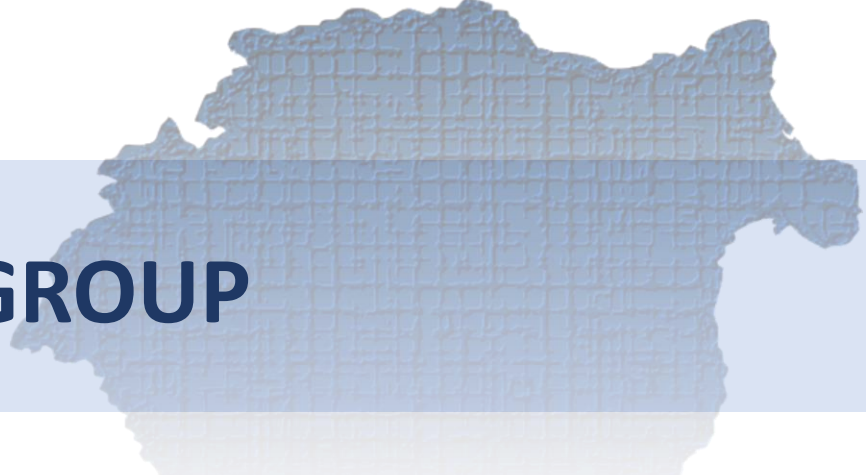


# Annual Progress Report on the Reimbursable Advisory Services Program in Romania

January 1 - December 31, 2018



**WORLD BANK GROUP**

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## Abbreviations and Acronyms

ANAP	National Public Procurement Agency
ANPDCA	National Authority for the Protection of the Rights of the Child and Adoption
ARACIS	Romanian Agency for Quality Assurance in Higher Education
CA	Contracting Authority
CPF	Country Partnership Framework
CPM	Chancellery of the Prime Minister
DGASPC	General Directorate for Social Assistance and Child Protection
EC	European Commission
ESIF	European Structural Investment Funds
ESL	Early School Leaving
EU	European Union
FY	Fiscal Year
GDSMPP	General Directorate for Strategic Management and Public Policies
GIS	Geospatial Information System
GSG	General Secretariat of the Government
HEI	Higher Education Institution
HR	Human Resources
HRM	Human Resources Management
IB	Intermediary Body
IFI	International Financial Institution
ISP	Institutional Strategic Plan
LLL	Lifelong Learning
MA	Managing Authority
M&E	Monitoring and Evaluation
MESR	Ministry of Education and Scientific Research
MoNE	Ministry of National Education
MoU	Memorandum of Understanding
MoPF	Ministry of Public Finance
MLSJ	Ministry of Labor and Social Justice
NGO	Non-Governmental Organisation
NSIIEI	National Strategy for Infrastructure Investments in Education Institutions
OP	Operational Programme
POCA	Operational Program for Administrative Capacity
POCU	Operational Programme for Human Capital
PP	Public Procurement
RAS	Reimbursable Advisory Services
RAQAHE	Romanian Agency for Quality Assurance in Higher Education
RIA	Regulatory Impact Assessment
SCO	Simplified Cost Options
SIIEI	Strategy for Infrastructure Investments in Education Institutions
TE	Tertiary Education
WB	World Bank
WBG	World Bank Group

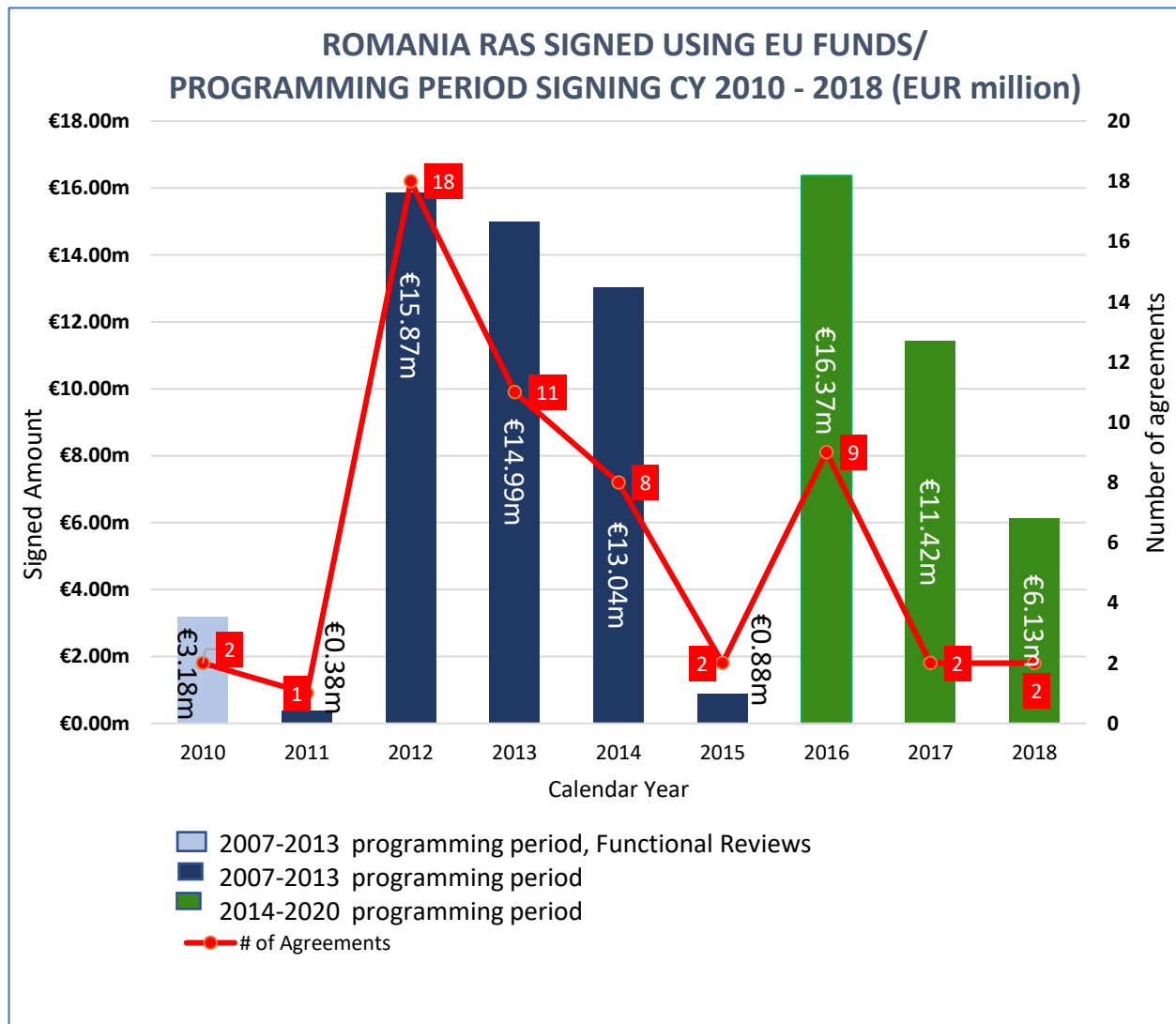
## Introduction

- 1. Through Bank Reimbursable Advisory Services (RAS), the Government of Romania accesses international experience and global best practice in pursuit of strengthening Government capacity in policy and strategy formulation, analysis, diagnosis, sector and project/program planning, design, and implementation.** By signing the MoU in January 2016, the Government of Romania acknowledged the value of the Bank's knowledge and advice as an important element of the effective implementation of its priorities, strategies, and projects financed by the European Structural and Investment Funds (ESIF) during the 2014-20 programming period, totaling €43 billion. Thus, the MoU facilitates access to a large pool of technical assistance funds--the European Fund for Regional Development, the European Social Fund, the Cohesion Fund, and for the first time, the European Agricultural Fund for Rural Development and the European Maritime and Fishery Fund.
- 2. As part of the reporting activities agreed with the Government under the MoU, the Bank prepares an annual progress report on the RAS program.** This is the third progress report on the RAS program paid for by the Government during the 2014-20 EU programming period. The report covers the period January 01, 2018 – December 31, 2018. The report summarizes and discusses early results of the 2018 RAS program, and looks at the way forward for this program.
- 3. This progress report is intended for RAS government beneficiaries and managing authorities.** This includes the Ministry of European Funds as the coordinator of the Bank's RAS activities under its mandate to coordinate advisory services provided by all international financial institutions. The report will also be of interest to other ministries and government institutions, Managing Authorities and Intermediary Bodies. The European Commission is also considered an important audience for this report.

## Overview of the World Bank RAS Program in 2018

4. Following the 2016 MoU signing, the RAS portfolio increased rapidly reaching a total of 13 agreements for EUR 33.92 million as of the end of 2018. By the end of 2018, three agreements ended and two new RAS agreements totaling EUR 6.13 mil were signed, as shown in Figure no. 1. During 2018, the Bank has received 14 new requests for assistance. The number of new signed projects per year is still smaller compared to the previous programming period, but the volume of the RAS program continues to grow with the addition of longer-term activities. In 2018, the average size of a RAS agreement grew to EUR 2.61mil from EUR 1.15 (Figure 2), while the original average duration of RAS almost doubled from 15 months to 28 months (Figure 3). Under the actual programming period, the RAS Portfolio suffered 14 amendments, out of which 7 were approved in 2018. Five of the amendments extended the duration of the legal agreements, and only one

Figure 1



reduced the duration with one month, increasing the amended average duration of the RAS program to 30 months for this programming period as shown in Figure 3.

Figure 2

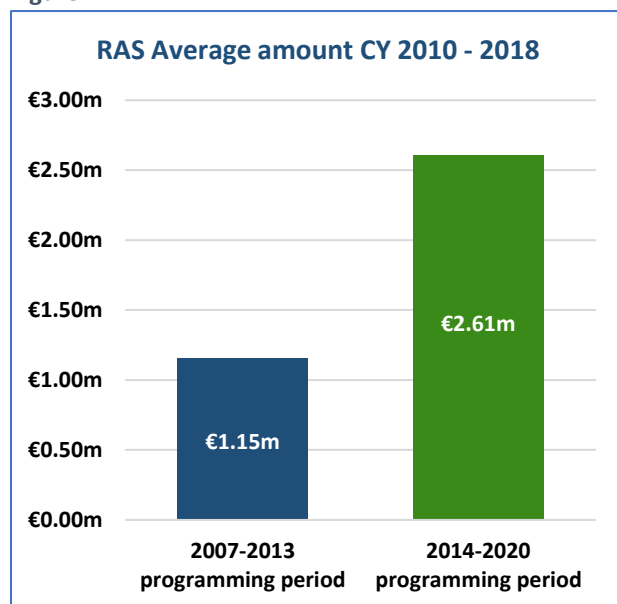
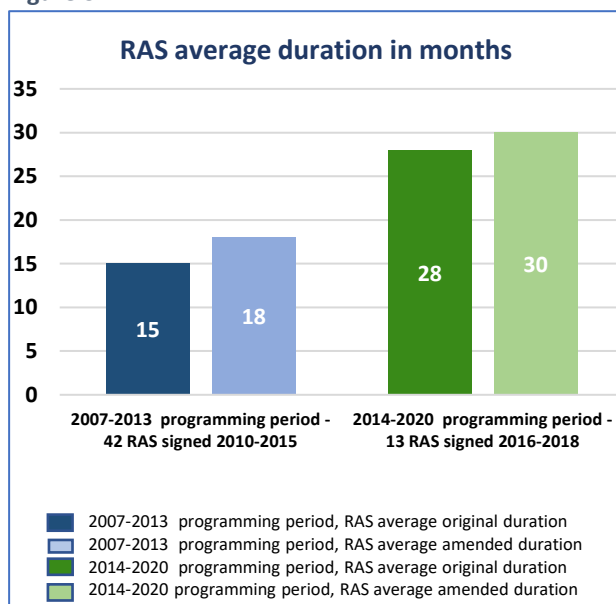


Figure 3



5. **The ongoing portfolio of twelve RAS are paid for by the client institutions using EU funds through two Operational Programmes (OPs) under the 2014-20 programming period.** Eleven were signed using EU funds through the Operational Program for Administrative Capacity 2014 – 2020 (POCA) for EUR 23.87 million and one was signed using EU funds through Operational Program for Human Capital 2014-2020 (POCU), for the amount of EUR 10 million. The main beneficiaries of the two new advisory services signed in 2018 are experienced clients who benefited before from other Reimbursable Advisory Services. Both new activities focus on strengthening institutional capacity: one agreement was signed with General Secretariat of Government and the other one with the Ministry of Labor and Social Justice.

Table 1 World Bank - Romania ongoing Advisory Services Agreements, in 2018

	Agreement Title	Government Institution	Source of EU Funds	Signing year
1	Assistance for Establishing a Strategy Unit	General Secretariat of the Government	POCA	2016
2	Development of the Capacity of Central Public Administration to Carry out Impact Studies (ended in 2018)	General Secretariat of the Government	POCA	2016
3	Assistance on Informed Decision-Making on Investments in Infrastructure	National Center for Technical and Vocational Education and Training Development	POCA	2016

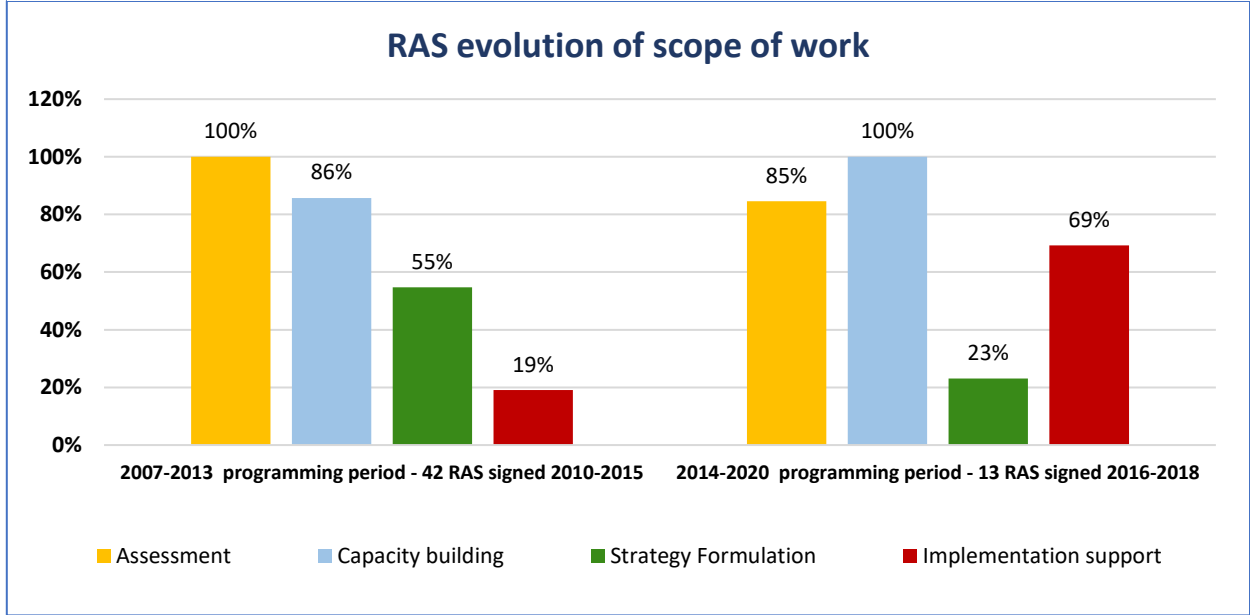
4	Development of Plans for Deinstitutionalization of Children Deprived of Parental Care and their Transfer to Community-based Care (ended in 2018)	National Authority for Children Rights Protection and Adoption	POCA	2016
5	Strengthening Planning and Budgeting Capacity and Supporting the Introduction of Performance Budgeting	General Secretariat of the Government	POCA	2016
6	Assistance to MNESR for Capacity Development for M&E the Implementation of Education Strategies	Ministry of National Education	POCA	2016
7	Support to the Implementation of the Public Procurement Strategy	National Agency for Public Procurement	POCA	2016
8	Establishment of a Framework for using Derivatives and Executing Swap Transactions (ended in 2018)	Ministry of Public Finance	POCA	2016
9	Assistance to Enhance Quality Assurance in Higher Education System in Romania	Romanian Agency for Quality Assurance in Higher Education	POCA	2017
10	Supporting the Implementation of Romania's Human Development operational Programme (POCU) 2014-2020	Ministry of Regional Development, Public Administration and European Funds	POCU	2017
11	Developing a Unitary Human Resources Management System within the Public Administration	General Secretariat of the Government	POCA	2018
12	Support in Implementing Activities A2, A3, A5, A6 and A7.2 of the project on "Increasing the efficiency of interventions within the Ministry of Labor and Social Justice and its coordinated structures"	Ministry of Labor and Social Justice	POCA	2018

6. **During 2018 the Bank supported improved policy-making by developing the strategic management function, strengthening the culture of evidence-based policy-making and moving towards medium-term, results-based budgeting, and smarter management and implementation of EU-funded programs.** The Regulatory Impact Assessment (RIA) RAS aimed to increase the capacity of the Romanian administration to do impact assessments for evidence-based policy making. The POCU RAS addresses a subset of these issues in the short to medium term (with a priority focus on human development), while additional engagements such as the Human Resources Management RAS will, in the long run, help to improve the capacity of the civil service.

7. **Building on the previous advisory services program that focused on strategic prioritization and planning, the focus has now shifted to implementation support and hands-on institutional capacity building, assisting the Government in the implementation of priority programs, including those financed by EU funds.** Therefore, the formulation of strategies has

decreased from 55 percent to 23 percent, while capacity building elements remain at the core of the current RAS programs, as all RAS agreements under the 2014-20 programming period include such elements (Figure 4).

Figure 2



8. **In 2018, more than 293 experts were mobilized by the Bank to carry out activities under the ongoing RAS program.** The Bank has delivered 30 percent of the total outputs envisaged under twelve agreements, with 26 contractual outputs and 21 progress reports submitted to the client institutions during the entire year. Some outputs continued to support the Government in meeting actions related to accessing EU funds under the 2014-20 programming period, although not constituting ex-ante conditionalities per se.

9. **Twenty-two invoices were issued and paid in 2018.** The invoices are issued upon approval of corresponding outputs submitted by the Bank and in line with the timeline agreed in the RAS agreement. Changes to the WB invoicing system is announced for 2019, which will impact the duration of issuing the invoice.

10. **Three agreements were finalized in 2018.** Two of them, *“Development of the Capacity of Central Public Administration to Carry out Impact Studies”* and *“Development of Plans for Deinstitutionalization of Children Deprived of Parental Care and their Transfer to Community-based Care”* have led to further requests. One request is to continue to strengthen the RIA quality control and coordination mechanism as well as the capacity of the Romanian administration for evidence based policy making support, building on the lessons learned and gaps identified during implementation of the previous two RIA programs. The other proposed activity is a follow up to accelerate the transition from institutional community-based care for children deprived of parental care by addressing the shortcomings identified in the first RAS like introducing a monitoring system, improving implementation of legislation or expanding operational research.



**Table 2. World Bank - Romania Advisory Services Agreements closed in 2018**

	Agreement Title	Government Institution	Source of EU Funds	Signing year
1	Establishment of a Framework for Using Derivatives and Executing Swap Transactions	Ministry of Public Finance	POCA	2016
2	Development of the Capacity of Central Public Administration to Carry out Impact Studies	General Secretariat of the Government	POCA	2016
3	Development of Plans for Deinstitutionalization of Children Deprived of Parental Care and their Transfer to Community-based Care	National Authority for the Protection of Child's Rights and Adoption	POCA	2016

11. **During 2018, fourteen requests for technical assistance were received by the Bank covering a range of Government priorities (Table 3).** Some of them are focused on the enabling conditions for EU funds under the next programming period. Before end 2018, the request on support in Implementing Activities on A2, A3, A5, A6 and A7.2 of the project on *“Increasing the Efficiency of interventions at the level of the Ministry of Labor and Social Justice and its coordinated structures”* was countersigned and became effective and the request for *“Consolidating of the Strategic Planning Capacity of the Ministry of Regional Development and Public Administration for Renovation of the National Building Stock for Energy Efficiency and Seismic Risk in Romania”* was signed by the Ministry of Regional Development and Public Administration. The request for assistance in *“Developing the National Strategy and Action Plan for Natural Protected Areas”* was canceled by the client and the request to *“Strengthening the Administrative Capacity of the Ministry of Culture and National Identity”* was declined, due to the selectivity criteria of the Bank to focus only on those activities that are in line with the government priorities and where the Bank can bring value added and has comparative advantage. The other ten requests are expected to be further analyzed and signed in 2019.

**Table 3. World Bank - Romania Advisory Services for which public institutions requested assistance in 2018**

	Agreement Title	Agreement Client/ Government Institution	Source of EU Funds (tbc)
1	Technical Support to Romania in Analyzing and Addressing the Challenges in Meeting the UWWTD requirements	Ministry of Waters and Forests	POCA
2	Support in Implementing Activities A2, A3, A5, A6 and A7.2 of the project on <i>“Increasing the Efficiency of interventions at the level of the Ministry of Labor and Social Justice and its coordinated structures”</i>	Ministry of Labor and Social Justice	POCA

3	Support to the National Authority for Persons with Disabilities for speeding up the transition from Residential Services to Community-Based Services for persons with disabilities	National Authority for Persons with Disabilities	POCA
4	Consolidating the Coordination Mechanism to Implement the UN Convention on the Rights of Persons with Disabilities	National Authority for Persons with Disabilities	POCA
5	Assistance for Developing the National Strategy and Action Plan for Natural Protected Areas	Ministry of Environment	POCA
6	Assistance to the Court of Accounts	Court of Accounts	POCA
7	Supporting the Establishment of an Improved Training System in the Romanian Public Administration	National Institute for Administration	POCA
8	Support to the National Authority for the Protection of Child's Rights and Adoption for capacity building to accelerate the transition from institutional to community-based care for children deprived of parental care	National Authority for the Protection of Child's Rights and Adoption	POCA
9	Further Developing the RIA Community of Practice by supporting ministries in developing impact studies	General Secretariat of the Government	POCA
10	Strengthening strategic management functions at the GSG level by improving coordination between institutions	General Secretariat of the Government	POCA
11	Assistance on Strategic Planning and Budgeting Capacity (extending the existing system implemented in 13 ministries to all line ministries)	General Secretariat of the Government	POCA
12	Assessment of the Public Procurement System and Further Support to the Implementation of the Public Procurement Strategy	National Agency for Public Procurement	POCA
13	Assistance to Strengthening the Administrative Capacity of the Ministry of Culture and National Identity	Ministry of Culture and National Identity	POCA
14	Consolidating of the Strategic Planning Capacity of the Ministry of Regional Development and Public Administration for Renovation of the National Building Stock for Energy Efficiency and Seismic Risk in Romania	Ministry of Regional Development and Public Administration	POCA

12. **In 2018, the Bank has received additional requests from local authorities to provide capacity support.** Three new RAS were signed with Bucharest District 5 City Hall, Brasov City Hall and Ilfov County Council for: 1) a better use of local resources and a clear prioritization of local interventions; 2) bringing underused assets to productive use; 3) strengthening connections with and engagement of private sector actors. These requests funded through local budget are built on the previous Bank work on growth poles, urban energy efficiency, or on urban competitiveness and are in line with the CPF objective of boosting subnational capacity to attract private investment. Other two similar requests came from Bucharest Municipality (signed on March 4, 2019) and Cluj County Council.

**Table 4 World Bank - Romania Advisory Services with local authorities in 2018**

	Agreement Title	Government Institution	Signing year
<b>Ongoing Activities in 2018</b>			
1	Constanta Urban Development Program	Municipality of Constanta	2017
2	District 5 Urban Development Program	District 5 City Hall of the Municipality of Bucharest	2018
3	Brasov Urban Development Program	Municipality of Brasov	2018
4	Ilfov County Regional Development Programme	Ilfov County Council	2018
<b>Request received in 2018</b>			
1	Bucharest Urban Development Program	Bucharest Municipality	TBC
2	Cluj-Napoca County Council	Cluj County Council	TBC

## Coordination Arrangements

13. One Joint Portfolio meeting took place in March 2018, together with the Ministry of European Funds, Ministry of Public Finance and client institutions who benefited from advisory services provided by the Bank. The meeting was an opportunity to discuss the results of the RAS program in Romania and lessons learned that informed the preparation of the FY19-23 Country Partnership Framework.

14. A coordination meeting organized by the Ministry of European Funds with all IFIs and all main counterparts for our advisory services was organized on October 16, 2018. The objective of the meeting was to present the proposed enabling conditions that Romania will be expected to meet by January 1, 2021 in order to retain access to ERDF, ESF+ and the Cohesion Fund for the next programming period. As such, the Government has asked all IFIs to focus and to direct the available resources on helping Romania meet the enabling conditions by 2021.

## Implementation Challenges and Other Issues

15. **Frequent political and legislative changes continued to be a challenge also in 2018 to the RAS implementation.** The new Administrative Code and uncertainty around it, together with the draft law on setting up the HR Council affected directly the design and implementation of the RAS on Developing a Unitary Human Resources. The development objective of the RAS remains the same, but some of the activities have become less relevant and hence require adjustment and adaptation to the new government priorities. The activity will therefore be amended and extended in 2019. Political commitment is also needed in the policy development process for activities such as RIA RAS to ensure its intended objectives of improving the quality of regulations and policies. The organizations where this commitment is lacking see very little value for the use of RIA, therefore no efforts are made, for example to collect and use data and to build in house skills for analysis. This creates a vicious circle as many times the lack of traction for undertaking RIA is explained by the lack of capacity of the staff to undertake such impact assessments. The investment in building the capacity of the staff to undertake RIA, despite the short-term positive return, may not be sustainable when the political commitment is missing.
16. **High-level (political) and technical level commitment by the client is necessary but not sufficient.** To overcome implementation challenges, frequent communication between the Bank and client team is needed. Therefore, RAS need a local Task Team Leader or senior specialist available on the team to facilitate collaboration and to bring in best practice examples from international expertise. The use of local experts helps to ensure that any diagnosis and analysis are appropriate for the current context.
17. **Institutional capacity remains one of the majors constrains to the successful implementation of the RAS program.** In order to mitigate this, the Bank adapted its approach by shifting from short RAS engagements to programmatic and longer-term engagements with built in components on capacity building.
18. **Requests for RAS support to meet the enabling conditions or other EU directives come often at the last moment.** This puts pressure on the client institution and the Bank to rush the preparation and implementation period of the project affecting the quality of design and deliverable. Sometimes it may lead to several extensions and amendments to the activities.

## RAS Results

### 19. Assistance for Establishing a Strategy Unit

- The Strategy Unit RAS supported the Government of Romania in the successful development of an adapted IT monitoring tool for the Strategy Unit. This tool allows designated government staff to monitor strategy implementation, also linking to line ministry Institutional Strategic Plans, offering an increased visibility and coordination to the monitoring function.
- The RAS successfully completed a second pilot to test the draft methodology for developing strategic document and the supporting user guide to help public officials draft new strategies. The pilot supported the Ministry of Tourism in conceptualizing the scope of a new strategy for the Development of National Tourism for Romania. As part of the pilot process, the RAS convened several working groups of both technical staff and executive leadership (Ministers, State Secretaries, etc.) from relevant line ministries to discuss challenges and needs that could be addressed in a cross-cutting tourism strategy. The strategy development process included numerous cross-sectoral consultations, resulting in a two-volume strategy including a strategic action plan.

### 20. Development of the Capacity of the Central Public Administration to Carry Out Impact Studies

- In 2018 the impact assessment studies prepared by the assisted organizations were used either to substantiate new laws or to inform policies and programs, as follows:
  - “Emergency Medicine Postgraduate Training”: The information collected and analyzed is being used for substantiating a new regulatory framework for the emergency medicine postgraduate training. Yet, its adoption is still delayed due to the frequent change of Ministers in the government and the difficult collaboration and coordination between three relevant Ministers (Ministry of Internal Affairs, Ministry of Health and Ministry of Education).
  - “Electricity Smart Metering”: The studies and the event organized as part of RIA II provided a good learning experience for the Energy Regulatory Agency, that could now use it for substantiating the regulatory framework for the roll up of the electricity smart metering in Romania.
- The assessment of the capacity building activities provides evidence that the RIA projects raised awareness about the importance of RIA, especially in preventing negative social and economic consequences of regulations when are not or poorly substantiated. The assessment also showed that as compared with 2014, the staff that participated to the project activities has stronger core RIA competencies.

## 21. Assistance on Informed Decision – Making on Investments in Infrastructure

- The draft Strategy for Modernizing Education Infrastructure prepared with WB support aimed at providing equitable access to quality learning environments and it was delivered in 2017. After its preparation, the strategy was used for public consultations in 2018, and currently is still under endorsement of several ministries. One of the most important elements of the strategy included developing of guiding principles and a matrix of criteria and sub-criteria estimated to serve the calls launched under the EU funded Regional Operational Program.
- Fortunately, the criteria developed were used to evaluate the projects proposals submitted under three specific calls launched in 2018 in total value of 222 million EURO. The three calls for proposals were launched under Axis 10 - Improving educational infrastructure, investment priority - 10.1 Investments in education, training, including training for acquiring skills and lifelong learning by developing education and training infrastructure. The project result is not only contributing to i) deblocking of 222 million EURO of EU funds in 2018 for education infrastructure investments but also to ii) increasing transparency of allocations, adequacy and efficiency of project and funds allocation, and to iii) supporting a real evidence-based decision-making process.

## 22. Development of Plans for the De-Institutionalization of Children Deprived of Parental Care and their Transfer to Community-Based Care.

- The research conducted under this RAS, informed the EU Funded TEAM UP project (code SMIS 127169) which focuses on increasing progress in the quality of alternative care for children. Through the project, by the end of 2023, the maternal assistance network, as an alternative to institutional care, will be expanded by about 4,000 people and 15,000 foster carers will receive training. The project has national coverage, being implemented by ANPDCA in partnership with the 47 DGASPCs in the country.
- The World Bank conclusions of the assessment of the stage of the closure process for placement centers underpin the revision of the current legal framework in order to provide the necessary premises for finalizing the process to de-institutionalize and to ensure the transition to community care. In this respect, the draft law for amending and completing the Law no. 272/2004 on the protection and promotion of the rights of the child was elaborated and is currently in the inter-ministerial advisory procedure. The draft normative act regulates family-type houses and apartments, transitional measures are introduced to ensure the transition from childcare to institutions in community care such as the prohibition of placement in placement centers to be closed, but also includes measures aimed at fostering the protection of separated children from families by families / persons, such as providing support to these families / people. The draft normative act also sets the deadline of December 2020 for DGASPCs to close the placement centers.
- On the basis of the closure methodology elaborated in the project, 8 projects were submitted in 2018 in the first call for projects related to the vulnerable children group within the Regional Operational Program. The projects aim to close 8 placement centers in the counties of Constanta (4 centers), Iasi (1 center), Buzau (1 center) and Timis (2 centers). Through the e-nest

application, the methodology is currently used to develop the closure plans needed to prepare the projects to be submitted under the second call launched by the ROP, open until July 1, 2019.

- The use and application of the unitary closure methodology provided the premises for the development and strengthening of the institutional capacity of the General Directorates for Social Assistance and Child Protection, especially regarding the application of a unitary mechanism for assessing the needs of children living in placement centers.

- The institutional capacity of the source communities in which the risk identification testing activities were implemented has been significantly improved through the activities developed by the Bank to elaborate the unitary methodology for the development of prevention services development plans. After implementing the project, all these communities can develop projects / programs that respond to the real needs of children.

### **23. Assistance on Strengthening Planning and Budgeting Capacity and Supporting the Introduction of Performance Budgeting**

- Through this RAS, the Bank helped make important progress toward performance-based budgeting with the adoption of a framework for program-based budgeting. This RAS is helping to strengthen the strategic planning and monitoring processes in Government to enhance the efficiency of public spending. The General Secretariat of Government (GSG) has adjusted its structure and functions to implement a new methodology for developing institutional strategic plans (ISPs) linked to program budgets.

- Over thirteen ministries were assisted in a first stage to develop Institutional Strategic Plan (ISP) for 2017-2020 period and to revise and update them for 2018-2021 and for 2019-2020. The capacity building process involved over 300 specialists from ministries through trainings and workshops sessions and hands-on technical assistance together with exchanged experience in countries with similar or advanced strategic planning systems (Austria, France).

- The process of monitoring and evaluation of ISPs is supported by an M&E ISP IT tool developed during the RAS and all ministries were trained to use it and were assisted on loading and updating the ISP information. At the level of GSG a dashboard is completing the M&E IT application, offering the possibility to monitor and evaluate the progress by ministry and to provide advice and support from GSG side when needed.

### **24. Assistance for Capacity Development for M&E the Implementation of Education Strategies and Improving Education Policies**

- An important result of this RAS is the capacity created within the Ministry of National Education (MoNE) to undertake effective M&E techniques, and to coordinate in an integrated way the M&E of the interventions promoted under the education strategies for reducing early school leaving, improving tertiary education, life-long learning, and vocational education and training. This is evidenced by first Annual Monitoring Report on the implementation of education strategies prepared by the MoNE in 2018. While the Bank was tasked with the preparation of the M&E methodology and associated instruments, the MoNE was responsible for the data collection and analysis exercise as well as for the preparation of the Report. In the process, capacity building was ensured by the Bank through intensive training, mentoring and coaching of MoNE Working

Groups (WGs) and experts of the General Directorate for Strategic Management and Public Policies (GDSMPP) in charge with the development of MoNE's Report. At the same time, the Bank supported the MoNE with peer reviewing this important Report. The report was highly appreciated and endorsed by a cross sectorial Steering Committee at secretary of state level.

- Based on the experience with the application of the M&E Methodology and Instruments, and the preparation of the first MoNE Annual Monitoring Report in 2018, the WB team revised the M&E Methodology and instruments that have been recently applied by MoNE in view of its second Annual Monitoring and Evaluation Report expected to be finalized by mid-2019.

#### **25. Support to the Implementation of the Public Procurement Strategy**

- The RAS team continued to support the ANAP in the preparation of a Web-based Guide (third stage), which was made publicly available at [www.achizitiipublice.gov.ro](http://www.achizitiipublice.gov.ro) in December 2016. The third stage of the Web-based guide included:

1. Additional content developed, covering the Competitive dialogue, Simplified procedure and Restrictive procedure, including guidance, checklists, and templates
2. 4 sets of standard bidding documents (including conditions of contract) improved in line with the market feedback for: intellectual services, design services, execution of works and supplies
3. 10 dissemination sessions delivered to the contracting authorities at regional level (about 700 CAs representatives participated), with the scope to promote the objectives and content of the Web-based Guide and standard tender documents.

- Seven dissemination sessions delivered to the main stakeholders of the public procurement system, with the scope to ensure a consistent approach by disseminating the new operational methodology.

#### **26. Assistance to Enhance Quality Assurance in Higher Education System in Romania**

- The recommendation for the methodology for the classification of HEIs after public consultations has been submitted September 2018 (Romanian version). The methodology was presented to the expert group convened by National Council of Rectors and MoNE in a workshop on September 26, 2018 represented the final workshop on the classification of HEIs activity. The methodology is piloted, and the final version of the methodology is expected to be approved through ministerial order before the process of classification of the universities and ranking of the study programs would begin in 2019.

#### **27. Supporting the Implementation of Romania's Human Development Operational Programme (POCU) 2014-2020**

- In 2018 the WB team supported the Management Authority (MA) in assessing and responding to its institutional needs related to: internal training, process management, use of Simplified Cost Options (SCO), compliance with European Commission (EC) regulations, engagement with relevant stakeholders and others. Additionally, the WB team has carried out several institutional capacity building activities with the overarching aim of facilitating the successful implementation of the Operational Programme.



- Improved institutional capacity for POCU monitoring and reporting. The Bank team provided technical inputs to support documents used by beneficiaries to report the progress of each individual project, including: Indicators' Guide, and Indicator fiches for all performance indicators. In addition, in collaboration with the MA' monitoring officers, the WB team developed and designed an IT instrument for collecting indicators data from beneficiaries. The instrument, which was finalized in September 2018, was designed to facilitate the accurate aggregation, validation and analysis of indicators data. Along with the introduction of this instrument, the team has also provided support to the MA in the performance assessment of the OP at the level of Priority Axes. Building on the results of this work, and in order to enhance targeting, transparency and accountability, the WB team has also developed a geospatial information system (GIS) that includes a map of POCU-funded projects, with various overlays (e.g. map of marginalize rural and urban communities) for analytical purposes.
- Improved design of calls for proposals aimed at better absorption and impact. To ensure the successful launch of POCU's calls for proposals the WB team supported the MA in strengthening its engagement with external stakeholders, i.e., potential applicants, such as: line ministries (e.g. MLSJ, ANPDCA,), non-governmental organizations, private entities, public administrations and others. The WB team has also supported the MA in adapting the design of these calls to better align them with the needs of beneficiaries. As a result of these consultations, the Bank provided technical inputs to three non-competitive calls related to integrated community services, social services for victims of domestic violence and strengthening the public services for social assistance. By the end of 2018 these three projects were launched and closed with nearly 100 percent absorption of 95 million euros allocated to it. In addition, the WB team has also provided technical inputs to the applicant guide of nine competitive projects under the Priority Axis 4 (social inclusion and combating poverty) with a total value of nearly 290 million euros.
- Institutional capacity building on key operational areas at MA / IBs. Building on an institutional needs assessment developed at the end of 2017 and in order to support strengthening the technical competencies of the staff responsible for POCU management and implementation, a training plan has been jointly designed with the MA with the overarching objective of creating the premises for a consistent and effective implementation and monitoring at project and program level, by optimizing the approaches, knowledge and tools that are useful in the POCU management and preventing the situations that can cause problems, bottlenecks, poor implementation of the program and of POCU - funded projects. The implementation of the training program started in September 2018 and ended in the beginning of December 2018, with a series of trainings.
- Improved evaluation and selection procedures at the MA. Upon the request of the MA and in accordance with the scope of this RAS agreement, the WB team provided technical inputs for System Procedures related to evaluation, selection and contracting of POCU projects. WB experts supported the MA team in updating and improving the procedures to meet the requirements of European Regulations (1303/1304), relevant national legislation and Court of Audit recommendations. In addition, in an effort to strengthen the MA's capacity in defining the security level of audited systems as well as to ensure the quality of the audit database, the WB

team provided technical inputs to sampling methodologies of three different retrospective projects, in the employment, education and health sectors.

- Improved capacity for engagement with external stakeholders. To better evaluate the efficacy of the MA and IB's engagement with its external stakeholders, the WB carried out an assessment of all of its stakeholder's engagement instruments and procedures. On the basis of this assessment and as a primary step, the WB team supported the MA in redrafting its Beneficiary Manual – the primary instructional document that provides guidelines for the implementation of the OP. In addition, the WB team presented the MA with a collection of best practices case studies and a comprehensive action plan for establishing a beneficiary engagement framework to better serve the MA and IBs in their engagement with relevant external stakeholders.
- Improved institutional capacity for use of SCO. Responding to the limited use of SCO in POCU, the WB team supported the MA in identifying potential areas of intervention in which these could be introduced. In one of the identified areas of intervention, specifically, call for projects that focused on “Early Detection, Diagnosis and Early Treatment of Cervical Cancer”, the WB team supported the MA by facilitating its consultations with the beneficiary of the call for projects – the Ministry of Health. During these consultations that WB team provided guiding principles and training on SCO to ensure that all contributing parties are equally familiar with how these should be introduced to the respective call for projects. The WB team further supported the MA by providing technical inputs to the call's applicant's guide, which was launched in September 2018 and closed with nearly 100 percent of the allocated funds contracted to the Ministry of Health.

## **28. Developing and Improving the Human Resources System**

- The HRM RAS facilitated a study tour for key stakeholders of the HRM system in the Romanian public administration to better understand human resources policy frameworks of other EU countries. The tour consisted of technical workshops on HRM practices with experts from the French and Belgian civil service as well as with the European Commission. The workshops helped participants to build a common understanding of the practical challenges of HRM reforms. Moreover, the international experts shared with participants their hands-on experience in designing, implementing and evaluating HRM policies in their respective countries' context. Following the study visit, the participants brainstormed the feasibility of adapting these findings to the Romanian context.

## Going Forward

29. **The new RAS program will be directed towards the goal of strengthening institutions for achieving sustainable and inclusive growth, as framed in the new FY19-23 Country Partnership Framework (CPF) with Romania, approved in 2018.** The new CPF is more selective and focused than the previous one and it covers five years to align the WBG engagement to the Romanian EU funds that can be used until 2023. In addition to the filter of building institutional capacity the RAS program will be filtered, to the extent appropriate, to: (i) developing innovative solutions that benefit the most poor and vulnerable, including Roma; (ii) maximizing finance for development, including catalyzing private sector investment or leveraging additional resources (e.g., better absorption of EU funds); and/or (iii) contributing to regional and global public goods.
30. **The focus for new RAS requests in 2019 should be focused on helping the Government meet the enabling conditions before January 1, 2021.** Enabling conditions for the next programming period are replacing the ex-ante conditionalities from the 2014-2020 period. The enabling conditions will be monitored and applied throughout the period and Romania will not be able to declare expenditure related to specific objectives until the enabling condition is fulfilled.
31. **For a successful design of the RAS, both client and WB requirements regarding entering into an agreement should be taken into consideration.** As soon as the client institution decides that it needs the support of the World Bank, the Bank team should get involved in the preparation of the detailed activities together with the client. Bank Management endorsement on the concept is also needed before the client submits the financing application to the Managing Authority. This is the only way to ensure that the work requested is in line with the WB support as defined in the Legal Agreement, which will allow for a smooth implementation of the RAS.
32. **A new Bank led RAS performance evaluation will start in the second half of 2019.** The evaluation will inform the Performance and Learning Review of the CPF and it will be focused mainly on results in building institutional capacity. The results of the assessment will also help to design future RAS in the next programming period.
33. **The invoicing system will be changed in 2019.** The Bank is introducing a new invoicing system to harmonize different practices between countries. This will impact the duration of emitting the invoice which could take up to two weeks. Clients will be consulted to make sure the system will capture and respect the necessary country requirement.
34. **The RAS approach should continue to focus on longer engagements to allow for capacity building and knowledge transfer.** In 2018, the duration of the legal agreements was extended with a total of 22 months, through 5 amendments, which shows that more time is needed to successfully implement activities that are focused on capacity building. Dissemination of activities has also shown results in knowledge transfer and the RAS agreements should allow for sufficient time for dissemination of results towards the end of the project. Considering also the timing for the invoice, acceptance and translation of outputs, there should be a period of three months between the delivery of the last contractual output and end date of the agreement.

35. **The RAS engagement at the subnational level continues to evolve.** Based on the successful engagement with local administrations and delivery of high-quality activities, the requests for assistance from municipalities are growing in number. The Bank will look together with the client institutions and the EC to create a platform that could use EU Funds for these engagements, especially with smaller municipalities.

## Annex 1. Summary Description of Each Ongoing RAS in 2018 Using European Funds

ROMANIA: PROVIDING SUPPORT FOR THE ESTABLISHMENT OF A STRATEGY UNIT	
Signed: February 25, 2016 Duration: 36 months Value: RON 6.43 million (EUR1.44 million)	Key Partners: General Secretariat of the Government
<p><b>Project objectives:</b> To strengthen Romania’s central strategic planning function. The RAS will help the Prime Minister’s office achieve this objective through the establishment of a Strategy Unit and a design of strategic planning and monitoring processes and tools.</p> <p>The project has four main components: (i) design of the National Strategy Management Framework and Procedures; (ii) support for the establishment of the Strategy Unit; (iii) methodology and procedures for preparing strategic documents; and (iv) monitoring and evaluation.</p>	

ROMANIA: DEVELOPMENT OF THE CAPACITY OF THE CENTRAL PUBLIC ADMINISTRATION TO CARRY OUT IMPACT STUDIES	
Signed: March 9, 2016 Duration: 25 months Value: RON 12.67 million (EUR 2.84 million)	Key Partners: General Secretariat of the Government
<p><b>Project objectives:</b> To strengthen the capacity of the Romanian administration for evidence-based policy making. The main types of activities to be undertaken in order to achieve the project goal are: impact assessment studies carried out in selected institutions, training modules, the set-up of a community of practice, and advocacy events. Through these activities, the proposed RAS will seek to achieve a set of outcomes, which will be tracked by a number of key indicators. The main goals of this project are to increase administrative capacity required to undertake an evidence – based policy making process, by enhancing relevant knowledge and skills, develop comprehensive impact studies following best practice methodologies, and raise awareness across the political and civil society spectrum regarding the need for evidence-based regulation.</p> <p>The project aims to: (a) create and expand technical capacities within the Romanian administration for the use of RIA by providing best practice examples of impact assessments for relevant legislation through the development of five impact studies in collaboration with selected institutions within the Romanian administration, emphasizing a learning-by-doing approach; (b) strengthen the technical capacities within the public administration through the provision of training, study tours, technical assistance, and knowledge exchanges; and (c) increase public awareness regarding the role and importance of RIA through advocacy and awareness events for universities, civil society, NGOs, journalists.</p>	

<b>ROMANIA: ASSISTANCE TO THE MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH FOR INFORMED DECISION-MAKING ON INVESTMENT IN INFRASTRUCTURE</b>	
Signed: March 30, 2016 Duration: 39 months Value: RON 7.8 million (EUR 1.75 million)	Key Partners: National Centre for Technical and Vocational Education and Training Development
<p><b>Project objectives:</b> To strengthen the strategic and monitoring capacity of the Ministry of Education and Scientific Research of Romania to make informed decisions on investments in education infrastructure. Specifically, this RAS will (i) support the preparation of a draft Strategy for Infrastructure Investments in Education Institutions, and (ii) build and enhance capacity within the Ministry of Education and Scientific Research for the preparation and monitoring of the National Strategy for Infrastructure Investments in Education Institutions.</p> <p>The Ministry of Education and Scientific Research will prepare the National Strategy for Infrastructure Investments in Education Institutions (NSIIEI) based on the draft Strategy for Infrastructure Investments in Education Institutions (SIIEI) to be developed under this RAS. The NSIIEI will be fundamental to inform decisions on investments in infrastructure, and to increase the absorption of European Union Structural and Investment Funds for the 2014-2020 programming period.</p>	

<b>ROMANIA: DEVELOPMENT OF PLANS FOR THE DE-INSTITUTIONALIZATION OF CHILDREN DEPRIVED OF PARENTAL CARE AND THEIR TRANSFER TO COMMUNITY-BASED CARE</b>	
Signed: May 12, 2016 Duration: 31 months Value: RON 12.38 million (EUR 2.75 million)	Key Partners: National Authority for the Protection of Children Rights and Adoption
<p><b>Project objectives:</b> To: (a) develop a complex diagnostic of the centers for children deprived of parental care (residential institutions) and of the needs of their beneficiaries, to prioritize the closure of these centers; (b) carry out an inventory of the available alternative care modalities (e.g. foster parents, extended family) and preventive services, as well as the resources available at local, district and national level that could be mobilized to finance the deinstitutionalization process (including here the improvement of services aimed at preventing the separation of the child from his/her family); (c) develop a methodology for the closure of residential institutions for children deprived of parental care; and (d) develop a unitary system to identify and enroll the children and families at risk of separation, to diminish the inflows into the specialized child protection system.</p> <p>The project has four broad components: a) Prioritization of the process of closing down institutions for child protection, including classic residential units as well as modulated residential units; b) Routes of alternative care for children from classic residential units; c) Methodology for closing down institutions for child protection; and d) Monitoring and evaluation plan of the deinstitutionalization process together with a procedure of identification, registration, referral and support of children at risk of being separated from their family.</p>	

<b>ROMANIA: ASSISTANCE ON STRENGTHENING PLANNING AND BUDGETING CAPACITY AND SUPPORTING THE INTRODUCTION OF PERFORMANCE BUDGETING</b>	
Signed: June 8, 2016 Duration: 35 months Value: RON 14.2 million (EUR 3.15 million)	Key Partners: General Secretariat of the Government
<p><b>Project objectives:</b> To strengthen the strategic and monitoring processes in the Center of Government (CoG), Ministry of Public Finance (MoPF) and line ministries with the purpose of enhancing the efficiency of public spending. Specifically, the assistance will focus on a) further strengthening the existing Institutional Strategic Plan (ISP) development processes of the MoPF and line ministries under the guidance of the Chancellery of the Prime Minister (CPM); b) monitoring ISP updates and implementation with a common IT tool, developed with support from the Bank; and c) developing a central dashboard in the CPM for high level ISP priorities of the selected ministries.</p>	

<b>ROMANIA: ASSISTANCE TO THE MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH FOR CAPACITY DEVELOPMENT FOR M&amp;E IMPLEMENTATION OF EDUCATION STRATEGIES</b>	
Signed: June 29, 2016 Duration: 36 months Value: RON 6.46 million (EUR1.43 million)	Key Partners: Ministry of National Education
<p><b>Project objectives:</b> To build the capacity of the Ministry of Education and Scientific Research to (i) monitor and evaluate the implementation of strategies for reducing early school leaving, and improving tertiary education, life-long learning and vocational education and training, and (ii) apply an evidence-based tool--the Systems Approach for Better Education Results (SABER) --to key policy areas with the purpose of fostering a structured policy dialogue with decision makers and stakeholders. The MESR will undertake a M&amp;E process of the implementation of four complex education strategies - three of them (ESL, TE, and LLL) developed with Bank assistance under previous RASs and formally approved by the Government in June/July 2015, and one (VET) prepared by the MESR separately and currently processed for final approval. While all these strategies represent ex-ante conditionalities for Romania's access to European Structural and Investment Funds (ESIF), resources for their implementation will also incur national budgets as well as other sources of funds. The M&amp;E is expected to be a process of monitoring, learning and adjusting, as necessary, while leading to the achievement of the objectives of the strategies and EU2020 targets. At the same time, the MESR will seek to evaluate and improve key policies against evidence based global standards. This RAS will assist the MESR in the above mentioned process through capacity building activities. The capacity building process is expected to foster a broader policy dialogue with decision makers and stakeholders on how to strengthen the effectiveness of the education system.</p>	

<b>ROMANIA: SUPPORT TO THE IMPLEMENTATION OF THE PUBLIC PROCUREMENT STRATEGY</b>	
Signed: September 1, 2016 Duration: 35 months Value: EUR 2.38 million	Key Partners: National Agency for Public Procurement
<p><b>Project objectives:</b> To support the Romanian Ministry of Public Finance and its subordinated National Public Procurement Agency to reform the public procurement system in line with the PP strategy by transforming the procurement policy and practice into a strategic management function with focus on value for money and integrity in the whole project cycle.</p>	

<b>ROMANIA: ESTABLISHMENT OF A FRAMEWORK FOR THE USE OF DERIVATIVES AND THE EXECUTION OF SWAP TRANSACTIONS</b>	
Signed: September 30, 2016 Duration: 21 months Value: RON 2.6 million (EUR 0.58 million)	Key Partners: Ministry of Public Finance
<b>Project objectives:</b> To help the Ministry of Public Finance (MoPF) develop legal and operational framework (policies, procedures, norms) and provide the necessary training for MoPF staff to use interest rate and cross currency swaps as part of the funding program.	

<b>ROMANIA: TECHNICAL ASSISTANCE TO ENHANCE QUALITY ASSURANCE IN HIGHER EDUCATION SYSTEM IN ROMANIA</b>	
Signed: July 24, 2017 Duration: 37 months Value: RON 6.48 million (EUR 1.42 million)	Key Partners: Romanian Agency for Quality Assurance in Higher Education
<b>Project objectives:</b> To improve the capacity of the Ministry of National Education and the Romanian Agency for Quality Assurance in Higher Education (RAQAHE/ARACIS) to govern the quality assurance system of higher education in Romania with the purpose of supporting increased attainment to and quality and efficiency of Romania's higher education system. This Advisory Services is designed to support the improvement of the administrative capacity of the MESR and the RAQAHE by developing procedures for the organization of its internal and external activities, by training its own staff, and also by developing and implementing consultation mechanisms to ensure that all stakeholders are participating in the decision-making process and continuing to develop efficient, citizen-oriented public policies.	

<b>ROMANIA: SUPPORTING THE IMPLEMENTATION OF ROMANIA'S HUMAN DEVELOPMENT OPERATIONAL PROGRAMME (POCU) 2014-2020</b>	
Signed: October 12, 2017 Duration: 38 months Value: EUR 10 million	Key Partners: Ministry of Regional Development, Public Administration and European Funds
<b>Project objectives:</b> To enable the Government of Romania to make more effective and efficient use of resources from the Human Development Operational Programme (POCU). This will be achieved by supporting (i) streamlining the implementation process of POCU within the managing authority and intermediary bodies, (ii) improvement of the design of POCU calls and (iii) improvements in the appraisal and evaluation of calls through clarifying roles and responsibilities and introducing adequate controls and accountability mechanisms.	



<b>ROMANIA: DEVELOPING A UNITARY HUMAN RESOURCES MANAGEMENT SYSTEM WITHIN THE PUBLIC ADMINISTRATION</b>	
Signed: January 31, 2018 Duration: 23 months Value: RON 27.24 million (EUR 5.85 million)	Key Partners: General Secretariat of the Government
<p><b>Project objectives:</b> To support the implementation of the national Strategy to Strengthen the Public Administration. The RAS will assist the client achieve this objective by promoting informed public debate on HRM reform, updating the legal and regulatory basis for HRM, consolidating current HRM practices, and clarifying the main roles and responsibilities associated with each category of public employees.</p> <p>The RAS will create conditions for improved HRM in particular by: 1) Facilitating a high-level dialogue on the importance of improved HRM, including a process of public consultation; 2) Developing a public policy proposal based on analysis of the existing legislative and institutional framework that drives HRM; 3) Developing new support instruments, procedures, systems and methodological guidelines for new HRM processes; 4) Elaborating and revising the provisions for HRM, including quality assurance, pay-scales, competency frameworks; and 5) Supporting capacity building and study tours to relevant EU countries.</p>	

<b>ROMANIA: SUPPORT TO IMPLEMENTING ACTIVITIES A2, A3, A5, A6 AND A7.2 OF THE PROJECT ON “INCREASING THE EFFICIENCY OF INTERVENTIONS WITHIN THE MINISTRY OF LABOR AND SOCIAL JUSTICE AND ITS COORDINATED STRUCTURES”</b>	
Signed: September 18, 2018 Duration: 21 months Value: RON 1.31 million (EUR 0.28 million)	Key Partners: Ministry of Labor and Social Justice
<p><b>Project objectives:</b> To provide support to the Ministry of Labor and Social Justice to develop an M&amp;E System for monitoring the National Strategy for Social Inclusion and Poverty Reduction and the performance of the main programs under its responsibility.</p> <p>The activity will contribute to Ministry of Labor efforts in the M&amp;E area through (i) developing the M&amp;E System for the National Strategy for Social Inclusion and Poverty Reduction, (ii) developing a system of social inclusion indicators regarding the programs implemented by the Ministry of Labor and Social Justice and ensuring they are integrated in the M&amp;E system; (iii) assessing regulations affecting the M&amp;E system, the way it is implemented and make proposal to improve them; (iv) training to the ministerial technical team and policymakers on monitoring &amp; evaluation, data analysis and reporting; and (v) supporting the MLSJ in the implementation of the M&amp;E systems.</p>	



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