Romania:
Institutional scan to enhance policy coherence for sustainable development

HIGHLIGHTS
Romania: Institutional scan to enhance policy coherence for sustainable development

A preliminary analysis of the current strengths and bottlenecks to policy coherence for sustainable development around the policy cycle.

Background

The Romanian Government aims to become a leading actor in the implementation of Sustainable Development Goals (SDGs). There is a clear commitment by the government on the 2030 Agenda and different institutional mechanisms have been setup to implement the SDGs. The government is now in the process of operationalising the 2018 National Strategy for the Sustainable Development of Romania 2030 (SNDD) by drafting an Action Plan and developing a governance framework for its effective implementation expected by mid 2021.

This process prepares the ground for implementing the Ministry of Public Finance's announcement to align the budget with SDGs targets by 2021, as announced during the High Level Political Forum in New York in September 2019.

Objective of strengthening policy coherence for sustainable development

Adopting Policy Coherence for Sustainable Development (PCSD) as a structuring principle for policy-making could help Romania's government in implementing its long-term vision and better align policies across sectors with the SDGs. In particular, PCSD recommends alignment between planning and budgeting, and this institutional scan, including an institutional mapping (Figure 1) has been conducted in parallel to an OECD assessment of the readiness of the Romanian Government to implement SDG budgeting, setting out the key challenges and opportunities to roll out an incremental approach to SDG budgeting.

This Scan (published in September 2020) offers a preliminary analysis of the current strengths and bottlenecks to policy coherence around the policy cycle (Figure 2) and provides options that would spur a shift towards public policies that systematically apply a SDGs' perspective. These options could be tested during the multi-stakeholders process that will lead to the formulation of the Action Plan in 2021 and will equally respond to some of the Country Specific Recommendations (CSRs) from the 2019 EU semester report around strengthening decision-making predictability. The Action Plan and governance framework exercise is very timely to reinforce the implementation of the CSR and to highlight how the SDGs could be embedded in the formulation of the next EU semester exercises, in line with the growing emphasis that the EU would like to give to SDGs. Ensuring that long-term sustainability is at the heart of this mechanism is even more important in the post-COVID scenario, given the pivotal role given to the EU semester in programming the Recovery and Resilience Fund.
The PCSD principle is embodied in the SNDD, which establishes several **SDG-coordination bodies** (i.e. the Department for Sustainable Development DDD, the Interdepartmental Committee for Sustainable Development as well as the Network of Sustainable Development Hubs) with mandates for promoting PCSD across government’s structures (see Figure 1). All the same, their systematic involvement in policy-making has not yet translated in governmental practice. Legislative acts recognise a role to the Inter-departmental Committee for Sustainable Development (Government Decision no.272/2019), and to the DDD in supporting whole of government implementation of SNDD, including during legislation formulation. This **has yet to be translated into formal processes** (i.e. validating/producing ex ante policy’s sustainability assessments that will inform policy-making, etc.) beside the production of an annual report to be submitted to Parliament.

**Weak policy mechanisms** to link strategic planning, operationalisation of long-term strategies into mid-term policies and budgets, implementation and monitoring, that could lead to incoherence, fragmentation and overlaps across sectoral policies as well as to unsustainable policy choices undermining progress on the SDGs. The 2019 EU semester country report observes that there is still persistent legislative instability and lack of decision-making predictability. While there has been a significant effort to consolidate strategic planning, the current tool to link strategies to concrete policies is still the substantiation note, which is drafted according to a 2006 methodology. Since 2017, the institutional strategic planning (ISP) process has been introduced in 13 pilot ministries to contribute to streamlining sectoral visions with their implementation over the next four years. Overall there is a lack of supporting tools, such as guidance, incentives, reporting mechanisms or regulations that would ensure Ministries respect these methodologies. In addition, these methodologies don’t account for identifying cross-sectoral, transboundary and inter-generational impacts of sectoral new policies.
• Current tools for **evidence-based policy formulation seems rather weak**. Procedural requirements and ex-ante regulatory assessments for new legislations are in place but are highly uneven across ministries and don’t always account for a quality evaluation of sustainability. The SDGs perspective is currently not one of the dimensions of the Regulatory Impact Assessment and there is no ‘SDGs proof’ compulsory assessment when legislations are approved in the Cabinet.

• The **Parliamentary Sub-Committee for Sustainable Development** has no formal role in analysing proposed legislation thus it has little margin to include SDGs’ dimension in the legislative process. In fact parliamentary committees don’t have the obligation to systematically consult the Parliamentary sub-committee for SD when a new strategy is discussed thus the SDGs’ dimension is not systematically included in the discussion of the leading sectoral parliamentary committee(s).

• **Overlapping policy monitoring mechanisms**: since 2016, delivery agreements between CoG and implementing ministries have been introduced, including performance targets. This policy implementation monitoring mechanism exists in parallel to a monitoring system for legislative initiatives (PALG) and the reporting system that each ministries use to track their sectoral targets. Parallel monitoring mechanisms might generate a reporting fatigue and data that are remained unexploited or undisclosed instead of generating evidence for policy evaluation and formulation.

• Currently there is **no mechanism to involve systematically regions and cities** in the formulation, implementation and evaluation of national plans for sustainable development. Conversely, there is no mechanism enabling the national level keeping track of the strategies developed by sub-national government and establishing a guidance/good practice inventory from where other localities could be inspired.

• Effective **data collection** on policy results is partially undermined by the absence of statistical units within line ministries.

• **Civil society and Parliament** report technical obstacles to their involvement in the policy making cycle. For instance, short periods of consultation when producing legislative drafts and budgets weaken their oversight.

**Figure 2: Strengths and bottlenecks to policy coherence around the policy cycle**

The policy cycle and SDGs

Source: author's elaboration
Preliminary ways ahead:

The new post-COVID-19 economic and social landscape pushes governments to reshape their policies. Selecting policy priorities becomes even more challenging against an uncertain future outlook. While meeting urgent demands for recovery, the government needs to maintain its long-term sustainability engagements as the ones set out in the SNDD.

PCSD can shape a policy cycle that uses sustainable principles as an overarching framework for decision-making. The institutional framework that will accompany the Sustainable Development Action Plan, could include the following time-bound actions for making progress on PCSD:

1. **The forthcoming Sustainable Development Action Plan could define clear short- to mid-term actions aligned with the SNDD.** The Action Plan will include a selection of short to mid-term actions that will have been prioritised by sectoral ministries and relevant non-government stakeholders in order to achieve SDGs over the next ten years. Some of these priorities could be identified among the four-years priorities emerging from the Institutional Strategic Planning (ISP) exercise conducted by 13 ministries.

2. **Translate systematic involvement in policy making of the SDG-related bodies into governance practice:** operationalise the existing SD institutions (DDD, Interdepartmental Committee and Sustainable Development Hubs) and the Directorate for Coordination of Policy and Priorities (DCPP), through use of standardised processes that allow for consulting these bodies during the policy cycle.

   The process could standardise the responsibilities of the DCPP together with the DSD in providing strategic direction to the inter-ministerial working groups or single ministries in relation to SD topics during policy formulation and implementation processes. Concrete options for the standardised process include having a role in the inter-ministerial working groups to embed the PCSD dimension during policy formulation; contribute to the preparation of the ex-ante and evaluation mechanisms to assess sustainable development compliance, etc., through this standardise processes the two institutions, with the involvement of the Interdepartmental Committee for Sustainable Development, will check on SDGs' alignment of legislative proposals and arbitrate between possible policy trade-offs. The Development hubs will ensure effective communication across ministries and with DCPP and the DSD when a new policy is discussed. The development of such standard process, in the form of a normative act, features as one of the objectives of the EU funded project "Sustainable Romania" that the DSD is implementing.

3. **Strengthen the ex-ante Regulatory Impact Assessment (RIA):** the ex-ante Regulatory Impact Assessment (RIA) could integrate the existing dimensions (Environmental, Gender and Social impact, etc.) into an integrated sustainability impact assessment. The integrated assessment will take into account trade-offs, potential alternative futures, impact on developing countries and intergenerational outcomes of the new strategy/legislation. To ensure that the integrated ex-ante sustainability impact assessment is systematically conducted, a change in the legislation should be introduced and resources should be allocated. The legislation should equally clarify which data need to be gathered, and the actors in charge conducting and validate the integrated assessment. For instance, the Department of Sustainable Development could clear all the sustainability assessments, enhancing its pivotal position during strategies' formulation at ministerial and inter-ministerial level. Reference to this role could be included in the standardised process for consultations with the SDGs bodies (see above).
4. **More strategic and results-oriented management approach across the public administration that systematically apply a SDGs’ perspective.** The difficulties in translating policy vision into projects, actions and indicators, call for potential revision of the methodology for institutional strategic planning. While in the long term the ISP process might facilitate strategic prioritisation, in the short term, it is important to include in the substantiation notes provisions for proactively identifying potential synergies and trade-offs across sectors, and referencing the results of the RIA on the transboundary and inter-generational impact related to the proposed programmes and actions. To make these requirements an obligation a Government Decision or a normative act might be needed to review the methodology for institutional strategic planning. As the ISP methodology will become the key prioritization tool, the same requirement should be embedded there as well. This step could improve the links between strategic planning and budgeting by more clearly identify what policies contribute to and aligning budgets to their performance against SDGs. To implement this requirement, a common **guidance for ‘sustainability-sensitive strategic planning’** could be useful. Ministries could use it when translating strategies into time-bounded projects, actions and indicators for more coherent policy-making. The guidance could help inter-ministerial working groups and could inspire cross-sectoral actions. It could include reference to the standardised process for consultations with the SDGs bodies (see above). This guidance could also incorporate reference to sustainable procurement and financing, to engagement with multi-stakeholders platforms, sustainable financing, monitoring mechanisms, etc.

5. **Streamline government’s data collection mechanisms and clarify which one is best placed to track SNDD indicators.** In order to track how policies contribute to the implementation of SDGs, existing data collection mechanism (I.e. ministerial plans monitoring, ISP, SIPOCA, national statistic database, etc.) should be linked to the new set of National Sustainable Development Indicators (NSDIs) on which the NSI is working. One possibility would be to link the ISP dashboard, **which will monitor policies’ implementation across pilot ministries, to the National Sustainable Development Indicators (NSDIs). One challenge might be data interoperability across ministries (each ministry reports according to their sectoral objectives) and levels of government. The NSI, DDD and DCPP and Ministry of Finance should work closely to systematize the alignment between sectoral targets and sustainability indicators and train/establish evaluation statistical divisions within each ministries to report on these indicators. Develop career paths for the staff who receives training on monitoring and evaluation and impact assessments.**

6. **Use the Action Plan to increase public awareness and ownership around SDGs.** The formulation of the SD Action plan represents an opportunity for engaging a broad public and the local level on sustainable development as it has been the case during the formulation of the SNDD in 2018. Capitalise on the synergies created during the formulation phase by considering setting up permanent cross-sectoral and multi-stakeholders consultation platforms. In 2020 the DSD will be supported by the Consultative council and the Coalition for sustainable development in this outreach efforts.

7. **Train public servants on policy coherence and sustainable development.** There is a strong focus on strengthening the public administration’s capacity for sustainable development, including high-level civil servants and politicians. Providing training for SD Hubs and public policy units across ministries and at local level will be crucial for interiorising the need to coordinate and streamlining communication in particular during policy formulation and data collection. In order to reach the relevant civil servants the DDD should work closely with the DCPP who has responsibility for developing ministries’ own capacities to plan, elaborate and implement strategies.
8. **Strengthen the role of oversight bodies, such as Parliamentary Sub-Committee for Sustainable Development and the Court of Audit**, to provide greater scrutiny of government’s planning and implementation of the SDGs. The Parliament could have an increasing important role in the follow-up and review of the implementation of the SDGs (Government of Romania, 2019[8]) for instance: by extending or respecting the periods for consultation on legislative and budget proposals; by including the budget declaration document in the budget vote; by using the annual Sustainable Development report to further sensitize the rest of the parliament and add policy coherence dimension to the report. In addition the Sub-Committee for Sustainable Development could be scaled up to secondary parliamentary committee and tasked to systematically identifying the contribution of proposed legislative measures to SDGs as well as their transboundary, intergenerational and cross-sectoral impact.

9. **More closely engage subnational levels of government** by extending the sustainable development hubs at the regional and local level and fostering alignment, complementarities and cooperation between SDG strategies formulated at local and national level. One way of strengthening multi-level strategies for SDGs could be work on SDGs indicators that can be tracked at different levels of government.

10. **Better linking budgeting and planning process**: tagging the budget measures according to SDGs targets could provide a mapping of how public spending is contributing to the SDGs objectives. However the absence of project management structures, as well as a myriad of other factors, is among the bottlenecks to roll out programme-based budgeting (further detailed in Romania: Linking Policy Planning and Budgeting to Support the Implementation of the Sustainable Development Goals (SDGs) report). This limit the significance of budgeting for SDGs as the budget measures are not directly linked to the implementation of specific project outputs.
Further information:

For further information on this report and our work in this area please contact: anna.piccinni@oecd.org or pcsd.contact@oecd.org