

## ANNEX 2 – TERMS OF REFERENCE

### 1. Background

The Vision of the National Strategic Reference Framework (NSRF) is to create a competitive, dynamic and prosperous Romania. In this regard, its general objective is to reduce the economic and social development disparities between Romania and the EU Member States, by generating a 15-20% additional growth of GDP by 2015.

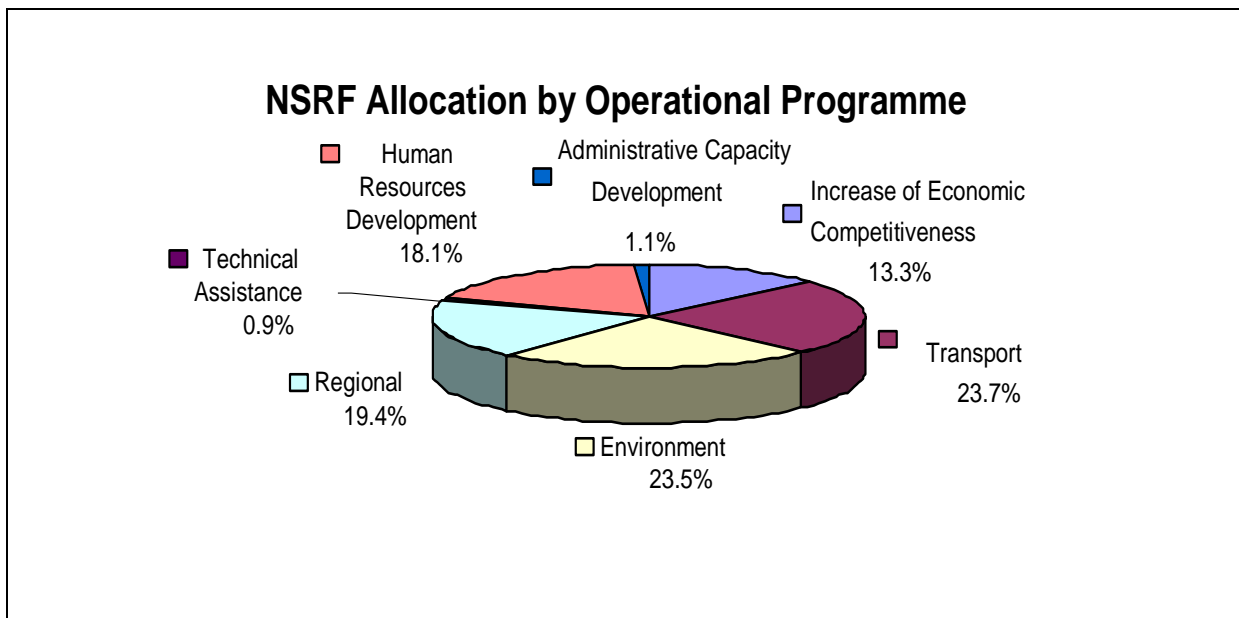
The NSRF priorities have been formulated as the Government's strategic response to current economic weaknesses and in order to create the opportunities Romania desires. The NSRF seeks to draw the priority strands together in a consistent strategy that is appropriate for Romania but also conforms to the strategies of the European Union including the Lisbon Strategy and will deliver economic growth and new jobs.

The NSRF is implemented through Operational Programmes under the European Cohesion Policy's Objectives, namely 'Convergence' and 'European Territorial Cooperation' which are co-financed by the EU Structural Instruments (European Regional Development Fund, European Social Fund and the Cohesion Fund).

The overall Structural and Cohesion Funds allocation for Romania is 19.668 bn Euro of which 12.661 bn Euro represent Structural Funds, 6.552 bn Euro Cohesion Fund (under the Convergence Objective), and 0.455 bn Euro are allocated under the European Territorial Cooperation Objective (including transfers to the Instrument for Pre-accession Assistance – IPA, and to the European Neighbourhood and Partnership Instrument - ENPI).

The NSRF financial table presents the breakdown by Operational Programme of the Structural Funds under the Convergence Objective.

**Table 1: NSRF Allocation by Operational Programme**



As shown in **Table 1**, the two largest OPs involve infrastructure investment in Transport and the Environment respectively. Together these two Programmes account for almost half of planned NSRF investment. They are the subject of this Ad Hoc Horizontal Review.

## **2. Evaluations of NSRF**

### **2.1 Evaluation Structures**

The Operational Programmes within the NSRF and the responsible Managing Authorities are listed in **Table 2**.

**Table 2: Operational Programmes in Romania**

<b>Operational Programme</b>	<b>Managing Authority</b>
<i>Transport</i>	Ministry of Transport and Infrastructure
<i>Environment</i>	Ministry of Environment and Forestry
Increasing Economic Competitiveness	Ministry of Economy, Trade and Business Environment
Regional	Ministry of Regional Development and Tourism
Human Resources Development	Ministry of Labour, Family and Social Protection
Administrative Capacity Development	Ministry of Administration and Interior
Technical Assistance	Ministry of Public Finance
Cross-Border Cooperation	Ministry of Regional Development and Tourism

Each OP Managing Authority has an Evaluation Unit (EU) which coordinates the elaboration and implementation of a multi-annual evaluation plan (MAEP). At NSRF level the Evaluation Central Unit has its own MAEP, incorporating evaluations taking the form of synthesis reports, strategic or meta-evaluations with a focus on cross-cutting, horizontal issues across all or a number of Operational Programmes.

ECU has also a coordinating role supporting the strengthening of evaluation capacity building in the overall structural instruments evaluation system. The main coordination tool is the Evaluation Working Group (EWG) chaired by ECU and composed of the members of the individual EUs.

### **2.2 OP Interim Evaluations 2009**

According to the MAEPs, during 2009 OPs under the Convergence objective launched an Interim Evaluation, except for the SOP Environment which planned this exercise in a later period. Usually, related ToRs were discussed within the EWG and Evaluation Steering Committees and key elements were presented in the Monitoring Committees meetings. ECU supported the EUs in the design the Interim Evaluation of their OPs by organising training, issuing guidelines and commenting on Terms of Reference.

The ECU's guidelines indicated two purposes for OP interim evaluation, namely to:

- provide an informed judgement on the OP's progress to date and lessons learned; and
- provide an input to strategic reporting under Article 29 of the Council Regulation (EC) N° 1083/2006.

Suggested evaluation themes were: relevance, consistency, effectiveness and efficiency. More detailed evaluation questions were identified within these.

### **2.3 Synthesis of OP Interim Evaluations**

At NSRF level the ECU commissioned a number of evaluations under the contract 'Evaluations during the period 2009-2010'. This was contracted in October 2009 by ACIS following a public procurement procedure, with the consortium composed of KPMG Romania, GEA Strategy & Consulting and Pluriconsult. A Synthesis Report (SyR) is one of the expected deliverables of the project. This report is designed to synthesise the results of the individual Interim Reports.

The expected result of the SyR, as set out in the ToR, is to reach conclusions and make recommendations addressing the following strategic issues:

- consequences for NSRF strategy and its implementation of the financial and economic crisis;
- relevance, efficiency<sup>27</sup> and effectiveness of the existing (OP) strategies. Best practices and failures explaining the asymmetry of implementation between OPs and within each OP should also be provided;
- relevance of the implementation mechanisms;
- potential for upgrading the impact of investments, including the increase of the synergies and complementarities between programmes and priorities, and judgement on the quality of the investment.

The Synthesis Report is due for completion in the period June-October 2010, with a final report prepared by 31<sup>st</sup> October 2010.

Due to circumstances outside the ECU's control, two OP Interim Evaluation reports will not be ready within the Synthesis Report schedule – Environment due to its commencement date and Transport because of MA dissatisfaction with its quality.

## **2.4 Horizontal Review of Infrastructure Investment**

Given the importance of these OPs in the NSRF, and the likely distinct implications that the economic crisis may have for them, ACIS with the consent of the respective MAs has decided to commission a separate Horizontal Review of these two Programmes. The Review will also serve as an important input to the SyR regarding the two OPs. This Review will constitute Ad Hoc Evaluation No. 2 under the contract referred to above.

### **3. Horizontal Review Terms of Reference**

#### **3.1 Overall Objective**

The overall objective of the Horizontal Review is to analyse and draw out the implication of the economic crisis for progress and for implementation efficiency and effectiveness across the two infrastructure-related OPs, Transport and the Environment. The Review will also constitute an important input to the SyR.

#### **3.2 Horizontal Review Evaluation Criteria and Questions**

The Review is intended to address the four evaluation criteria also addressed in the 2009 Interim Evaluations. These and more detailed evaluation questions within them are:

##### *Relevance*

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<sup>27</sup> Including the efficiency of the management, financial and certifying systems.

- The socio-economic analysis underlying the two OPs is based on indicators up to 2004/05. What important changes have occurred since then and are expected in the future?
- How do these changes in the socio-economic context affect the OP and its priority axes, in particular their relevance to Romania's investment needs. Is relevance reduced or increased by the crisis, and if so in what way?

#### *Consistency*

- Is the implementation to date of the Priority Axes within the OPs complementary with each other?
- Are the OPs and Priority Axes coherent with any recent major relevant national and international policy/strategies and investment programmes, including strategies to deal with the economic crisis?
- Are there overlaps in the implementation of the Priorities or operations within each OP and between these and other investments in the two sectors?

#### *Effectiveness*

- What is the actual implementation progress to the cut-off date?<sup>28</sup> What is the gap between actual and planned progress? In particular, based on approaches to date and the likely project pipeline, what is the likelihood that the OPs will achieve their targets?
- Will the progress to date (and the rate of progress) lead to the achievement of the objectives of the Operational Programmes and Priority Axes?
- What are the internal and external factors contributing to the gap between actual and planned performance? Are these factors at policy and decision-making level, management and implementation level? What is the nature and extent of specific obstacles such as policy-making capabilities, structures of implementation bodies, lack of investment prioritisation, relationships within and between structures, lack of personnel, lack of skills, and other evident obstacles?
- How has the economic crisis affected implementation progress, negatively or positively? What are the specific effects involved, e.g. budgetary difficulties, personnel shortages? Is this similar or different across the two OPs and the Priority Axes?

#### *Efficiency*

- Is the management system<sup>29</sup> (managing authority, intermediary bodies, beneficiaries) functional and operating efficiently?
- How has the economic crisis affected efficiency, e.g. has it affected resources? Costs? Supply of services?

### **3.3 Users**

The users of the Horizontal Review report will be ACIS, the authors of the SyR, MAs, IBs, European Commission, beneficiaries, members of the Monitoring Committees of the two OPs and other stakeholders.

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<sup>28</sup> The cut-off date will be suggested in the methodology.

<sup>29</sup> Management system means planning, launching the call, quality of the project applications (and reasons for rejection), timeliness of the selection procedures, Timeliness of contracting, timeliness of processing applications for reimbursement.

### 3.4 Expected Results

The expected results of the Horizontal Review will be conclusions, and recommendations regarding the two Operational Programmes, addressing the four strategic issues of the Synthesis Report, as set out in **Section 2.3** above, and repeated below:

- consequences for NSRF strategy and its implementation of the financial and economic crisis;
- relevance, efficiency<sup>30</sup> and effectiveness of the existing (OP) strategies. Best practices and failures explaining the asymmetry of implementation between OPs and within each OP should also be provided.
- relevance of the implementation mechanisms.
- potential for upgrading the impact of investments, including the increase of the synergies and complementarities between programmes and priorities, and judgement on the quality of the investment.

It is recognised that the comprehensiveness of the results in this regard will reflect the limited nature of the Review.

## 4. Horizontal Review Methodology

### 1) Drafting the Methodology

Based on these ToR, the Review team will develop a succinct methodology including:

- a draft report outline;
- a list of possible additional data/information sources to be consulted;
- a detailed work plan.

### 2) Kick-off seminar

The Evaluation Steering Committee, the two MAs concerned (MA SOPT and MA SOP E) and DG Regio will be invited to review and comment on the methodology for the Horizontal Review during a kick-off seminar. The Review team will respond during the meeting or in writing to all received comments and, as the case may be, to improve the methodology. The final Methodology must be approved by the Evaluation Central Unit.

### 3) Elaborating the report

The drafting of the Horizontal Review report will be based on the approved methodology. The methodology will include document and data review and interviews.

The methodology is anticipated as including analysis of performance indicator data available from the MA, IBs or other sources, review of other relevant documentation including Progress Reports, Annual Implementation Reports and Monitoring Committee meeting minutes, relevant evaluations including the NSRF Interim Evaluation. It will also include semi-structured interviews with the MAs, IBs, and beneficiaries in order to allow a qualitative assessment.

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Including the efficiency of the management, financial and certifying systems.

It is understood by ACIS that this Horizontal Review is not the equivalent of a full Interim Evaluation of the two OPs involved. While the ToR ask the Review to address similar questions as an IE, the depth at which these can be addressed will inevitably reflect the more limited nature of the work programme of the Review.

The draft reports will be submitted to the Evaluation Steering Committee and key stakeholders for comments. The Evaluation Steering Committee will conduct quality assurance of the final version of the report.

#### 4) Debriefing meeting

The results of the Review will be presented by the team in a debriefing meeting, as well as in the National Coordination Committee for Structural instruments if appropriate.

### 5. Resources

The remaining balance of resources available under Component 2.2 Ad Hoc Evaluation will be utilised on this Review. This involves 30 Key and 120 Non-Key Expert days. A detailed breakdown for the use of the Non-Key Expert resources will be provided in the consortium's proposed methodology.

### 6. Outputs

The output of this activity shall be a Draft and a Final Report elaborated in Romanian and English. The reports shall each have maximum 50 pages of text, tables and charts, without annexes.

The Final Report should contain a Summary Report of maximum 8-10 pages summarising the Review objectives and scope, and the main conclusions and recommendations arising.

The report shall meet the following quality control criteria:

<b><i>Criterion</i></b>	<b><i>Interpretation</i></b>
Relevance	Does the report respond to information needs, in particular as expressed in the terms of references?
Appropriate design	Is the design of the work adequate for obtaining the results needed to answer the questions?
Reliable data	Are data collected adequate for their intended use and have their reliability been ascertained?
Sound analysis	Are data systematically analysed to answer the questions and cover other information needs in a valid manner?
Credible findings	Do findings follow logically from and are justified by, the data/information analysis and interpretations based on pre-established criteria and rational?
Valid conclusions	Are conclusions non-biased and fully based on findings?
Helpful suggestions	Are areas needing improvements identified in coherence with the conclusions? Are the suggested options realistic and impartial?
Clarity	Is the report well structured, balanced and written in an understandable manner?

The Quality control will be performed by the Evaluation Steering Committee. For this specific evaluation, the Steering Committee will include representatives of the MA SOP T and MA SOP E.

## **7. Timetable**

The Review shall be carried out during the period July-October 2010. It is anticipated that the desk research will be carried out during the months of July and August, and the fieldwork in September. This latter will facilitate availability of the Draft SyR in advance of the consultations, which will help to focus the consultations on key emerging issues.

The draft Intermediary Report should be delivered by 31 August 2010 and will cover the outcome of the desk analysis. The Draft Final Report will be delivered at 30 September 2010 and will cover the remaining work. The Final Report will be submitted no later than 15 October 2010.

These deadlines are also critical to the timetable for the SyR they must be adhered to. The Methodology Proposal will set out a more detailed timetable for the Review.