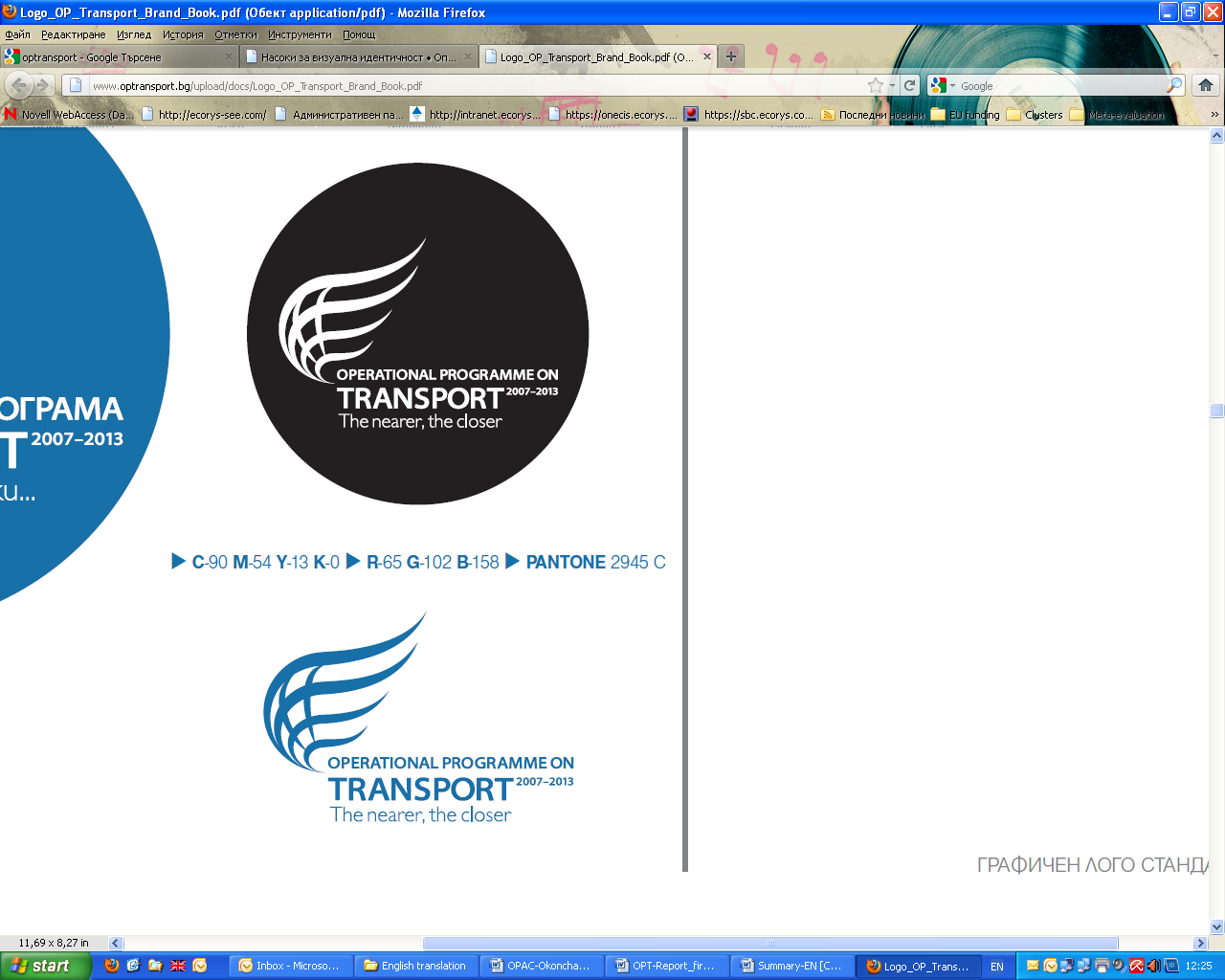
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**EVALUATION REPORT**



**INDEPENDENT EVALUATIONS OF OPERATIONAL PROGRAMME TRANSPORT 2007-2013**

**LOT 3**

**Evaluation of the OPT Monitoring System**

This project is funded by ERDF through Operational Programme Transport 2007-2013

**Sofia, November 2011**

Executive Summary

This report presents the results from the implementation of the project “Independent evaluations of Operational Programme “Transport” 2007 - 2013” LOT 3 “Evaluation of the Operational Programme “Transport” Monitoring System” in accordance with contract No. D27/27.06.2011 between the Ministry of Transport, Information Technology and Communications and “ECORYS” Consortium, consisting of “ECORYS Netherlands” B.V. and “ECORYS South East Europe” Ltd.

The evaluation of the Operational Programme “Transport” monitoring system was undertaken in compliance with the Indicative Evaluation Plan of the Operational Programme. It was carried out in the period July-September 2011 and presents the current situation as of September 2011.

The aim of the evaluation is to improve the quality, effectiveness, impact, sustainability and conformity of the assistance provided by the Cohesion Fund, the European Regional Development Fund and the national budget, including:

* Improvement of the management and implementation of the Operational Programme “Transport” 2007 - 2013, including the effectiveness and efficiency of the expenditures;
* Optimization/maximization of the benefits of the financed activities;
* Evaluation of the effectiveness of the activities, carried out under Operational Programme “Transport” 2007 - 2013 with respect to the realization of the National Strategic Reference Framework goals;
* Enhancing the transparency in the activities of the public institutions that take part in the implementation of the programme.

A set of techniques was employed in performing the evaluation, including stakeholder analysis, review of national and European documents, review of administrative documents, expert panels, online questionnaire sent to experts of the Managing Authority and beneficiaries of the programme, face to face interviews and focus groups. A broad range of participants in the monitoring system were consulted during the evaluation process, such as: members of the Managing Authority, the beneficiaries, the Monitoring Committee, the Central Coordination Unit and the European Commission.

The results from the questionnaire are utilized as an illustration in this report. The answers to all questions are made available separately, in an annex.

The key conclusions and recommendations were presented to the Contracting Authority at a workshop held at the end of the evaluation in order to facilitate the review and use of this report. Furthermore, the interim results were discussed in the course of the evaluation and prior to the submission of a working version of the report in a timely manner with representatives of the Managing Authority of the Operational Programme “Transport”.

According to the Terms of Reference, the evaluation of the Monitoring system of the Operational Programme “Transport” comprises the following main sub-topics: analysis of the efficiency of the monitoring system, quality analysis of the indicators used for monitoring and analysis of the organisation, capacity and efficiency of the Managing Authority departments, which are responsible for the monitoring of the Operational Programme.

The information in the report is presented according to the following structure:

1. “Introduction” presents the content of the report and the team of experts that have taken part in the evaluation;
2. “Objective and scope of the evaluation” contains the objectives and the scope of the evaluation, the expected results and the work approach;
3. “Evaluation methods” presents the methods used for conducting the evaluation;
4. “Review and analysis of the information collected in the course of the evaluation” includes the main analyses and outputs of the evaluation, grouped in the following 3 evaluation topics:
   * Analysis of the efficiency of the Monitoring System of Operational Programme “Transport”;
   * Analysis of the adequacy and quality of the monitoring indicators;
   * Analysis of the organisation, capacity and effectiveness of the Department “Monitoring, Information and Communication” of the Managing Authority of the Operational Programme “Transport”.
5. “Conclusions and recommendations” presents the main conclusions and recommendations of the evaluation. The recommendations are presented in a table with the following columns:
   * Number;
   * Conclusion;
   * Good practice;
   * Reference to texts of the report;
   * Responsible Institution;
   * Degree of importance - from 1 to 3, where 1 signifies primary importance. The degree indicates as to whether the Consultant considers the recommendation to be crucial and urgent to the improvement of the Monitoring System.

The report also includes the following annexes:

Annex 1: List of references;

Annex 2: Meetings and interviews;

Annex 3: Questionnaire;

Annex 4: Unified Management Information System (UMIS) modules;

Annex 5: Operational Programme “Transport” Indicators (2011)

Annex 6: Indicative Action Plan for Update of the Operational Programme “Transport” Indicators

For the purposes of the evaluation the established structure and rules for performing monitoring activities, the participants in the monitoring system, activities, developed indicators and their use, as well as the organisation and capacity available to the Managing Authority for performing the monitoring activities were examined.

The existing Monitoring System of Operational Programme “Transport” was evaluated on the basis of the requirements laid down in the relevant European regulations and national documents that regulate the management, monitoring and reporting of programmes and projects co-financed by European Union funds, as well as on the basis of the good practices derived from similar programmes in other member states.

Answers to the main evaluation questions with a reference to text in the report are presented in a table after each covered topic.

The **analysis of the efficiency of the OPT Monitoring System** examines the European and the national regulatory framework concerning the monitoring of operational programmes that are co-financed by the European Union. An analysis of the role and interaction of the various participants in the Monitoring System is made. Key activities within the Monitoring System are examined, such as: reporting, including beneficiaries’ reports, as well as the preparation of an annual report on the implementation of the Operational Programme “Transport”, progress reports meetings, risk assessment and analysis, on-the spot checks, the use of the Unified Management Information System for the purposes of monitoring, the work of the Monitoring Committee and the preparation of its meetings, the audits of the programme, as well as the information and publicity measures.

On the basis of the conducted analyses, the following answers to the evaluation questions were given:

Does the Monitoring System cover the whole project cycle and to what extent it is effective and functional? - The Monitoring System covers the whole project cycle, while the projects at a preparation stage are only partly covered. They are discussed at the monthly progress meetings and the Monitoring Committee meetings, which is a good practice that contributes to the enhancement of effectiveness and efficiency of the system. As a whole, the system functions well, but an improvement is being recommended in the following areas: reporting, use of the Unified Management Information System for monitoring purposes, risk management at beneficiary level.

Does the Monitoring System provide reliable and timely information? - The main sources of information are the project progress reports, which occasionally are submitted with delay and do not contain the entire necessary information. An improvement is needed in this direction. There is insufficient data about the efficiency of information and publicity measures.

Are there any problems in the functioning of the Monitoring System that have been identified? - Significant issues that could seriously undermine the functioning of the Operational Programme “Transport” Monitoring System have not been identified. Nevertheless, most of the analyzed activities require improvements, which would enhance the efficiency of the system.

The OPT **indicators** have been examined and are rated in accordance with the European Commission Working Document No. 2: Indicative Guidelines on Evaluation Methods: Monitoring and Evaluation Indicators for the 2007-2013 Programming Period, Working Document No. 5: Indicative Guidelines on Evaluation Methods: Evaluation during the Programming Period (April 2007), Working Document No. 7: Reporting on core indicators for ERDF and Cohesion Fund (July 2009), as well as the Guidelines of Fabrizio Barcau and Philip McCann – Outcome Indicators and Targets (2011). The programme and priority axis indicators are examined, as well as the specific “project indicators”, which are used for project progress monitoring in the process of implementation. The use of the indicators for monitoring purposes has been analysed. The use of various type of indicators, such as: general and key indicators, as well as context and programme indicators, is also reviewed. The quality of the indicators has been reviewed in terms of structure, and how specific, measurable, achievable, relevant and time-bound they are. In addition to that, their coverage and balance, as well as their manageability, are also studied. Analyses and comments on whether the Operational Programme “Transport” indicators correspond to the checklist of the European Commission Working Document No. 2 are made. An Indicative Action Plan for the Actualization of the Indicators is presented in an annex.

On the basis of the conducted analyses, the following answers to the evaluation questions were given:

To what extent is the Operational Programme “Transport” 2007 - 2013 system of indicators efficient? - An efficient system of indicators is one that provides the Managing Authority, beneficiaries and the public with quantitative expression of the programme progress. The system allows for a monthly review of the achieved values of the indicators (specific and priority axis level) by the Managing Authority and beneficiaries and is efficient in this sense. In addition to that the public has access, though limited, to information about the indicators. The conduct of on-going monitoring on the basis of the output indicators that are embedded in the Operational Programme is somewhat problematic, but this is due to the nature of the programme. The on-going monitoring is conducted with the help of the so-called “project-specific” indicators system.

Are the indicators on a par with the established best practices and standards and do they provide practical and valuable information about the programme implementation? Is the applied number of indicators optimal? - The Operational Programme “Transport” 2007 - 2013 indicators partly cover the established and recommended by the European Commission quality standards. To some extent they are specific. The criteria measurability, relevance, time-orientation and achievability (especially) are not fully covered. The same applies to the EC Working Document No. 2. The OPT indicators ensure good coverage and balance, but they cannot be described as “optimal”, due to the imprecision in their structure and the possibility to add other indicators.

Are the indicators in conformity with the specifics of the programme and the projects? (additional question to the Terms of Reference of the Contracting Authority) - The majority of respondents to the questionnaire are of the opinion that the indicators in the Operational Programme “Transport” 2007 - 2013 correspond to the specifics of the priority axis, under which they implement projects. But the analysis of the relevance of the indicators shows that there is a room for improvement of the correspondence between the programme and projects specifics.

What is the established organisation of the beneficiaries regarding indicators reporting? - The beneficiaries have established a system for reporting the indicators according to Manuals and Operational Agreements with the Managing Authority. The quality of the filled in priority axis indicators in the progress reports should be further enhanced. A Manual for indicators could contribute to this.

Are the sources of information for indicator reporting reliable? - The beneficiaries and the Managing Authority are using a large number of sources of information for indicator reporting. The beneficiaries rely predominantly on own sources when reporting indicator progress (expert reports, on the spot checks). The Managing Authority uses mainly the progress reports and on the spot checks. In both cases the sources of information are considered to be the most reliable. The variety of sources used by the Managing Authority could be further enhanced with a review of the Engineer reports and statistical information such as the National Statistical Institute and Eurostat.

The administrative reorganization of the departments and the transfer of responsibilities related to the monitoring of the Operational Programme from the “Monitoring, Information and Communication” Department to the “Implementation and Coordination” Department (previously “Tenders and Contracting” Department) that was carried out at the beginning of 2011 has been taken into account in the **evaluation** **of the** **capacity** of the Managing Authority. The structure of the Managing Authority and the units responsible for conducting the monitoring at the time of the evaluation, have been examined. The capacity has been evaluated on the basis of the available human resources, work organization, education and experience of the experts. The career opportunities, payment and employee motivation, as well as the various instruments for selection and analysis of the human resources, such as job descriptions and attestations have also been considered. The technical means, available for carrying out the official duties, as well as the training opportunities, including the trainings that took place by the time of the evaluation and analysis of the training needs were also examined.

The various processes and activities related to the monitoring on a project and programme level were analyzed, so that the staff workload and possibilities for the optimization of the work can be evaluated. The link and communication between the units responsible for the programme monitoring and the other departments of the Managing Authority and third parties, such as the beneficiaries, the Central Coordination Unit at the Council of Ministers, Ministry of Regional Development and Public Works (as the principal of one of the beneficiaries - the Road Infrastructure Agency), the Audit and Certification Authority and the European Commission have been reviewed in a separate section of the report.

On the basis of the conducted analyses, the following answers to the evaluation questions were given:

Is the function distribution in the department functional and appropriate? - The present distribution of the monitoring functions of Operational Programme “Transport” between the “Monitoring, Information and Communication” Department and the “Implementation and Coordination” Department reflects the current needs and capabilities of both departments and other factors that influence the decision for the distribution, such as the nature of the work and the available capacity. The distribution can be improved by separating the monitoring functions on a programme and project level into two departments with introduction of changes that do not require a long period of adaptation and would not affect the work rhythm. The Information and Publicity measures are specific and it would be advisable to separate them from the other activities.

Do the experts at the department have the necessary knowledge to fulfil their obligations? – As a whole, the education and experience of the experts at the “Monitoring, Information and Communication” Department and the “Implementation and Coordination” Department meets the work and programme monitoring standards. There are certain flaws, though, if addressed duly, the capacity would improve, like for example: hiring experts in transport and enhancing the knowledge and skills of the experts through training.

To what extent do the training plans correspond to the training needs and what are the effects of investing in administrative capacity? - The training plans reflect the training needs, but do not include a clear analysis and concrete steps for carrying out the trainings. A tendency of decline in the number of organized trainings has become evident. In 2011 only 3 trainings for Managing Authority staff have taken place, which is highly insufficient, given the training needs.

To what extent are the established links between the “Monitoring, Information and Communication” Department, the beneficiaries, other departments at the Managing Authority, including the National Strategic Reference Framework one appropriate and efficient and how is the information flow between them organized? - The information flow and links between the “Monitoring, Information and Communication” Department and the “Implementation and Coordination” Department at the Managing Authority, other departments at the Managing Authority, beneficiaries and other participants in the monitoring system are clear and well established on the whole. An increase in the communication efficiency could be achieved through a more active involvement in the monitoring progress of the Central Coordination Unit and better cooperation between the Managing Authority and the beneficiaries.

The main **conclusions** from the Operational Programme “Transport” 2007-2013 monitoring system evaluation are the following:

The Operational Programme “Transport” monitoring system as a whole has a clearly established structure, participants, rules and responsibilities, which, in their entirety, satisfy the requirements of the European Commission regulations on the management of the Structural and Cohesion Funds and the national statutory documents. It is focused on the implemented projects, but projects under preparation are also partially monitored.

The monitoring system is dynamic. It changes to respond better to the needs and for the purpose of enhancing the efficiency of all units in the system. This results in positive developments, but is also a challenge for the participants in the monitoring system, since it requires work in a changing environment.

At the end of 2010 restructuring started in the Operational Programme “Transport” Managing Authority, which is expected to be finalised with the approval of the new version of the Manual for Operational Programme “Transport” Management and Implementation. The restructuring was prompted by the need for more effective allocation of work and resources among departments, partial ease of the work of the “Monitoring of Operational Programme “Transport” Implementation” Unit and the involvement in project monitoring activities of experts with experience in managing infrastructure projects under ISPA Programme. The changes are in the direction of separation of responsibilities for monitoring at operational programme level and project level, which is appropriate in terms of eliminating opportunities for duplication of work, better clarity of responsibilities and greater control over the implementation of responsibilities. Currently two departments: “Monitoring, Information and Communication” and “Information and Communication” implement monitoring activities at project level, and this decreases the work efficiency. The “Monitoring of Operational Programme “Transport” Implementation” Unit still lacks sufficient human resources with a view to the responsibilities entrusted to it.

Insufficient number of transport specialists in the “Monitoring, Information and Communication” and “Information and Communication” Departments is observed. The inclusion of such experts in the departments would have a positive impact on their capacity.

The quality of the collected and reported information is different and depends on the participants in the monitoring system. An improvement is observed in the quality of reporting, but there are weaknesses with regard to the efficient work with information. The practice is to collect information, which is already available, but has been collected for other purposes, instead of to process the available information and then update and supplement it. There is no sufficiently good archiving, including electronic archive. The problem is expected to be solved soon, after provision of premises for archive and appointment of an expert responsible for archives to arrange the information.

The effectiveness of reporting on the progress of projects implementation by the beneficiaries to the Managing Authority is reduced due to the complex procedure, detailed format of the monthly reports, repeated information, and, in some cases, insufficient quality of the information in the reports and delays in the submission / processing of reports.

The regular meetings for reporting on the project progress are a good tool of the Operational Programme “Transport monitoring system. Their efficiency, however, needs to be improved in the direction of clear definition of the operational decisions and their follow-up control.

The Unified Management Information System is an important component of the management of the operational programme and its enhancement and use should continue. The work with Unified Management Information System still creates difficulties for its users. That is why, until recently, the practice existed that the Managing Authority entered the information for some beneficiaries, regardless of the fact that the latter have access. Unified Management Information System is used rather to register data than to generate information and monitor implementation. Some of the options of the systems are not used by the users due to insufficient knowledge. During the last 2-3 years no training has been organised for work with Unified Management Information System, neither for the Managing Authority not for beneficiaries.

The operational communication between the Managing Authority and the beneficiaries is good. At the same time, formal communication between the parties takes considerable amount of time, including when monthly meetings are organised, reports are submitted, on-the-spot checks are carried out, and additional information is requested. It would be appropriate to organise joint meetings with beneficiaries for sharing experience and giving clarifications. The communication within the Managing Authority is difficult because of the physical positioning of the experts on different floors of the Ministry of Transport, Information Technologies and Communication building. This problem is expected to be solved soon with the relocation of the Managing Authority in a new building close to the Ministry.

The Central Coordination Unit is designed to provide central coordination of the planning and implementation of operational programmes in Bulgaria. Currently it is insufficiently active in the process of Operational Programme “Transport” monitoring.

The Managing Authority has clear rules of procedure for risk assessment and established methodology allowing identification of the risk factors, analysis and development of preventive measures, as well as reporting on the effect of risk management. Efficient risk assessment is carried out for the drafting of the Annual Plan for on-the-spot checks and its regular updating. Beneficiaries have in place developed organisational mechanisms with regard to risk assessment, but actual risk management on their part is not observed in the course of project implementation.

On-the-spot checks are carried out in line with the requirements set and meet their main objectives. As a whole, on the spot checks are regarded as an efficient monitoring mechanism both by the Managing Authority and by the beneficiaries. The system for monitoring the implementation of recommendations is not sufficiently clearly regulated. Delays are observed in the drafting of the on the spot checks reports by the Managing authority and the plans regarding the implementation of recommendations by beneficiaries, which reduces their efficiency.

The Operational Programme “Transport” Communication Plan and the organisation established for the monitoring of its implementation provides a good framework for efficient implementation and reporting of the information and publicity activities. Their implementation, however, is difficult. The merging of the “Communication and Information” Unit with the “Monitoring of Operational Programme “Transport” Implementation” Unit has resulted in decreased administrative capacity in this field. The information and communication activities require specific knowledge and skills, which are currently not available. No thorough analysis and evaluation have been made on the information and the implemented publicity measures. That is why it is not clear how efficiently the Communication Plan is being implemented and whether it needs updating.

The Operational Programme “Transport” system of indicators is regulated, and the sources used are reliable as a whole. Nevertheless, the system needs updating and refinement, as well as inclusion of new types of indicators, such as context indicators, indicators at programme level, resource indicators, and indicators for horizontal issues. The use of the indicators for monitoring the Operational Programme “Transport” progress is difficult, mostly due to the specific nature of the programme; this means that the lower-level indicators, these for output, are not measurable prior to the physical completion of the projects. That is why, for the purpose of monitoring the project implementation, the so called “specific indicators” have been introduced which follow the physical progress of the implementation of activities. This is appropriate and helps the process of monitoring at project level. At the same time, there is no clear connection between the “specific” indicators and the indicators, set in Operational Programme “Transport” for the corresponding axes. This makes the aggregation and the work with the information difficult. The use of indicators is also difficult as regards their measuring. The existing methodology for calculating the indicators also needs updating. As a whole, the efficient use of indicators will be made easier by the development of a manual providing general information about the type of the indicator and systematised methodology for its measuring.

There is a clear need for enhancing the capacity of the experts in the “Monitoring, Information and Communication” and “Information and Communication” Departments through training. At the same time, the trend observed during the recent years is one of reducing the number of training events. The training events held are mainly 2-3 day seminars, which cannot fully meet the needs. The training needs analyses do not include implementation plans laid out by types of training, curricula and methods of conducting the training in line with the identified individual and group needs, and therefore cannot be used for effective training. For the purpose, a well justified training programme and a time-schedule for its implementation need to be developed.

The staff turnover in the Managing Authority during the last years was relatively low. The remuneration system for officials working in the field of management and monitoring of projects, co-financed from European Union funds, is competitive compared to the average remuneration in the public sector. At the same time, the remuneration is not linked to the achievement of results, which does not create an incentive for efficient work.

**Recommendations** on the following have been made:

It is recommended to fully detach the project monitoring activities from the Operational Programme monitoring activities in order to avoid potential duplication of work and achieve higher efficiency, greater clarity of responsibilities and better control on the performance of duties.

It is recommended to optimise the format of the monthly reports, to make better use of the Unified Management Information System and discuss the reporting weaknesses with the beneficiaries with a view to improve the quality of the reported information.

It is recommended to organize a training for the Managing Authority and the beneficiaries alike, so as to present the main functions of the Unified Management Information System, as well as to discuss with the Central Coordination Unit possible improvements in it, in terms of making it more user-friendly and improving its monitoring functions.

It would be appropriate to organize meetings with the beneficiaries in order to share experience and provide clarifications.

The Central Coordination Unit is expected to become more active in the monitoring process by taking up the initiative for coordination and discussion of horizontal issues and providing more in-depth feedback on the quality of information submitted to it by the Managing Authority.

It is advisable for the Managing Authority to assist the beneficiaries in improving their risk management performance at project level by producing a methodological guidance document. To formalize the process, the overall risk management procedure should be included in the procedural guides intended for beneficiaries.

It is recommended to appoint sufficient staff with the required skills and to set up a separate unit or department to be responsible for the Information and Publicity measures. It is also recommended to plan evaluation of the implementation of the Communication Plan of Operational Programme “Transport”.

It is recommended to include new indicators, such as: context indicators, programme level indicators, resource indicators, horizontal theme indicators, specifying some of the indicators.

It is advisable to update the indicator calculation methodology.

It is recommended to review the base values and projected values of the indicators.

It is recommended to update the timeframe of the indicators.

It is advisable to develop an Indicator Manual that contains background information for every indicator.

It is recommended to employ a consultant with the task to develop a thorough training programme, including time plan for its implementation and delivery of the trainings during the next one or two years having regard to both individual and group needs.