, UCVAP and CNSC.

The SMIS system does not adequately support management reporting leading to ad hoc production of the necessary management reports from other sources. There is a dependence on an access database and excel spreadsheet for producing management information. Although the information provided to 30 June 2010 was reliable for the purposes of the evaluation, there is a risk that the continuing

accuracy of the information is reduced as the volume of data stored increases. There is an over-dependence on the officers who maintain the database and spreadsheet.

The poor capacity in the key beneficiaries to develop project applications should be managed from within the risk management process. The effects of the financial crisis should also be managed in this process.

### **Are PODCA funds spent in accordance with the planned implementation?**

The level of fund reimbursement is very low. We consider there is a high risk of decommitment in 2013 with a possibility of decommitment starting from 2012.

## **Chapter 5: Contribution to strategic objectives**

### **Identify achievements, opportunities and future prospects in relation to PODCA implementation strategy**

The achievements of the programme, which are modest, have been presented in the previous chapters already. The opportunities for PODCA are resulting from the new priorities of the public administration reform and from the capacity to react quickly and effectively to the effects of the economic crisis. The social assistance field that is subject to a dramatic rethinking should be the first priority and should use PODCA to bridge the many gaps arising from the crisis and the public administration reform.

The conclusions and recommendations of this evaluation project are expected to play a role in relation with the future prospects of PODCA's implementation strategy. The decision makers will find in this report the evaluation of the current status of the programme implementation and the evaluator's recommendations on the problems identified. Decisions that will be taken based on these will define the prospects of the programme.

### **Best practices identified by the evaluator**

The use of the project ideas fiches has been effective in contributing to project applications that are relevant to the PODCA priority objectives.

In terms of contracted projects to date, the following projects are potential candidates as good practice projects:

KAI 1.1 Project to reduce the administrative burden – for relevance to a priority target

KAI 1.3 Universities post graduate programmes – for geographic coverage

KAI 1.3 NACS ECDL project for 12,000 local authority staff – for good project organisation and management

### **Comparative analysis of the contribution of various PODCA to implement policies that contribute to achievement of cohesion objectives**

As already established, many of the Romanian PODCA KAIs are found in other PODCA priorities. These include support to the better regulation agenda, training schemes, support to quality management. The main areas where the practices of other Member States could help the MAPODCA to improve the strategic contribution of the PODCA programme are:

- Co-ordination with a complementary ERDF programme – Hungary
- Extension to the justice sector to pursue the objective of stronger support to the business environment – Poland, Slovenia
- Support to greater use of information technology in public service delivery (eGovernment Services)
- Contribution to partnership and the NGO sector – Wales

All of these areas should be explored in preparation for the next implementation period.

## Interim Evaluation of PODCA - Key Recommendations Table for the Current Programming Period

Paragraph Reference	Finding / Conclusion	Rec No	Recommendation	Effect of Recommendation
115 - 119	The participation of NGOs to date is low and they could be used to channel more of the PODCA assistance to the level of the Communes.	1.	More open dialogue with relevant NGOs to inform them of the ways in which they can participate in the implementation of PODCA and to find the optimal ways for them to contribute to the PODCA objectives should be made to result in calls for projects open to NGOs.	Increased participation of NGOs leading to better absorption of PODCA at lower levels of administration
145 - 170	<p>Our conclusion is that from September 2009, there has been a fundamental shift in the PAR priorities arising from the effects of the financial crisis on public expenditure. The new PAR elements are visible in Law 329/2009 but otherwise are not assembled in one coherent programming document. There are two overall objectives – significant reduction in public expenditure and support to the business environment.</p> <p>PODCA has been shown to be sufficiently flexible to support the main expenditure reduction actions as identified in the functional reviews being made by the World Bank, better regulation (the standard cost model), the administrative code and the latest project applications from NACS. KAI 1.2 could also support future projects for the introduction of the MTEF and multi-annual budgeting. PODCA was not designed to support eServices or other direct initiatives aimed at supporting the business environment. There is some scope for co-ordination with the IEC SOP in this area.</p>	2.	The Government should draw up a single coherent strategy that converts its commitments under the Memorandum of Understanding, Law 329/2009 and the convergence programme into a list of projects and realistic measurable performance targets. We consider that PODCA KAI 1.1 could be used to support a secretariat for the interministerial committee and the officials responsible for implementation of PAR initiatives. The OPs that are most suited to support their implementation (including PODCA) should be identified and there should be coordination of the response between ERDF and ESF operational programmes. The decision makers in the beneficiaries' organizations should allocate the resources needed to accelerate the development of project applications and to manage the implementation of the projects.	Improved relevance, coherence and effectiveness of absorption of remaining PODCA funds

Paragraph Reference	Finding / Conclusion	Rec No	Recommendation	Effect of Recommendation
70 – 90 171 - 180	The overall conclusion is that the selection, contracting and monitoring processes are suitable but that a serious backlog in the evaluation of project applications has led to a stalling of the selection and contracting process and has overwhelmed the MAPODCA resources.	3.	Future calls for projects should aim for a higher minimum project size. This could be achieved through umbrella projects to address the request from beneficiaries for smaller project sizes.	Increase MAPODCA efficiency and PODCA effectiveness; reduce backlogs and management workload.
33 - 69 106 - 114 147 - 170 190 - 204	By reference to the target indicators up to 2010 and the overall target for 2015 and in terms of ESF absorption, our overall conclusion is that the objectives of PODCA were not being reached at 30 June 2010. The training schemes under KAI 1.3 and the administrative simplification projects under KAI 2.2 appear to make the most relevant contribution to objectives. There are some individual examples of excellent projects relevant to both PODCA and ESF wider objectives, but not enough to achieve the desired impact. Some large projects (like the ECDL training) are necessary but the PODCA needs more projects with specific results based on the programme indicators. In most cases, the originally designed results indicators do not have specific projects contracted at 30 June 2010 and a reassessment of the indicators is appropriate. The three priority sectors for KAI 2.1 do not have the capacity or apparent interest to bring forward meaningful projects that fit the original PODCA design.	4.	The Government of Romania, through the interministry committee, ACIS and the MAs should urgently address the issue of the capacity for public administration beneficiaries to develop and implement projects relevant to the structural funds.	Improved effectiveness of PODCA implementation.
		5.	<p>The MAPODCA should raise the issues discussed in this evaluation on the possible use of PODCA in support of the new PAR priorities in the regular interministry coordination group. The extent to which new substantial projects might emerge for this should be known by the end of 2010. There is a need to improve the focus on the priority axis targets, that is:</p> <p>KAI 1.1: GSG should estimate the project pipeline requirements to implement projects in support of the administrative burden results indicator established for this KAI.</p> <p>KAI 1.2: The MPF should inform the MAPODCA of its potential need for PODCA support under this KAI to support the introduction of the MTEF and multi-annual programme budgeting</p> <p>KAI 1.3: The GSG should estimate the future pipeline requirements for PODCA funding to support the completion of the functional reviews and the implementation of their recommendations.</p> <p>KAI 2.1: Each of the three Priority Ministries should immediately</p>	Improved relevance and coherence of PDOCA project portfolio



Paragraph Reference	Finding / Conclusion	Rec No	Recommendation	Effect of Recommendation
			advise the MAPODCA of their future intentions for applying for PODCA funding in support of the originally established development objectives. Thereafter, from Autumn 2010, an alternative set of operations should be considered reflecting the updated priority needs. A reallocation of the remaining funds to support a final call for KAI 2.2 should be proposed at the Autumn Monitoring Committee.	
192 - 204 233 – 234 239		6.	Based on the current contracting and absorption position, and in the absence of positive feedback as recommended in paragraph 215, the following reallocations should be proposed to the PODCA Monitoring Committee:  a. reallocation from KAI 1.2 to 1.3, to support a call for projects to target public expenditure reduction through restructuring b. reallocation from 2.1 to 2.2 to support a call for projects to target public expenditure reduction through improved efficiency	Improved absorption of PODCA funds.
91 - 105 213 - 214	The information and publicity actions so far were reasonably effective compared to the resources available. The current TA communication project is filling much of the accumulated gap.	7.	The current TA contract for communication activities should seek to achieve the communication targets for the period 2007- 2011. Events organised should further focus on feedback to potential and actual beneficiaries through the presentation of the frequent errors noticed in the preparation and implementation of the projects and of the corresponding solutions.	Improved effectiveness of communications activities.
222 -226 235 - 238	The level of rejection of project applications is high for both PA 1 and PA 2. We conclude there is a lack of capacity within the beneficiary organisations for the preparation of good project applications. The throughput and timeliness of the processing of project applications has been inefficient. There are a number of contributing factors which include the irregular pattern of the submission of applications (for	8.	MAPODCA should provide training to potential beneficiaries (through its TA budget) in support of their development of project pipelines and to provide feedback that leads to a lower rejection rate.	Improved effectiveness of PODCA implementation
		9.	A solution is needed to speed up the evaluation and contracting in order to complete the process for the 458 projects under evaluation. This includes Technical support, training and on-going	Improved efficiency and absorption of PODCA funds

Paragraph Reference	Finding / Conclusion	Rec No	Recommendation	Effect of Recommendation
	example in cases where a call was on a rolling basis for one year but there was a surge of applications at the last minute) and delays in contracting the TA for assessors. The delay in contracting the TA projects under PA 3 was partly due to issues related to the required contribution from other directorates of MAI (legal, procurement, financial) outside the MAPODCA and to changes in the procurement legislation and its interpretation by ANRMAP, UCVAP and CNSC.		coordination with the procurement, legal and financial departments in MAI.	
		10.	The technical assistance needed to externalize the evaluation of project applications should be organized on a framework call down basis to ensure the resources can be available when they are most needed. This is underway.	Improved efficiency

## Recommendations for Next Programming Period

Paragraph Reference	Finding / Conclusion	Rec No	Recommendation
123 - 133 141 - 142	Up to the end of 2009, the context indicators used to support the PODCA strategic decisions presented a stable picture – that is, that the needs identified in 2006 remained in place. The effect of the economic crisis has changed the context in a fundamental way. A new emphasis on public expenditure reduction and support to the business environment has emerged. The three priority sectors, as major spenders of public money will remain important to PODCA but with an increased priority for social assistance. The public administration reform priorities are changing and this will require a new set of context indicators with a stronger economic basis for the next programming period.	11.	The context indicator analysis for the next programming period should address the public services and the administrative burden for the business environment.
		12.	The context indicator analysis for the next programming period should be aligned to the new EU2020 indicator targets.
142, 159-160, 246 - 250	The main areas of difference were the inclusion of indicators for eGovernment (the use of IT services for interacting with the general public) and a more specific alignment of the ACD programme with improving public services for business (reducing encumbrances).	13.	The next PODCA should have direct co-ordination with the IEC SOP or a suitable ERDF based OP.
145- 170	The new PAR elements are visible in Law 329/2009 but otherwise are not assembled in one coherent programming document.	14.	The Government should, through the NSRF and National Reform Plan processes, produce an updated PAR strategy for the period 2014 to 2020 to align with the next PODCA programming period.
211 246 - 257	There are some individual examples of excellent projects relevant to both PODCA and ESF wider objectives, but not enough to achieve the desired impact.	15.	More coordination among MAs of all OPs should be sought in order to align procedures and ensure best use of the programme's complementarity.
190 - 205 211 - 212	The level of fund reimbursement is very low. We consider there is a high risk of decommitment in 2013 with a possibility of decommitment starting from 2012.	16.	Preparations for a project pipeline for the next programming period should begin in 2011. An Ad hoc evaluation should be considered to identify the level of support needed from the MAPODCA for this.