1. METHODOLOGY

1.1 Evaluation Background

1. As originally planned, the *ad hoc* evaluation aimed to provide policy decision makers and programme managers with relevant information and credible analysis on particular aspects of the progress made in the implementation of the NSRF and the OPTA. It further aimed to identify main lessons learned during the first years of implementation, highlight best practices and contribute to the strategic reporting requested by Article 29 of Council Regulation (EC) Regulation № 1083/2006[1].

Rationale

2. *Ad hoc* evaluations are designed to address a need for knowledge on operational or other issues identified in the course of the implementation of the NSRF and OPs. This *ad hoc* evaluation did not therefore form part of the annual evaluation plan drawn up by ACIS, but was commissioned specifically.

Focus and perspective

3. Since the coverage of the ad hoc evaluations under the contract is broad and unspecified, the first step was to define its scope and focus. The *factors* which guided the assessment of the needs of *ad hoc* evaluations were the following: changes in national and European policies, major bottlenecks in implementation, preparation of the next programming period, cross-cutting issues (concerning more than 2 MAs), focus on internal aspects of the system or on the beneficiaries, practical relevance and immediate applicability by stakeholders in the short term. The process of needs assessment included documentation review and interviews with the main stakeholders. A total of eight interviews were carried out with managers and evaluation staff at ECU/ACIS and managers at five MAs (those for OP DAC, SOP IEC, SOP T, ROP, SOP HRD). The desk review mainly included the most recent Monitoring Committee Minutes of the OPs and the Indicative Lists of Evaluations planned by ECU and the MAs.

4. Based on the above-mentioned factors a *tentative list of* ad hoc *evaluations* was drafted. Most of the stakeholders consulted in the matter preferred an analysis of the capacity of SI beneficiaries (both public and private).

1.2 Methodological Approach

1.2.1 Evaluation Theory

5. The theory of this evaluation was driven by an international approach to the conceptualisation of capacity development practice according to which a country's wider objective of reducing the socio-economic gap compared with other EU Member States is achieved by processes through which individuals and organisations obtain, strengthen and maintain the capabilities to set and achieve their own objectives. That is why, during the analysis of NSRF progress, the capacity of SI beneficiaries became one of the key issues of concern.

6. For the purpose of this evaluation, ***beneficiary capacity*** encompasses the following components:

(i) Project management capacity – beneficiaries' capacity to manage the project in such a way as to achieve the results and define an "exit-strategy" from early stages of project implementation;

[1] Dated 11 July 2006.

(ii) Capacity to report on implementation – beneficiaries' capacity to realize accurate and reliable implementation reports (including reporting on indicators);

(iii) Capacity to request reimbursement – the paperwork beneficiaries need to complete in order to submit a correct request for payment and their capacity for spending enough funds so as to be able to respect the initial payment calendar;

(iv) Capacity to mobilise human resources – recruitment and involvement in the project of dedicated human resources;

(v) Capacity to mobilise financial resources – identification of project financial resources and capacity for managing financial operations.

7. The ToR included one more level of capacity, which was defined as the *capacity to overcome other contextual constraints that may occur in implementation*. The fieldwork and the multi-criteria analysis (MCA) proved that the other five capacity components are in fact contributing to beneficiary capacity to overcome contextual constraints.

8. The capacity development theoretical framework involves three inter-related ***levels*** of analysis: societal, organisational and individual.

9. The *societal* level is the term used to describe the broader system within which individuals and organisations function and that may facilitate or hamper their existence and performance. This level is central to the understanding of capacity issues. It determines the 'rules of the game' for interaction between organisations.

10. The *organisational level* of capacity comprises the internal policies of organisations and all arrangements, procedures and frameworks that allow an organisation to operate and deliver a project. Capacity at the organisational level enables individuals and individual level capacities to interact, cooperate and achieve goals. If all these are in place, well resourced and well aligned, the capability of an organisation to perform will be greater than that of the sum of its parts.

11. The *individual level* of capacity refers to the fact that each person is endowed with a mix of capacities that allows him to perform. Some of these are acquired through formal training and education, others through learning by doing and experience.

12. In order to operationalise this theoretical framework in accordance with the actual situation of SI beneficiaries in Romania, each capacity component was analysed using a set of ***factors*** defined in the ToR for each of the three levels presented above. The factors at the *societal level* are the following: policies, legislation, power relations/hierarchies and social norms. The factors at the *organisational level* refer to: internal policies, arrangements, procedures, and frameworks. The individual level has been analysed through three factors: the skills, experience and knowledge that are invested in people. *Table 1* presents the definition of each factor, grouped by each of the three levels.

Table 1. – Factors influencing beneficiary capacity

Factors	Factor Definitions
Societal level	
Policies	A systematic approach to national priorities with important operational dimensions in the sectors in which beneficiaries develop their actions
Legislation	Regulatory and operational aspects related to VAT recovery, regulatory and practical aspects related to the preparation and implementation of public procurement procedures, correlation between the norms and regulations governing SI implementation with other national and/or EU regulations

Power relations/hierarchies	Major inter-institutional relations significantly influencing the implementation capacity of the beneficiaries such as the relation with MA/IBs and the relations with financial institutions
Social norms	Resistant attitudes of SI project stakeholders (without and within the project) hampering implementation
Others	Economic crisis and related consequences such as changes in the project target groups, changes in the demand of the services in a broad sense, including the themes and topics of the intervention proposed by the SI project
Organisational level	
Internal policies	Institutional strategic plans or set of actions influencing SI project implementation
Arrangements	The 'organisation culture', mainly concerning support received directly from management and colleagues in other departments
Procedures	Formal organisational rules, regulations and processes (e.g. for monitoring or risk management)
Frameworks	Organisational structures involved in SI project implementation
Individual level	
Skills	The practical ability of the beneficiaries staff to implement SI projects
Experience	Prior individual involvement in designing, managing and implementing projects
Knowledge	The information and understanding of the aspects related to SI projects implementation

1.2.2 Evaluation Design

13. The ToR stipulated as the specific objective of this evaluation to identify the main problems affecting and the vectors contributing to increasing SI beneficiaries' implementation capacity.

14. The evaluation was conducted in accordance with the following evaluation question (Q) and sub-questions (SQ):

- **Q** – How is the beneficiaries' implementation capacity hampering the achievement of the SI projects' results?
- **SQ1** – How do the relevant policies, legislation, power relations and social norms hamper the beneficiaries' implementing capacity?
- **SQ2** – How do the internal policies, arrangements, procedures and frameworks at organisation level (if they exist) hamper the implementation capacity of SI beneficiaries?
- **SQ3** – Do the beneficiaries have the relevant experience, knowledge and technical skills for implementing SI projects?

15. The evaluation was carried out on the basis of an evidence-based, exploratory approach taking into account the novelty of the evaluation topic (the present programming period being the first and no other study of beneficiary capacity being available). The evaluation addressed the capacity of all types of beneficiary (both public and private), irrespective of OP. The data collection combined secondary with primary data collection and qualitative with quantitative data. The process of data collection was organised in two stages.

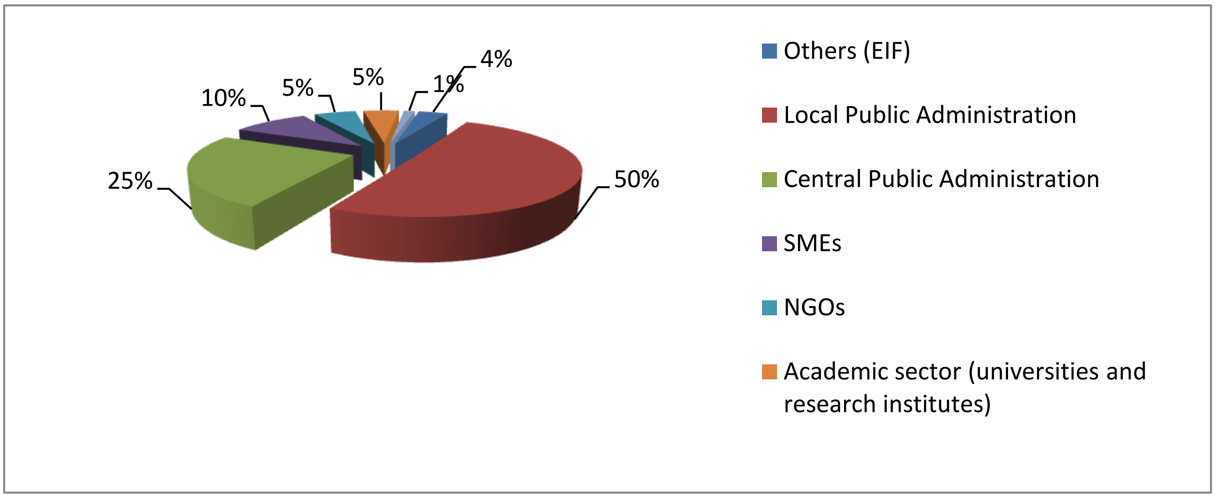
16. *First stage data collection* consisted of documentation review and interviews aiming to list the problems related to the beneficiaries' implementation capacity and refine the questionnaire used for the second stage of data collection. In accordance with the methodology set out in the ToR, the documentation review (list of documents reviewed is presented in the *Annex 2*) included Framework Implementation Documents (FID), as well as Monitoring Committee meeting minutes, Technical and Financial Reports (TFR) and implementation procedures of the individual OPs. At this stage, the evaluators carried out 11 interviews (*Annex 3*) with representatives of MAs and IBs (*Annex 4)* in order to gather material for defining the list of capacity problems (*Annex 5*) at beneficiary level.

17. *Second stage data collection* included an on-line survey (*Annex 6*) carried out for collecting primary data based on the questionnaire designed and refined in advance. The survey aimed to reveal differences between beneficiaries facing delays in submitting reimbursement requests and beneficiaries with no difficulties in that sense. The preliminary interviews and the piloting stage of the survey showed no significant differences in the problems experienced by the two groups of beneficiaries, the major problem being related to getting reimbursed, not to submitting reimbursement requests. This is also supported by other sources[2] concerned with the problems of the SI beneficiaries. This was confirmed by the findings of the beneficiaries' survey as both the beneficiaries with no delays in claiming reimbursement and those having such delays ranked getting reimbursement as their most important problem in implementation.

18. The evaluation aimed to encompass a total of 1,429 SI-financed projects, i.e. all the projects contracted by 30 June 2009. Unfortunately, the main data set obtained through the MAs and used for the evaluation was not complete. The total number of projects included in the evaluation (at the same cut-off date) consisted of 1,290 projects. This level of representation (90% of the total 1,429 SI-financed projects at the cut-off date) may be considered ample for ensuring adequate reflection of the total number of projects. *Figure 2* is indicating the share of contracted SI funds by type of beneficiary in the 1,290 projects. The funds allocated to the projects implemented by the National Roads Company and the National Railways Company were included in the category of "Central Public Administration", while the funds corresponding to the local water companies were included in category of "Local Public Administration".

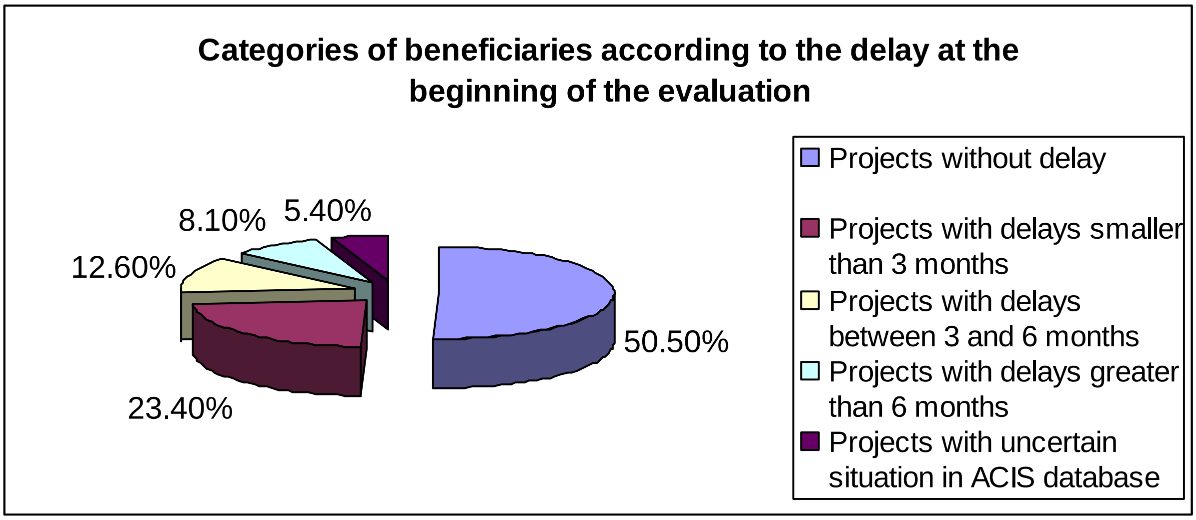
[2] ”100 Notices” Report – Resource Center for Public Participation, March 2010 and ”Public Auhtorities Confronted with the EU Funds” – Soros Foundation Romania, 2010.

Figure 2. – Share of contracted SI funds by type of beneficiary



19. Of the 1429 contracted projects, a total of 280[3] (20.7% as per *Figure 3)* showed up delays in excess of 3 months with regard to claiming reimbursement of project-related expenses from SI resources.

Figure 3. – Status of SI projects in terms of reimbursement claims



20. *Table 4* shows the reimbursement claim status in relation to the total number of each beneficiary type. Among all beneficiaries, the local public authorities are the category with the highest number of projects delayed in claiming reimbursement. The best situation is encountered by the academic sector; only 1.5% of the total number of projects implemented by these beneficiaries are more than 3 months delayed in claiming reimbursement.

[3] Data provided by the MAs in February 2010.

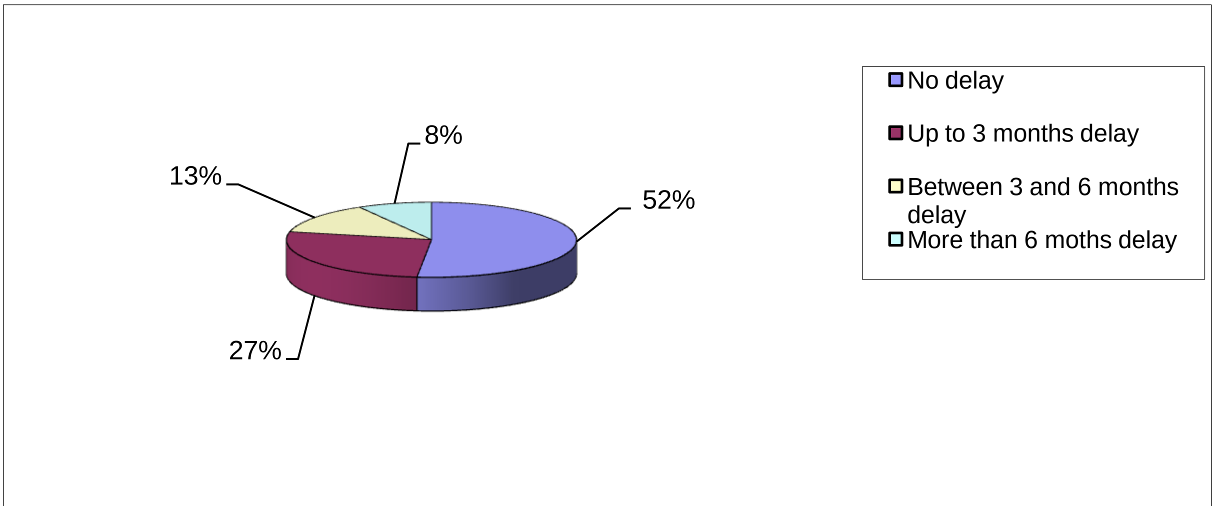
Table 4. – Reimbursement claim status per beneficiary type

	Academic sector	NGO	Central public authorities	Local public authorities	SMEs	Missing data[4]
No delay	105	69	76	56	241	128
Less than 3 month delay	27	15	21	44	195	34
Over 3 month delay	2	10	33	45	171	18
% of projects over 3 month delayed	1.5	10.6	25.3	31	28.2	10
Total	134	94	130	145	607	180

21. Out of 1,290 projects, the invitation to participate in the on-line survey was confirmed as received by 728 projects (public and private sector recipients of support under all OPs). The complete contact details of these projects were available and still valid when the survey was launched. The survey response amounted to a total of 197, of which 157 replies were complete. The response rate represents 22% of the population participating in the survey and 12% of the total population of projects in the database. It should be noted that the survey collected data for one project/beneficiary (the number of projects is the same with the number of beneficiaries).

22. Comparing the status of SI projects in terms of reimbursement claims in the total 1,290 projects having MAs as data source (*Figure 3*) with the same type of information collected by the survey (*Figure 5*) it can be noted that there is no significant difference between the two data sources.

Figure 5. – Status of sampled SI projects in terms of reimbursement claims



[4] No data about reimbursement claims.

23. In addition to the quantitative data, the evaluation team also collected qualitative data. Some 40 interviews *(Annex 7)* were conducted with representatives of four main types of beneficiaries: central and local public authorities, SMEs, NGOs, and academic sector *(Annex 4)*. All of these entities had projects with disbursement claims older than three months in February 2010 (when the database for the present evaluation was compiled). In terms of geographical spread, the interviews covered seven out of eight development regions (Centru Region excepted). In terms of OP coverage, they covered six out of the seven OPs (SOP Transport excepted).[5]

24. The *Analysis* consisted of the MCA referred to above. It was first carried out internally by the evaluation team and validated in two workshops. The first validation workshop (held on 01/07/2010) addressed private beneficiaries (SMEs and NGOs), while the second validation workshop (held on 07/07/2010) addressed public beneficiaries. The MCA allowed setting the weight of the factors influencing beneficiary capacity, as well as further analysing them in relation to each capacity level. The evaluators and workshop participants discussed the influence of each factor (ref. *Table 1*) on each capacity component. Each factor was awarded with one of the following three degrees of influence: high (score 2), medium (score 1) or low (score 0) (*ref. Annex 8*).

25. In order to refine the analysis and illustrate better the evaluation findings and recommendations, the evaluators carried out three *case studies*, on the following topics: (i) financial difficulties faced by private sector beneficiaries (SMEs), (ii) mobilizing human resources and public sector beneficiaries; and (iii) external factors and beneficiary implementation capacity. The evaluation team proposed the topics on the ground of providing wider insights on subjects which were emphasized by the beneficiaries during the interviews and the MCA workshops and which could go beyond the particular case in question. The Evaluation Steering Committee (ESC) validated the topics.

1.2.3 Methodological Challenges

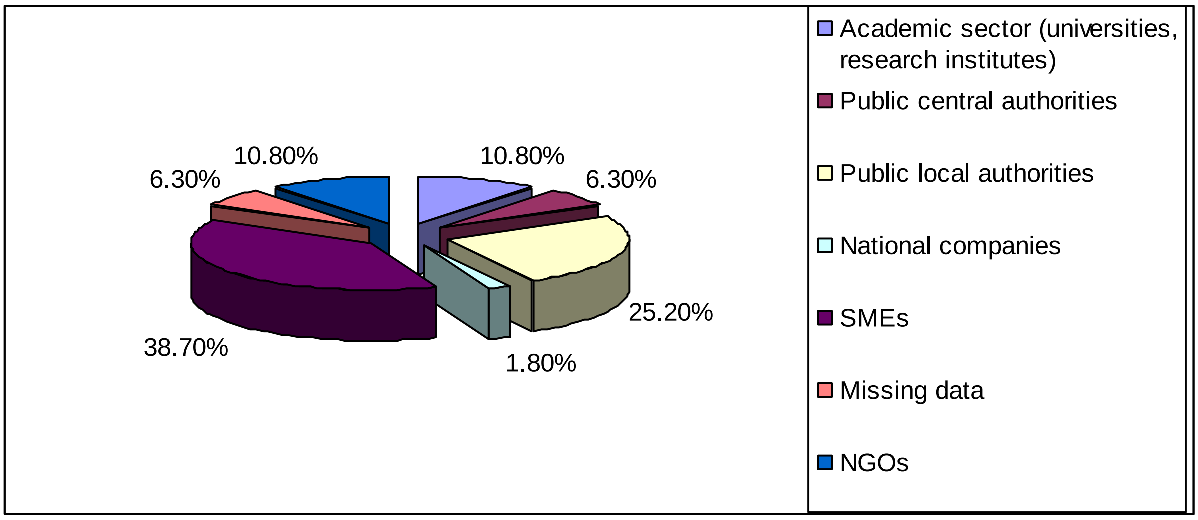
26. SI beneficiaries were exposed to several surveys carried out in the first half of 2010 in the framework of other on-going evaluations of the NSRF and the OPs. These evaluations came on top of monitoring and audit missions[6] they had to respond as individual organisations/institutions. The resulting a lack of interest towards evaluation[7] substantially reduced respondents' willingness to participate in the survey and explains the low level of participation in the on-line survey. *Figure 6* presents the sample structure by type of beneficiary.

[5] The four OPs under the European Territorial Cooperation (ETC) component of the NSRF were not included in the scope of the present evaluation. SOP Transport was not included because the projects under the OP Transport were not in the stage of submitting reimbursement requests.

[6] MAs/IBs monitoring visits; AA audits.

[7] *Evaluation fatigue*

Figure 6. – Respondents by beneficiary type



27. The low participation of the beneficiaries in the survey did not allow comparisons among types of beneficiary (such SMEs, NGOs, public authorities and academia), and beneficiaries on time with or delayed in submitting reimbursement claims.

28. Evaluation practice has revealed that for the studies addressing beneficiaries' capacity, in-depth qualitative studies based on clusters of case studies are most appropriate, since quantitative analysis brings only a partial insight into the topic.

29. The qualitative data collected from the staff of public institutions in a period of salary cuts and layoffs might have introduced a certain bias. Nevertheless, apart from the triangulation effort, it is part of the evaluation process to present findings resulting from a given set of data sources collected in a given context both reflected in the findings.