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# Financial impact analysis

## for scaling up a model of community based services at national level

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**UNICEF Coordinator**

Voichița Pop

**Authors:**

Bogdan Belciu

George Dorobanțu

Elena Popa

Carmen Mişcodan

Bogdan Simion

**Authors (PwC):**

Bogdan Belciu, Partner - Advisory Consulting

George Dorobanțu, Director - Advisory Consulting

Elena Popa, Manager - Advisory Consulting

Carmen Mişcodan, Senior Consultant

Bogdan Simion, Child Protection Expert

**Coordinator (UNICEF in Romania):**

Voichița Pop, Child Protection Specialist

**Editing and proofreading:**

Ionescu Gloria PFA

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I. Belciu, Bogdan

II. Dorobanțu, George

III. Popa, Elena

IV. Pop, Voichița (coord.)

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# Acronyms

| | |
|---|---|
| AROP | At Risk Of Poverty |
| CBS | Community-Based Services |
| CCS | Community Consultative Structure |
| CERA | Centre for Educational Resources and Assistance (at county level) |
| CHN | Community health nurse |
| DPH | Directorate for Public Health (at county level) |
| EEA | European Economic Area |
| ESF | European Structural Funds |
| EU | European Union |
| EUR | Euro (European Monetary Unit) |
| GDSACP | General Directorate for Social Assistance and Child Protection (at county level) |
| HIC | 'Helping the invisible children' (UNICEF modelling project) |
| HIV/AIDS | Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome |
| lei | Romanian currency |
| MGI | Minimum Guaranteed Income |
| MoLFSPE | Ministry of Labour, Family, Social Protection and the Elderly |
| MPS | Minimum Package of Services |
| NGO | Non-governmental organization |
| NIS | National Institute of Statistics |
| POAT | Technical Assistance Operational Programme |
| PPPeM | Policy and Procedure electronic manual |
| RON | Romanian currency |
| SC | School counsellors |
| SOWC | The State of the World's Children |
| SW | Social worker |
| TB | Tuberculosis |
| UNICEF | United Nations Children's Fund |
| VAT | Value Added Tax |
| WB | World Bank |

# 1 Executive Summary

## Background

Given the efforts aiming to break the intergenerational cycle of poverty in Romania, it is essential for the government to adopt social protection policies, including social services, that can tackle both child and adult poverty in the same household simultaneously, going beyond ensuring material security and promoting equal opportunities. In the absence of adequate social services, children's well-being, social inclusion and right to develop their full potential are at risk.

In response, as part of their successive partnership agreements (2010-12, 2013-17), including through the priority objectives set in the 2008-2013 and 2014-2020 National Strategy for Protection and Promotion of Children's Rights, the Government of Romania and UNICEF demonstrated commitment to review and adjust policies promoting children and their families' well-being, with special focus on the most disadvantaged children and children without or at risk of being deprived of parental care. At the same time, UNICEF, in close partnership with central, county and local authorities, as well as civil society, targeted efforts towards piloting or modelling innovative services developed at community level, to improve all children's access to quality services (by strengthening the capacity of community-based prevention and support services), reduce poverty and promote the realization of rights and social inclusion.

As such, taking into account the underdevelopment of the Romanian social assistance services at the community level, the extent and basic needs of the most disadvantaged children and their families, and the UNICEF principle according to which successful child protection begins with prevention[1], during 2011-2015, UNICEF in partnership with the Ministry of Labour[2] designed, tested and refined a modelling project that focused on strengthening the Romanian social protection system's capacity to deliver **preventive** social services, especially in rural areas (particularly the poorest communities). Part of UNICEF's overall Community Based Services (CBS) programme in Romania, the 4 year project modelled and remodelled a **minimum package of social services** (**MPS**)[3] focused on prevention, based on the theory that children's welfare in Romania will improve only if and when they, especially those worst-off ('invisible'), will have enhanced access to integrated basic social services (social assistance, health and education services). The innovative model implemented at local level involved a shift from over-reliance on state protection for children towards the more efficient system of proaction and prevention (thru outreach-based delivery of MPS) that increases quality of life and equity for children, while developing and/or strengthening the capacity of local public authorities to identify and respond promptly and efficiently to the risks and vulnerabilities encountered by deprived children and their families. In this respect, the modelling project design was aligned to the Government's 2008-2013 National Strategy for the Protection and Promotion of Children's Rights which highlights the need for development of prevention mechanisms as opposed to interventions in specialized services, given that actions aiming to keep children in the family rather than in the protection system were proven to be more effective, better aligned with the equity and child rights approaches, and cheaper.

[1] *UNICEF Child Protection Strategy* http://www.unicef.org/protection/files/CP_Strategy_English.pdf
[2] General Directorate for Child Protection (later changed into the National Authority for the Protection of Child Rights and Adoption - NAPCRA) at national level; County General Directorate for Social Assistance and Child Protection (GDSACP) and prefectures at county level; public local authorities.
[3] Within the context of advancing child-sensitive social protection and adequately investing in child wellbeing, UNICEF advocates for a Minimum Package of Services as a universal mandatory social service package delivered through outreach field work by public local authorities at community level to fulfil every child's right to development, to combat poverty, to prevent the risk of social exclusion and to support vulnerable families with children.

The project (first called *Helping the Invisible Children – HIC* and later *First Priority: No More 'Invisible' Children! Development of Basic Social Services at Community Level*) started in 2011, when **social workers** were hired and employed by local municipalities (with UNICEF financial support) in 96 most vulnerable rural communities from eight counties from the poorest region in the country (Bacău, Botoşani, Buzău, Iaşi, Neamț, Suceava, Vaslui and Vrancea). At first, these social workers were trained to provide outreach work and identify vulnerable/'invisible'[4] children and their families within the community, as well as to mobilize the local Community Consultative Structures and the community at large (school teachers, family doctors, police, priests, community nurses, Roma health mediators, etc.) in addressing the vulnerabilities of those identified. The project social workers carried out their activity under the technical and methodological supervision and coordination of their respective county GDSACPs.

In the second phase, 2012, after a first formative evaluation, the project scope was reduced in terms of geographical coverage to 64 communities, but increased in terms of activities, as the Minimum Package of community preventive Social Services (MPS) was introduced in the project, shifting the focus of social workers' interventions from identification to delivery of basic **social assistance** services for the worst-off children and their families (including needs-assessment, information and education, counselling, accompaniment and support, referral and monitoring and evaluation).

Over the next period (2013-2015), following a second formative evaluation as well as consultations at national, county and local level, the modelling project theory, objective and specific activities were further revised and adjusted, new methodologies, tools and interventions developed and the Minimum Package of Services (the initial social assistance provided by social workers) was added a second component – the **health care** services provided by **community health nurses** – while the geographical coverage of the project was further reduced to 32 communities from the 8 counties. The MPS thus fine-tuned and modelled in this last project phase had a stronger multi-sector approach, identifying and maximizing linkages between social protection and sector outcomes (e.g. health, education, nutrition, early childhood development and care, child protection), providing the 'invisible' children and the already known vulnerable, marginalized and excluded groups with relevant integrated support in order to address vulnerabilities, fight against inequalities, and prevent violence against children, including the separation of children from their family.

As the two formative evaluations of the modelling project have established, the provision of services based on the principles of the minimum package was regarded by the various stakeholders, beneficiaries and community representatives as:

- **Highly relevant** and **necessary** in identifying and addressing the needs of the community's worst-off groups, particularly vulnerable children, in reducing inequities among the best off and worst-off, in preventing child-family separation, and in addressing institutional developmental needs
- **Effective** – evidence of the minimum package of services contributed to increasing the impact of social protection policies for poor and socially excluded children and families
- **Efficient** – in terms of use of resources, preventive community services are more cost-efficient/ effective in protecting children than specialized protection services

The project has produced overwhelming proof that the issue of 'invisible' children is highly relevant for the rural communities from Romania and it represents a serious problem that needs an urgent and determined policy response. At the same time, the project has demonstrated that: (i) the development of preventive community services is possible in spite of the limited human resources at local level and of the insufficient local budgets; (ii) outreach activities are possible and essential to ensuring the right to social security for children (and other vulnerable groups). Moreover, it presents clear evidence that preventive community services are more effective and much cheaper in real life and as well, not only in theory. To note, in one year and a half (2011-2012), the project identified 5,758 'invisible' children who faced a complex cumulus of vulnerabilities. Based on the

[4] 'Invisible' children are those who are 'disappearing from view within their families, communities and societies and to governments, donors, civil society, the media and even other children' *(SOWC 2006, UNICEF)*

minimum package of community services approach, over 3,400 children and their families, from 64 rural communities, received a variety of services from diagnostic to information, counselling, accompaniment and support, referral, as well as monitoring and evaluation. Thus, access to health, education, social protection, and the opportunity to develop into the natural family have been enhanced for many children at risk.

Through defining and developing the minimum package of services, the modelling project also placed a special focus on the improved access for children and families to **integrated** basic social services (its two social and health components), demonstrating that integrated social service delivery can improve both the effectiveness and efficiency of social services, while also ensuring increased take-up and coverage.

On the basis of the above arguments, one of the general recommendations of the evaluations was, therefore, to continue the intervention and aim efforts towards progressive national and county-level **scaling up**[5] of the model of integrated community-based preventive services piloted within the project, addressing thus key bottlenecks for an equitable child friendly social protection system.

The lessons learnt and the evidence accumulated in this modelling project and in other previous or parallel model interventions that tested the preventive approach underlined that, for best results in covering all vulnerabilities, delivering integrated **cross-sectoral** preventive services at the community level (social protection-health-education) is key. For this reason, using the experience accumulated in the previously described modelling project (the social assistance and health care components) and another model focusing on improving access to and quality of education, UNICEF and its national, county and local partners expanded the minimum package of services to further include a third component – **education** services provided by **school counsellors** – and, towards the end of 2014, launched the optimal model of community based services in 45 communities of Bacău county under a new pilot project on "Social inclusion through the provision of integrated social services at community level".

## Purpose/ Objective

As recommended by the external evaluation of the modelling project, the Ministry of Labour, Family, Social Protection and Elderly Persons and Ministry of Health expressed commitment to continue the intervention and contribute to advocacy efforts in order for the model of community preventive services/minimum package of services to be undertaken by all key stakeholders and scaled up at national level. As such, advocacy for influencing appropriate allocation of resources to finance scale up and replication is a prerequisite. The budget would need to set out the actual costs of piloting the initiative and the projected costs of scaling it up (in various formulas and settings) and sustaining it, including anticipated human resources considerations and necessary contributions from public funding (central, county and local) and other sources of funding.

The purpose of this report is, therefore, to present an estimation of the costs required for scaling up the previously described community based services model/minimum package of services (MPS), nationwide, particularly:

- **costs of MPS per se** - calculations by package components (social assistance services/social worker, health care services/community health assistant [*the two components already tested in the modelling project presented above*], education services/school counsellor [*component not part of the modelling project, here calculated based on similar level of expenses as those estimated for project social workers and community health nurses*])
- **costs of scaling up the MPS at national level**, in various scenarios (basic - with one component, extended - with two components, and optimal – all three components;

[5] Scaling up is replicating and expanding pilot approaches, while at the same time transferring longer-term ownership to Government counterparts, to ultimately bring positive results for a greater number of children and women *(UNICEF PPPeM)*

incremental implementation) and per several primary and secondary indicators (rural/urban community, share of children in the population, mean unemployment rate, etc.)

calculated on the basis of:

- actual costs incurred in the modelling project, specifically the MPS and its 2 components (social assistance/social worker & health care/community health nurse)
- costs modelled for social worker and community health nurse, and estimated for school counsellor
- new methodology for workload rate per social worker and community health nurse, and existing legislative provisions for school counsellor
- cost modelling for national coverage

Given the country's current economic context and the constraints related to the national budget and social services delivery capacity, a national coverage of the minimum package of social services would require a **progressive implementation** plan over 3 to 5 years, as well as the use of a **mix of funding sources**, both national and external (e.g. ESF, Norway Grants etc.).

Scaling up can also happen in terms of a multiplier effect, where the geographic scope of an intervention is expanded within an area by bringing in an increasing numbers of communities, counties, and regions, until an initiative is eventually rolled out nationwide.

In this context, PwC was selected to conduct a detailed financial impact analysis of scaling up the community based services model, particularly the minimum services package, at national level. The analysis was undertaken between May 2014 and July 2015, in close partnership with the National Authority for the Protection of Child Rights and Adoption (NAPCRA). The purpose of the financial impact analysis is to determine a reliable and realistic budget estimate that would make the relevant public authorities fully aware of the budget requirements for increasing the scope of the model, preventing further hurdles along the way such as miscalculations or lack of funds.

To this end, the objective and focus of the financial impact analysis of scaling up the model of community based services/MPS consisted of in-depth examination and considerations of costs for a progressive implementation of the model at national level, covering:

- A comprehensive overview of the economic and social environment in Romania;
- An analysis of the evolution of social assistance and protection expenditures along with a forecast of possible scenarios/trends for 2014-2020;
- An analysis of the current (and, if applicable, the foreseen) budgeting processes and timeframes, and the identification of starting points for initiating the scaling-up;
- A realistic picture of the costs to date for the modelling project, and the estimated costs for scaling up and sustaining the intervention (including anticipated human resources considerations);
- The development of potential scaling-up scenarios.

## Methodology

The first step in our analysis of the costs required to scale up the community-based services model/minimum package of services (MPS) nationwide was to assess the costs incurred to date in the various modelling project phases, as it offers a good overview of the key financial implications and cost drivers that need to be considered.

The analysis is based on actual costs incurred in the modelling project phases and calculated taking into account the actual number of months of project activities. The budgeted cost was calculated by assuming the monthly costs over a 12 month period. In some cases the actual costs did not match exactly the budgeted costs, but in neither of the cases was the budget overrun, and the amounts available before the end of the period were reallocated to other areas of the project,

on a case by case basis. The analysis covers the budgeted and actual costs with social assistance services for each of the four years of the modelling project, as well as the health care services component which was included in the last phase of the project, at community and county levels.

The approach used to calculate the intervention cost of scaling up the CBS model/MPS at national level is based on a two-step framework consisting of:

(a) Defining the content of the community based services package/MPS delivered in the model, and

(b) Determining the needs of the target population.

To ensure a progressive approach to the budgeting of funds required and to accommodate budgetary constraints, the content of the CBS package to be delivered can be divided into six scenarios with different complexities, based on a combination of the type of communities (rural and urban) and the package components implemented (social assistance, health and educational services).

With regards to the second step of the framework, namely the needs of the target population, we used a set of indicators derived from the modelling project information available in order to estimate the volume of effort required at the national level for the implementation of the proposed delivery model.

Naturally, there are several limitations derived from the pilot implementation that need to be considered when using the data for estimating the financing requirements for scaling up. The most important one refers to the fact that the modelling project was implemented in a limited number of communities located in a specific geographical area that do not constitute a representative sample for the entire country. We therefore took into consideration a set of social and economic factors that directly influence the implementation efforts in order to provide a realistic evaluation of the level of effort required for scaling up the model at national level. We have chosen one primary category of indicators (number of children in the community) and five secondary categories (type of community – urban vs. rural, share of children in total population, population density, minimum guaranteed income, and average unemployment rate) to which we assigned the appropriate weighting before developing the costing model.

## Key findings and recommendations regarding the costs associated with scaling up the minimum package of services at national level

Our analysis of the distribution of the total population (rural and urban), based on the calculations of a specific compound indicator and on a socio-economic vulnerability risk assessment (more details in chapter 6 of the present report), has rendered 842 communities in the low risk category (26.4%), 1,231 communities in the medium risk category (38.6%), and 1,113 communities in the high risk category (34.9%). As 2,861 of these communities are rural and 325 are urban, we used the six scenarios developed for the gradual implementation of the CBS model/MPS and applied our costing model to each scenario.

The cost estimates for each scenario are outlined below.

1. *Basic rural scenario: Implementation of the minimum package of services, basic version (social assistance/social worker component) in rural communities.*
   The Basic Rural scenario considers the scaling up of the model in all 2,861 rural communities nationwide.
   Our costing model rendered a total estimated annual cost associated with employing the required number of social workers in all rural communities in excess of 108 million lei (equivalent of approximately EUR 24 million), while the annual costs associated with employing the GDSACP supervisors were estimated to be over 5.5 million lei (equivalent of approximately EUR 1.2 million).

2. *Basic urban scenario: Implementation of the minimum package of services, basic version (social assistance/social worker component) in urban communities.*
   Our costing model rendered a total estimated annual cost associated with employing the required number of social workers in all 325 urban communities of over 26.6 million lei (equivalent of approximately EUR 5.9 million), while the annual costs associated with employing the GDSACP supervisors were estimated at more than 1.3 million lei (equivalent of approximately EUR 0.3 million).

3. *Extended rural scenario: Implementation of the minimum package of services, extended version (social assistance/social worker and health care/community health nurse components) in rural communities.*
   Our costing model rendered a total estimated annual cost associated with employing the required number of social workers and community health nurses in all 2,861 rural communities of approximately 232 million lei (equivalent of approximately EUR 52 million), while the annual costs associated with employing the GDSACP/ DPH[6] supervisors were estimated at over 11 million lei (equivalent of approximately EUR 2.5 million).

4. *Extended urban scenario: Implementation of the minimum package of services, extended version (social assistance/social worker and health care/community health nurse components) in urban communities.*
   Our costing model rendered total estimated annual costs associated with employing the required number of social workers and community health nurses in all 325 urban communities of 54.2 million lei (equivalent of approximately EUR 12.1 million), while the annual costs associated with employing the GDSACP/ DPH supervisors were estimated at over 2.5 million lei (equivalent of approximately EUR 0.55 million).

5. *Optimal rural scenario: Implementation of the minimum package of services, optimal version (social assistance/social worker, health care/community health nurse, and education/school counsellor components) in rural communities.*
   Our costing model rendered a total estimated annual cost associated with employing the required number of social workers, community health nurses and school counsellors[7] in all 2,861 rural communities of over 420.5 million lei (equivalent of approximately EUR 93,3 million), while the annual costs associated with employing the GDSACP/ DPH/ CERA[8] supervisors were estimated at over 20.3 million lei (equivalent of approximately EUR 4.5 million).

6. *Optimal urban scenario: Implementation of the minimum package of services, optimal version (optimal version (social assistance/social worker, health care/community health nurse, and education/school counsellor components) in urban communities.*
   Our costing model rendered a total estimated annual cost associated with employing the required number of social workers, community health nurses, and school counsellors in all 325 urban communities in excess of 137 million lei (equivalent of approximately EUR 30.5 million), while the annual costs associated with employing the GDSACP/ DPH/ CERA supervisors were estimated at over 6.1 million lei (equivalent of approximately EUR 1.3 million).

These 6 scenarios of progressive implementation of the CBS model/MPS at national level are merely a suggestion, one approach to scaling-up the intervention model. However, the development of the best scenarios of implementation and the actual implementation planning (e.g. timing, phases, sources of funding etc.) of any of these scenarios, or a combination of them, can be analysed, detailed and decided upon based on decision-makers' priority options, available resources, and relevant policies and legal provisions in place.

[6] DPH – Directorate for Public Health (at county level)
[7] As the education/school counsellor component was not part of the MPS package tested in the CBS modelling project and actual project costs for it were not available as in the case of the other two MPS package components (social assistance/social worker and health care/community health nurse), our costing model for school counsellors considered similar level of expenses as those estimated for social workers and community health nurses.
[8] CERA – Centre for Educational Resources and Assistance (at county level)

The factors and indicators (primary or secondary) used in our costing model in relation to these scaling-up scenarios (see chapter 4 of the report) are also a suggestion, and the risk coefficient we proposed can be adjusted (by adding or replacing the compound indicator derived from multiplying the secondary indicators) or substituted with a different one, depending on decision-makers' options and in accordance with the applicable policy provisions in place. Hence, there is significant flexibility in terms of the options for progressive implementation of the model and related costing formulas, enabling multiple combinations of factors/indicators, components and implementation phases, both with regard to the envisaged communities and the minimum package of services:

- Urban (325 communities) vs. rural (2,861 communities);
- Communities rated as high risk (1,113), medium risk (1,231), low risk (842). In a first phase, implementation could target communities with the highest probability of requiring the services provided via the CBS model/MPS, followed by those with medium probability, in a second phase, and those with the least probability, in a third phase;
- Components of the MPS in the basic, extended and optimal versions. The social assistance/social worker component of the package could be implemented in a first phase, to which the health care/community health nurse component could be added in a second phase, and the education/school counsellor component, in a third phase.

## Key findings and recommendations regarding financial sources and mechanisms

Considering the current budgeting process at national and local level, the first approach for attracting financial resources for scaling up the CBS model/MPS is to secure a budget allocation at central level from the VAT and income tax deducted amounts, allotted to local public institutions for balancing off local budgets related to specific social services provision (for the social assistance and educational components), the health insurance special fund (for the health care component) and the consolidated budget with the specific social and cultural related expenses (for all components).

There are several potential points for stepping-in during the annual budgeting process in order to secure the required financing, starting with the local level initial drafting of the budget in May-June, and continuing with the central reviews and amendments at central level in July and September.

To ensure the effectiveness of budget allocation, programme/intervention model owners can actively support the budget drafting activities at local level, by offering assistance with needs identification, prioritization and budget planning, thus signalling potential expenses categories that could cover large parts of the budget elements required for scaling up the model.

The budget elements more likely to be addressed at central level relate to overall program caps and specific budget items identified at local level, eligible for and committed to covering specific program expense categories.

An important trigger at this stage of budget drafting is the planning timeframe, Ministries being urged to submit a 3 year-out budget estimate to the Ministry of Public Finance (MPF). Thus, advocacy and assistance directed towards effective planning, budgeting, funding and spending targets to influence budget allocation towards agreed specific topics of interests could improve the quality of medium term budget forecasting and increase cross sectoral integration, ensuring a wider pool of potential budgeting sources for the upcoming years.

Additionally to the State and local budget, a number of financing options may be employed in order to support the scaling up of the model of community-based services. Considering the low absorption rate of EU funds available (an average of 51% in 7 years), this could represent the most feasible source to consider. The five major funding opportunities available for accessing are represented by the:

- European Social Fund/Administrative Capacity Development Program (POCA) – which could be used for the social component of the MPS, to cover training activities and equipment (i.e. for improving the social assistance services);
- European Social Fund/Human Capital Operational Program (POCU) – which could be used for the social and health components of the MPS, to cover training activities and material expenses (i.e. for improving access to social assistance and healthcare services);
- European Social Fund/Regional Operational Program (POR) – which could be used for all MPS components (i.e. for improving access to social assistance, education and healthcare services);
- European Social Fund/National Rural Development Program (PNDR) – which could be used to finance the training activities for all package components in the rural communities, as well as material expenses for the social component in the rural communities (i.e. education and training for rural economy employees and improvement of access to social assistance services);
- World Bank Loan – Health Sector Reform (reimbursable funds) – for financing the health component of the MPS;
- Norway Grants, EEA Grants and Swiss Grants – which could be used for all MPS components.

# 2 Proposed model of Community Based Services / Minimum Package of Services

Ensuring that effective social services are accessible to everyone, especially in hard to reach rural areas and remote or disadvantaged communities, is a huge challenge. The economic crisis has put pressure on government budgets in a context where protective measures for children in care generally cost significant amounts of money. Prevention is not only more affordable but also has more favourable social outcomes for children. As advocated by UNICEF, community-based services, particularly a minimum package of preventive social services at community level ensures that all groups, but especially vulnerable families and children have guaranteed access to essential and cost-effective social assistance, education and health services. In this context, children's rights are more likely to be observed and the system of care and social protection is more cost-efficient.

Research clearly shows that community-based prevention solutions can be effective in increasing uptake of services. This involves shifting the responsibilities of social workers to outreach and assessment of needs in order to promote social inclusion, child rights, family cohesion, affordable services, and to alleviate pressure on the State system. It is also vital to engage local authorities and community involvement processes so that issues in the family and community can be resolved without resorting to the institutional care system. The success of social assistance depends on more systematic collaboration and coordination among local leaders and services and, at central level, among authorities in different sectors.

In line with this, as part of its technical assistance and advocacy work in Romania over the years, UNICEF together with key central, county and local authorities, as well as civil society and community stakeholders, designed and carried out a Community Based Services (CBS) programme that aimed at shifting the national emphasis in the social assistance area from reaction and protection (i.e. safeguarding the welfare of children once they enter the state care system) to proaction and prevention (i.e. making sure, where possible, that children do not suffer abuse and neglect or that they are not separated from their family). The CBS programme focuses on piloting or modelling innovative services (such as the MPS - minimum package of social services) developed at community level to improve all children's access to quality integrated services, reduce poverty and promote social inclusion, while strengthening the capacity of local authorities to effectively meet the needs of vulnerable or socially excluded children and families, thus reducing the burden on the special protection system. The piloting or modelling approach has been a key UNICEF strategy to demonstrate results on a small-scale with a view to leveraging state budget and local funding and advocating for progressive implementation to reach national scale and respectively all children, especially the most vulnerable children.

One of these piloting or 'demonstration' projects on the development of an integrated community-based preventive services model, particularly a Minimum Package of Social Services (MPS), was *"Helping the Invisible*[9] *Children"* - HIC, later called *"First Priority: No More 'Invisible' Children! Development of Basic Social Services at the Community Level"* modelling project, carried out between April 2011 and September 2015. Designed and implemented by UNICEF in partnership with central, county and local authorities[10], the project aimed to contribute to an increased impact

[9] 'Invisible' children are those who are 'disappearing from view within their families, communities and societies and to governments, donors, civil society, the media and even other children*' (SOWC 2006, UNICEF)*

[10] Ministry of Labor, Family, Social Protection and the Elderly (MoLFSPE) and the General Directorate for Child Protection (later changed into the National Authority for the Protection of Child Rights and Adoption - NAPCRA) at national level; County General Directorate for Social Assistance and Child Protection (GDSACPs) and prefectures at county level; public local authorities.

of social protection policies on the poorest and vulnerable children and families in Romania, through the modelling of a minimum package of services[11] focused on prevention, as a way of demonstrating the benefits of a more comprehensive, equity-based and integrated approach to basic social service delivery, with families and children receiving a continuum of preventive services and support rather than separate specialized interventions. Specific emphasis was placed on preventing child-family separation, child abuse, neglect or exploitation, or violence against children.

The modelling project theory considered that children's welfare in Romania will improve only if and when they, especially the worst-off ('invisible'), will have enhanced access to basic social services (education, health, and social assistance services). For this purpose, in rural areas (particularly in the poorest communities), the capacity of local authorities needed to be developed and/or strengthened, including through the hiring and training of community workers (e.g. social worker, community nurse, etc.) to carry out mainly outreach activities including needs-assessment, informing and counselling, monitoring, and to provide a minimum package of services to the most vulnerable children and their families.

To this end, in 2011, **social workers** were hired and employed by municipalities, with UNICEF support, in 96 communities from eight counties (Bacău, Botoşani, Buzău, Iaşi, Neamț, Suceava, Vaslui and Vrancea). The selection was based on a total population of 656 communes from the eight counties and focused on communities with:

- A high share of children in the total population,
- A mayoralty open towards social problems, and
- A high level of social risk factors resulting in a low level of social and economic development.

The field validation of the theoretical selection was based on the interviews conducted with key stakeholders (the County General Directorate of Social Assistance and Child Protection and the Prefecture) from all eight counties. The main criteria for validation were the number of cases related to child problems recorded by the GDSACP, as well as sufficiency of human resources dealing with social problems in each community.

Subsequently, community leaders and/or the local council analysed the social worker's report and decided on specific solutions to each problem. Community Consultative Structures (CCS) or boards were created in each commune, formed of professionals from the education, health and police sectors, together with social assistance personnel and representatives from the mayoralty, local council, private sector or the church. The solutions they focused on were often relatively simple and low-cost, without requiring specialised intervention, and were implemented locally, either through social worker intervention or community participation.

At first, the job description of the social workers employed in the project focused on outreach and identification of vulnerable children and their families. After a brief training organized by UNICEF, these social workers conducted a community census to identify the 'invisible' children within the community and mobilize the local CCS community professionals and leaders (e.g. community nurses, family physicians, teachers, police workers, priests, etc.), under the technical and methodological support and supervision of their respective county GDSACP.

At the end of 2011, the results of the project were evaluated and the scope was adjusted for the second phase (conducted in 2012), both with regards to its geographical coverage as well as to the work focus and activities included, with the purpose of increasing its efficiency and effectiveness in terms of impact on the most vulnerable groups of children and their families. Following the formative evaluation, a number of 64 communities (8 communities per county) were selected for

[11] Within the context of advancing child-sensitive social protection and adequately investing in child wellbeing, UNICEF advocates for a Minimum Package of Services as a universal mandatory social service package delivered through outreach field work by public local authorities at community level to fulfil every child's right to development, to combat poverty, to prevent the risk of social exclusion and to support vulnerable families with children.

continuing the participation in the second phase, which introduced the modelling of a **minimum package of services**, shifting the focus of social workers' interventions from identification to delivery of basic **social assistance** services that were community-based, relying on community resources and with a preventive role (including needs-assessment, information and education, counselling, accompaniment and support, referral, and monitoring and evaluation). The selection criteria were related to:

- Number of 'invisible' children and their share in total population of children;
- Performance of the social worker employed in the project in 2011;
- Participation of mayoralty during 2011 and envisaged support for the following phase.

Additional funding for specific projects for a selected number of community centres was also allocated in this phase (i.e. micro-grant type of financing), increasing the scope of the project in terms of activities undertaken and aiming to increase the benefits of the invisible children. The initiative aimed to offset the major lack of basic social services at community level by introducing actions and social activities to address the needs of rural communities. The activities conducted within the projects financed through the micro-grants included: support groups for parents, information activities for parents, educational activities and support for the children, thematic trips, and leisure activities.

For this purpose, the responsibilities of the social worker and supervisor were extended with providing support for the development of project proposals for micro-grants, and the budget amended with the amounts required for the financing of these projects.

A second formative evaluation performed at the end of 2012 compared the communities included in the second project phase with those that were eliminated at the previous evaluation (the control communities), and assessed the following aspects:

- The evolution of the situation of 'invisible' children in both types of communities;
- The services in both types of communities, including support provided from county level to communities in the project versus virtually no support in communities not included in the project;
- The results for children in both types of communities.

For the next period (2013-2015), 32 communities were selected taking into account the results of the second evaluation and of several consultations at national, county and local level, the availability and skills of the professionals in social fields (social worker, community health nurse, school mediator, health mediator, Roma mediator), as well as the supervisors' assessments regarding the relations with the social worker employed in the project and with the mayoralty. In this last phase, the modelling project theory, objective and specific activities were further revised and adjusted, new methodologies, tools and interventions developed and the Minimum Package of Services (the initial social assistance provided by social workers) was added a second component – the **health care** services provided by **community health nurses**, as a way of increasing access to community health care. The modelling project also included in a more consistent manner activities addressing social norms linked to violence against children, with special focus on disciplinary practices, and independent life skills and healthy behaviours of adolescents, resulting thus in a diversified and more complex model.

According to the conclusions of the two formative evaluations available at this point, the provision of services based on the principles of the minimum package is clear evidence that preventive community services are more effective and much cheaper in real life and not only in theory, and also that the development of preventive community services is possible in spite of the limited human resources at local level and of the insufficient local budgets. The CBS/MPS model was regarded by various stakeholders, beneficiaries and community representatives as highly relevant and necessary in identifying and addressing the needs of the community's worst-off groups, particularly vulnerable children, in reducing inequities among the best off and worst-off, in preventing child-family separation, and in addressing institutional developmental needs.

Through defining, developing and refining the minimum package of services, the modelling project also placed a special focus on the improved access for children and families to **integrated** basic social services (its two social assistance and health care components), demonstrating that integrated social service delivery can improve both the effectiveness and efficiency of social services, while also ensuring increased take-up and coverage.

Based on the model results/impact recorded to date and the current context regarding social protection and prevention needs at country level, recommendations focus on scaling up[12] the model at national level, with a view to progressively impact main gaps/bottlenecks towards an equitable child friendly social protection system.

The lessons learnt and the evidence accumulated in this modelling project and in other previous or parallel model interventions that tested the preventive approach underlined that, for best results in covering all vulnerabilities, delivering integrated **cross-sectoral** preventive services at the community level (social protection-health-education) is key. For this reason, using the experience accumulated in the previously described modelling project (the social assistance and health components) and another model focusing on improving access to and quality of education, UNICEF and its national, county and local partners expanded the minimum package of services to further include a third component – **education** services provided by **school counsellors** – and, towards the end of 2014, launched the optimal model of community based services in 45 communities of Bacău county under a new pilot project on "Social inclusion through the provision of integrated social services at community level", expected to run until the end of 2018. The universal social package delivered at community level by social protection, health and education professionals under the pilot project in Bacău will also be subject to an independent evaluation, and the results of the MPS tested here are expected to form the basis for expanding social interventions to all vulnerable populations, including adults with disabilities and the elderly.

To this end, the current report is aiming at assessing the financial impact for scaling up the model of community based services, particularly the minimum package of services (in its various formulas and settings already tested in the CBS modelling project or currently undergoing testing in the Bacău model intervention: one package component – social assistance/social worker; two components – social assistance/social worker & health care/community health nurse; or all three components together – social assistance/social worker, health care/community health nurse & education/school counsellor) at national level, so that a realistic budget is estimated in order for public authorities to assess the efforts required for implementation.

[12] Scaling up is replicating and expanding pilot approaches, while at the same time transferring longer-term ownership to Government counterparts, to ultimately bring positive results for a greater number of children and women, *(UNICEF PPPeM)*

# 3 Analysis of the costs to date of the CBS modelling project, based on budget and expenditures for the period 2011-2014

In estimating the costs required to scale up the CBS model/MPS at national level, we started with an analysis of the costs incurred to date in the various phases of the modelling project, as this offers a good indication of the financial implications and cost drivers that need to be considered when scaling up.

The analysis is based on actual costs incurred in the project phases and calculated taking into account the actual number of months of project activities. The budgeted cost was calculated by considering the monthly costs over a period of 12 months. In some cases, actual costs and budgeted costs did not match exactly, but in all cases, the budget was not overrun and the amounts available before the end of the given period were reallocated to other areas of the project, on a case by case basis.

The analysis covers the budgeted and actual costs with social assistance services for the four years of the CBS modelling project, as well as the health care/community health nurse component of the MPS which was included in the last year of the project, both at community and county level.

## 3.1. Expenses related to the social assistance/social worker MPS component

### 3.1.1. Expenses at community level

These cover the costs incurred by the mayoralty for employing the social workers, namely the costs for salaries and training of the social workers employed in the project.

The responsibilities of the social workers at the community level, as set in the terms of reference throughout the modelling project, included:

- Monitoring and analyzing the situation of children from administrative-territorial units, and observing how child rights are respected, ensuring centralization of relevant data;
- Performing prevention activities related to child-family separation;
- Identifying and assessing situations that required provision of prevention services and/or social benefits;
- Preparing the necessary documentation for the provision of services and/or social benefits and delivering these services and/or benefits, under the law;
- Providing advice and information to families with dependent children with regard to their rights and obligations, children's rights and the services available locally;
- Providing measures to prevent and combat alcohol and drug use, domestic violence and delinquent behaviour;
- Making periodic home visits at children and families receiving services and social benefits;
- Submitting proposals to the mayor, if a special protection measure was deemed necessary, according to the law;
- Following progress of child development and how his/her parents exercise their rights and fulfil their obligations regarding the child once returned to the family after having been placed under a special protection measure;
- Working with GDSACP on child protection issues and transmitting all data and information required in this area.

The main cost categories are presented in detail below:

**Salary costs**

The project started based on the initial assumption that one social worker would be employed in each community. Due to the low capacity of the local administration to employ and retain specialised staff in social assistance services, the available human resources at community and county levels were mainly social workers with less experience in social assistance, whose main responsibilities before the modelling project were mostly administrative (e.g. payment of social aids and other benefits, keeping payment records, preparation of files and specific reports etc). These were contracted for the CBS project and trained to perform the new responsibilities assigned. Depending on the size of the community and the resources available from the local budget, some social workers were hired full time, others part time.

In view of these parameters underlying the first project budget, and considering the minimum wage per economy for an entry level position in 2011, the salary costs included in the budget were of 750 lei/person/month. Starting 2012, the budgeted salaries increased to 1,000 lei/person/month, based on the increase in public sector salaries at the time, but also on the calculation of an average between the salary of a social worker hired part time and a social worker hired full time.

**Training costs**

In order to prepare the social workers for their project assignment, the budget for the first year of the modelling project (2011) included a training cost for organizing a 20-hour training event in which all social workers participated at the beginning of the project, which was evaluated at 1,400 lei/person (based on the costs required for travel and accommodation, preparation of materials and other logistics).

In 2014, two training sessions were organised, at a cost of 1,000 lei/person, one session on “Violence against children” (VAC) and one how-to session on the effective use of the newly-designed project tools (the tablet computers with the AURORA application).

**Experience exchange**

To ensure the transfer of knowledge achieved during the first year of the modelling project by the social workers involved in the project activities, in 2012, an amount for experience exchange was included in the budget at community level. This was used for organising knowledge sharing events, in which the social workers discussed about their experience within their respective communities and learned from each other. The corresponding budget was evaluated at 500 lei/event, and these were organised twice for every 4 communities.

**Community centres**

For the implementation of community centres in 2012, an amount of 10,000 lei was allocated to 24 out of the 64 communities included in the project scope, based on a project competition. Starting 2013, all 32 communities selected in the project benefited from this funding. The budgeted amount was defined based on benchmarking against similar initiatives implemented by NGOs and/or supported through previous funding mechanisms, such as World Vision, Phare projects etc.

**Equipment**

In order to improve project performance, proper instruments were provided to social workers to help them monitor and assess performance in relation to project objectives. In 2014, tablet computers were acquired for each social worker at 1,400 lei/tablet, to ensure mobility in working with the AURORA application (the application developed specifically for the purpose of this project).

A summary of the CBS modelling project phase costs for social services at community level, for the period between 2011-2014, is presented in the following tables.

The costs for the first year of the project (at community level) covered the salaries of the social workers employed in the 96 communities involved in the project at that stage, and the cost of their training.

**Project phase – year 2011 – Costs for social assistance services at community level**

| Expense category | Amount (RON/ month) | Number of communities | Number of months budgeted | Total budget (RON/ year) | Number of actual months | Actual Total (RON/ year) |
|---|---|---|---|---|---|---|
| **Social workers - salary costs** | 750 | 96 | 12 | 864,000 | 8 | 576,000 |
| **Social workers - training costs** | 1,400 | 96 | 1 | 134,400 | 1 | 134,400 |
| **Total expenses at community level** | | | | **998,400** | | **710,400** |

*Source: UNICEF Romania data*

In the following year, the budget was affected by a series of factors: the number of communities covered by the project decreased from 96 to 64, but the salary level for social workers was increased, to reflect the increase in the responsibilities assigned to them, and an additional module for community centres was envisaged for part of the communities in scope, based on the lessons learnt from the first year of implementation. The budget initially set for training purposes was replaced with a smaller one for experience exchange, as the social workers had already been trained in the first year, and the new requirements in terms of continuous learning were rather related to understanding how other communities addressed similar cases.

**Project phase – year 2012 – Costs for social assistance services at community level**

| Expense category | Amount (RON/ month) | Number of communities | Number of months budgeted | Total budget (RON/ year) | Number of actual months | Actual Total (RON/ year) |
|---|---|---|---|---|---|---|
| **Social workers - salary costs** | 1,000 | 64 | 12 | 768,000 | 10 | 640,000 |
| **Community centres** | 10,000 | 24 | 1 | 240,000 | 1 | 240,000 |
| **Experience exchange** | 500 | 8 | 4 | 16,000 | 2 | 8,000 |
| **Total expenses at community level** | | | | **1,024,000** | | **888,000** |

*Source: UNICEF Romania data*

In the third year of the project, the number of communities in scope decreased again, from 64 to 32. Consequently, the allocated budget was reduced as well, reflecting the decrease in the number of social workers and salary budget category. However, there was an increase in the community centres budget category, as this time all 32 communities covered by the project received funding, the same amount/community centre as in the previous year.

**Project phase – year 2013 – Costs for social assistance services at community level**

| Expense category | Amount (RON/ month) | Number of communities | Number of months budgeted | Total budget (RON/year) | Number of actual months | Actual Total (RON/year) |
|---|---|---|---|---|---|---|
| **Social workers - salary costs** | 1,000 | 32 | 12 | 384,000 | 9 | 288,000 |
| **Community centres** | 10,000 | 32 | 1 | 320,000 | 1 | 320,000 |
| **Total expenses at community level** | | | | **704,000** | | **608,000** |

*Source: UNICEF Romania data*

The fourth year of the modelling project reintroduced the training module, as a new software application had been designed for project purposes and, consequently, the social workers were provided with additional tools to integrate the application in their work (i.e. AURORA tablets), for which they needed specific training. The budget increase was also generated by the cost of the new equipment.

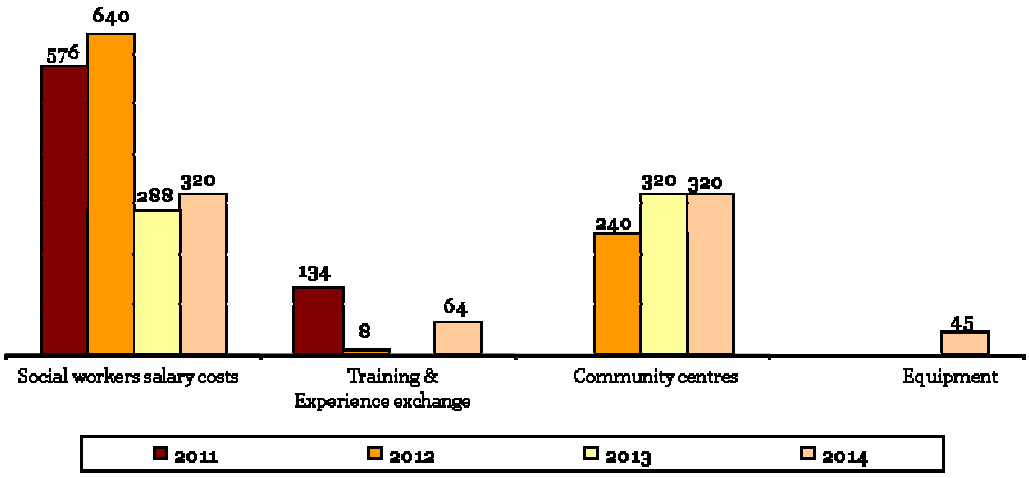
**Project phase – year 2014 – Costs for social assistance services at community level**

| Expense category | Amount (RON/ month) | Number of communities | Number of months budgeted | Total budget (RON/year) | Number of actual months | Actual Total (RON/year) |
|---|---|---|---|---|---|---|
| **Social workers - salary costs** | 1,000 | 32 | 12 | 384,000 | 10 | 320,000 |
| **Social workers - training costs** | 1,000 | 32 | 2 | 64,000 | 2 | 64,000 |
| **Community centres** | 10,000 | 32 | 1 | 320,000 | 1 | 320,000 |
| **Tablets** | 1,400 | 32 | 1 | 44,800 | 1 | 44,800 |
| **Total expenses at community level** | | | | **812,800** | | **748,800** |

*Source: UNICEF Romania data*

A summary of the evolution of the costs for social assistance at community level, in the four years of the project described above, is presented in the following chart:

**Evolution of actual costs for social assistance services at community level 2011-2014** (thousand lei)




The largest share of the budget is represented by social workers **salary costs**. Even if the salary rate remained constant starting 2012, at 1,000 lei/month, a substantial decrease in overall salary costs was recorded, as a result of the adjusted scope of the project, by way of which the number of communities was reduced in 2012 to 64 (from 96 communities in 2011), and further more to 32 communities in 2013-2014. The salary levels offered in the context of the modelling project are in line with the current salary levels in the field, therefore would be sustainable on a long term basis.

Since at system level, the available human resources are insufficient and not properly trained, there is a stringent need for **proper training** of staff involved in social prevention activities, and for thorough methodologies and tools to be provided to guide and assist them in their work. For this purpose, various **training sessions** and **experience exchange events** were organised for the social workers during the project, to help them adhere to the project scope, this being a critical factor in ensuring project success. Moreover, in 2014, a **smart tool** was acquired in order to help

social workers improve the quality of data, and proper training was conducted on operating the new tools, enhancing workers' capacity for data analysis and use. The tools and trainings provided ensure the sustainability of the modelling project on a longer term, as well as the required tools for assessing and recording the targeted vulnerabilities, in order to keep an accurate database and monitor progress and results achieved.

In addition, communities with sufficient capabilities to implement community-tailored projects received micro-grants (budgeted as **"community centres"**) of 10,000 lei/community, amount which did not change throughout the modelling project. The extent to which this form of support is appropriate and in line with the project's objectives is still under debate, however, the impact it had on the communities is significant and undeniable.

What the budget did not cover though, are the overhead costs required for the functioning of the social workers in the local mayoralty office. The underlying assumption was that these were anyway covered by the mayoralty, as the social workers were already employed there. Also, no transportation costs were covered, based on the assumption that any travel required would be in the community, over short distances that did not require public transportation.

### 3.1.2. Expenses at county level

The expenses at county level cover the costs incurred by the GDSACP for supervising the community social workers employed in the project, namely costs for salaries, training and transportation of the supervisors.

Based on the requirements included in the terms of reference throughout the project, the role of the GDSACP supervisor was to:

- Supervise activities of social workers at local level and provide assistance for integration of services
- Manage the resource centre at county level
- Provide technical assistance for the development and implementation of the projects funded through micro-grants
- Organize capacity building activities for the resource centre at county level
- Conduct monitoring activities and support knowledge generation within the modelling project
- Contribute to strengthening the project's visibility and sustainability

The budget was based on the assumption that one supervisor – with part time involvement in the project – would be required in each county to supervise the work of the 12 social workers employed in the communities of the respective county, which represents a total of 8 supervisors for the entire project. This involvement of the supervisors remained relatively constant throughout the modelling project despite the decrease in the number of communities covered, due to the increased complexity of supervisors' tasks, which compensated for the decreasing number of social workers they supervised.

The main cost categories are presented in detail below:

**Salary costs**

In 2011, supervisors salary costs were considered, on average, at 800 lei/person/month, based on the level of the salaries paid by GDSACP to the supervisors and pro-rated with the amount of time required for fulfilling the responsibilities of the project (i.e. approximately 2.5 days per week).

In the second year of the project (2012), the salaries budgeted for the GDSACP supervisors increased from 800 to 850 lei/person/month, in accordance with an increased volume of work triggered by additional responsibilities, as defined in the revised terms of reference for this year.

In 2013-2014, the budget for the GDSACP supervisors' salaries remained at the same level as in 2012, considering similar assumptions as in the previous years.

**Training costs**

The training for supervisors consisted in a 2-day network meeting, which was evaluated at 1,000 lei/person, considering the costs for organizing the meetings. These training sessions were organized yearly and the actual amounts spent matched the budgeted amounts.

In 2014, even if the rate remained constant at 1,000 lei/person, the number of training sessions increased to 5: one TOT session, two training sessions, together with community professionals, and two network meetings for each of the supervisor groups (GDSACP and DPH).

**Transportation costs**

In 2011, transportation costs were estimated at 350 lei/person/month based on an average number of kilometres required to visit each community once a month, with an average cost per kilometre equivalent to a consumption fuel of 8 litres per 100 kilometres.

Following the analysis of actual costs incurred in 2011, which did not amount to more than 300 lei in any of the counties included in the project, the budgeted transportation costs were reduced in 2012 from 350 to 300 lei/person/month, and kept at the same level in 2013 and 2014 as well.

**Resources centres for communities at county level**

In 2012, an additional amount was allocated at county level to fund the resource centres developed in this phase of the project, with an estimated value of 1,000 lei/county for each quarter of the second year of the project (i.e. 4 times per year). The main purpose of the resource centres at county level was to provide methodological support for the social workers employed by the communities. In 2013-2014, the same amount was allocated for this purpose.

**Equipment**

In order to improve project performance, adequate instruments were provided to supervisors to help them monitor and assess performance in relation to project objectives. To this end, in 2014, tablet computers were acquired for each supervisor at 1,400 lei/tablet, to ensure mobility in working with the AURORA application (the application developed specifically for the purpose of this project).

A summary of the modelling project phase costs for social services at county level, for the period between 2011-2014, is presented in the following tables.

The costs for the first year of the project included the salary costs for the supervisors, covering part of their remuneration in line with the responsibilities they were assigned through the terms of reference, as well as the costs related to their training and transportation to the communities they supervised.

**Project phase – year 2011 – Costs for social assistance services at county level**

| Expense category | Amount (RON/ month) | Number of counties | Number of months budgeted | Total budget (RON/ year) | Number of actual months | Actual Total (RON/ year) |
|---|---|---|---|---|---|---|
| **Supervisors - salary costs** | 800 | 8 | 12 | 76,800 | 10 | 64,000 |
| **Supervisors - training costs** | 1,000 | 8 | 2 | 16,000 | 2 | 16,000 |
| **Supervisors - transportation costs** | 350 | 8 | 12 | 33,600 | 8 | 22,400 |
| **Total expenses at county level** | | | | **126,400** | | **102,400** |

*Source: UNICEF Romania data*

In the second year of implementation, the salary level for supervisors was increased to reflect the increase in their assigned responsibilities, and the budget allocated for travel expenses was reduced, in line with the actual amounts recorded in the previous year. Additionally, a line item for the resource centres was included in the budget, to cover the materials the supervisors needed in order to provide methodological support to the social workers employed by the communities.

**Project phase – year 2012 – Costs for social assistance services at county level**

| Expense category | Amount (RON/ month) | Number of counties | Number of months budgeted | Total budget (RON/year) | Number of actual months | Actual Total (RON/year) |
|---|---|---|---|---|---|---|
| **Supervisors - salary costs** | 850 | 8 | 12 | 81,600 | 11 | 74,800 |
| **Supervisors - training costs** | 1,000 | 8 | 2 | 16,000 | 2 | 16,000 |
| **Supervisors - transportation costs** | 300 | 8 | 12 | 28,800 | 11 | 26,400 |
| **Resource centres** | 1,000 | 8 | 4 | 32,000 | 4 | 32,000 |
| **Total expenses at county level** | | | | **158,400** | | **149,200** |

*Source: UNICEF Romania data*

The budget for county supervisors in the third year of the project remained in line with the previous year, reflecting the fact that it was tailored to meet the needs at that point.

**Project phase – year 2013 – Costs for social assistance services at county level**

| Expense category | Amount (RON/ month) | Number of counties | Number of months budgeted | Total budget (RON/year) | Number of actual months | Actual Total (RON/year) |
|---|---|---|---|---|---|---|
| **Supervisors - salary costs** | 850 | 8 | 12 | 81,600 | 10 | 68,000 |
| **Supervisors - training costs** | 1,000 | 8 | 2 | 16,000 | 2 | 16,000 |
| **Supervisors - transportation costs** | 300 | 8 | 12 | 28,800 | 10 | 24,000 |
| **Resource centres** | 1,000 | 8 | 4 | 32,000 | 4 | 32,000 |
| **Total expenses at county level** | | | | **158,400** | | **140,000** |

*Source: UNICEF Romania data*

In the fourth year of the project, an additional line item for equipment was added to the budget, to cover for the procurement of tablets for the county supervisors.

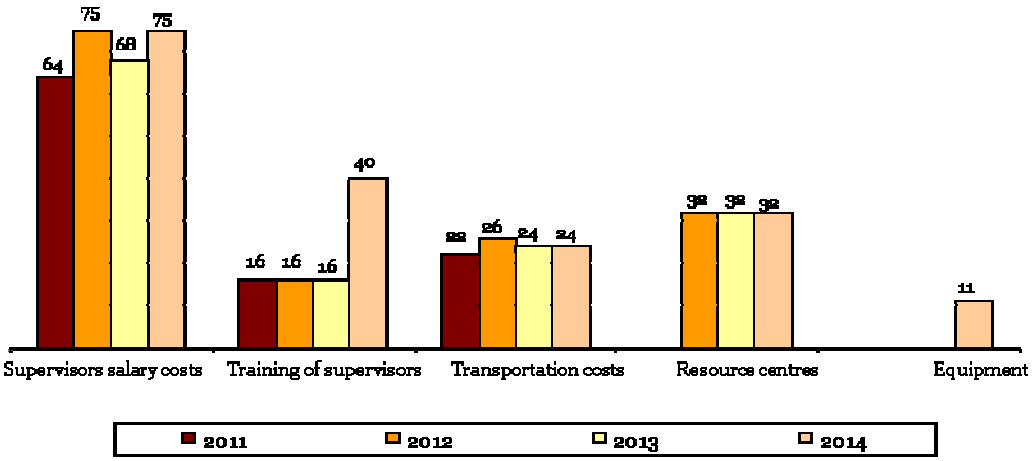
**Project phase – year 2014 – Costs for social assistance services at county level**

| Expense category | Amount (RON/ month) | Number of counties | Number of months budgeted | Total budget (RON/year) | Number of actual months | Actual Total (RON/year) |
|---|---|---|---|---|---|---|
| **Supervisors - salary costs** | 850 | 8 | 12 | 81,600 | 11 | 74,800 |
| **Supervisors - training costs** | 1,000 | 8 | 5 | 40,000 | 5 | 40,000 |
| **Supervisors - transportation costs** | 300 | 8 | 12 | 28,800 | 10 | 24,000 |
| **Resource centres** | 1,000 | 8 | 4 | 32,000 | 4 | 32,000 |
| **Tablets** | 1,400 | 8 | 1 | 11,200 | 1 | 11,200 |
| **Total expenses at county level** | | | | **193,600** | | **182,000** |

*Source: UNICEF Romania data*

A summary of the evolution of the costs for social assistance at county level, in the four years of the project described above, is presented in the following chart:

**Evolution of actual costs for social assistance services at county level 2011-2014** (thousand lei)




As in the case of the social workers employed at community level, the main portion of the budget at county level was allocated for the **salaries** of the supervisors, whose payment remained relatively constant during the project, as the decrease in project scope was compensated by additional responsibilities assigned to them.

The budget also covered the **training** of the supervisors**,** with a significant increase in the fourth project year when new equipment was introduced and training on using it was delivered.

Lessons learnt in the first year of implementation also showed the need for an additional budget for material resources required by the supervisors in order to perform their duties adequately, which was included in the following years in a constant amount of 1,000 lei/county granted for the **resource centres**.

As in the case of the social workers employed by the communities, county supervisors were expected to use the facilities of the GDSACP as they usually did in their regular course of work, so **no overhead budget** was included to cover for expenses such as rent, utilities, cleaning services etc. However, as their duties involved visits to the communities they supervised, the budget included a **travel** section, which was rather constant throughout the project, variations being incurred due to different periods (i.e. seasons) of supervision during the project year.

To sum up the above analyses, in economic terms, the project appears to be efficient, though with some costs not being sufficiently covered for in the current structure. In order for the model to be sustainable and feasible on a longer term and on a larger geographical scale, its financing needs to be better aligned to all the requirements triggered by the employment of social workers and county supervisors, without any assumptions of financial support from the mayoralty or GDSACP overheads.

## 3.2. Expenses related to the health care/community health nurse MPS component

In order to explore the opportunities of an integrated approach, a methodology for linking the diagnostic of vulnerabilities with the individual plan of intervention was developed and tested in 2013-2014 through an adjusted package of integrated socio-medical community services. The minimum package of community preventive services (MPS) delivered in the rural communities that were included in this project phase was added the following elements:

1) **Health services,** carried out by community health nurses and Roma health mediators, and
2) **Micro-grants** for all communities included in the project.

In some of the communities that were still in the project in its third and fourth year of implementation (i.e. 2013-2014), community health nurses and Roma health mediators were already on the mayoralty payroll, their salaries being covered from the Ministry of Health budget. These costs were incurred by mayoralties before the modelling project was initiated.

Consequently, the budget for the MPS that was tested in the modelling project was designed following a similar logic, including expenses for health services both at local and county level.

The project is facing a lot of difficulties in the implementation of the health care component in terms of funding, human resources and legal requirements.

In 2008, there was a strong political current in favour of health care reform and through a new legal framework (Government Emergency Ordinance 162/2008) the responsibility with health assistance was decentralised from the Ministry of Health and transferred to the local authorities. Even if the funding of the community health nurses continued to be covered from the state budget, the decision of decentralisation made it more difficult to manage these services, due to a complicated and incomplete cash flow process.

In the absence of a structure that would ensure the coordination of health services at local authorities' level and due to their limited experience in the management of such services, the transfer of responsibilities led to a decreased capacity and efficiency of health service intervention at community level. In many cases, the tasks of the community health nurses are not clearly defined, or they are performing clerk duties and there is limited capacity to monitor the outcomes of their activity.

There are two main categories of expenditure covered in this area: operational expenses and personnel costs. Usually, local authorities do not allocate funds for operational expenses in a transparent and consistent way, and as a result, there are communities which operate with medical kits prior to 2006 – donated under projects funded at the time by UNICEF and other international organizations. Also, transportation costs are not covered by any source, especially in rural communities where villages are spread on large areas or isolated.

### 3.2.1. Expenses at community level

The expenses for health services at community level cover the costs incurred by the mayoralty for employing the community health nurses and Roma health mediators.

The responsibilities of the community health nurses at the community level, as set in the terms of reference throughout the pilot, included:

- Identifying high-risk families in the community;
- Determining the health and social needs of the child population exposed to high risks;
- Collecting data about the health status of families with children from the territory where they operate;
- Planning and monitoring health programs;
- Identifying, monitoring and supervising pregnant women at medico-social risk, in collaboration with the family doctor and the nurse from the private medical practice, to ensure a favourable environment for the newborn;
- Making home visits at young mothers, recommending necessary measures to protect the health of the mother and newborn;
- In case of social problems, contacting the social service from the city hall and other structures, and working with the health mediator in Roma communities to prevent child abandonment;
- Actively supervising the health of infants and young children;
- Promoting breastfeeding and proper nutrition practices;
- Visiting infants at medico-social risk treated at home and monitoring compliance with the treatment recommended by a doctor;

- Actively supervising the infants whose mothers are not on the lists of family doctors or are from areas where there are no family doctors;
- Identifying the persons of childbearing age; disseminating specific information regarding family planning and contraceptive methods;
- Identifying cases of domestic violence, of abuse, as well as the disabled, or the chronically ill from vulnerable families.

Additionally, the community health nurses fulfilled other responsibilities in the community, according to their original role of serving to the benefit of the entire community:

- Actively tracking and supervising children from special records (TB, HIV/AIDS, premature, anaemic, etc.);
- Reporting to the family doctor on the suspected cases of communicable diseases detected during field activities;
- Advocating for population health and promoting actions to protect health;
- Participating in teams at various collective actions: vaccinations, population screening programmes, implementation of national health programmes;
- Organizing counselling activities and practical demonstrations for different population categories;
- Collaborating with NGOs and other institutions for implementing programmes that address target groups (the elderly, alcoholics, drug addicts, people with mental and behavioural disorders), in accordance with the national strategy in the field;
- Carrying out health education activities in order to promote a healthy lifestyle.

The main cost categories related to the community health nurses are presented in detail below:

**Salary costs**

The budget was based on the assumption that one community health nurse would be employed in each community, and the salary was estimated based on the average salary paid by the mayoralty for this position, which was of 1,500 lei/person/month. However, human resources were only available in 25 out of the 32 communities included in the project, where community health nurses were employed by the mayoralty. Given the specific context, in the end, the costs incurred through the UNICEF budget was zero, as the funds for the nurses' salaries were allocated from the budget of the Directorate for Public Health (DPH).

**Training costs**

There was no training cost budgeted for the health services part of the project, as there were training activities already covered within the social services budget. The sources from the resource centres at county level, and the community centres included joint interventions organised by social workers and community health nurses, illustrating once more the integrated approach of the initiative.

In 2014, two training sessions were organised for community professionals overall, at a cost of 1,000 lei/person, one session on "Violence against children" (VAC) and one how-to session on the effective use of the newly-designed project tools (the AURORA tablet computers).

**Costs with aid kits**

An initial investment in aid kits is considered to be the minimum required to facilitate the activity of community health nurses in the field. Before decentralizing the responsibility with health care from the Ministry of Health and transferring it to the local authorities, the aid kits were financed by the Ministry of Health. After the reorganization of health care, the budget allocated for this purpose was lost.

For the purpose of the project, an average budget of 970 lei/unit was considered, based on the market cost of the content items considered mandatory for such a kit. However, no actual costs were incurred, as the community health nurses were already active in the community and there was no requirement for a new kit.

**Tablets**

In order to improve project performance, adequate instruments were provided to community health nurses to help them monitor and assess performance in relation to project objectives. In 2014, tablet computers were acquired for each community health nurse at 1,400 lei/tablet, to ensure mobility in working with the AURORA application (the application developed specifically for the purpose of this project).

A summary of the modelling project phase costs for health services at community level, for the period between 2013-2014, is presented in the following tables.

As already mentioned, the costs budgeted for the first year (2013) included the salaries for community health nurses/Roma health mediators, and the aid kits required in their line of work. However, the actual costs recorded for the UNICEF project were zero, as the financing was already allocated from the mayoralty budget.

**Project phase – year 2013 – Costs for health care services at community level**

| Expense category | Amount (RON/ month) | Number of communities | Number of months budgeted | Total budget (RON/ year) | Number of actual months | Actual Total (RON/ year) |
|---|---|---|---|---|---|---|
| **Community health nurses - salary costs** | 1,500 | 32 | 12 | 576,000 | 0 | 0 |
| **Aid kids** | 970 | 32 | | 31,040 | | 0 |
| **Total expenses** | | | | **607,040** | | **0** |

*Source: UNICEF Romania data*

The budget for the second year (2014) included additional line items for training and equipment (tablets), which were incurred as budgeted. The salary costs for community health nurses/Roma health mediators were incurred from the local budgets, as in the previous year.

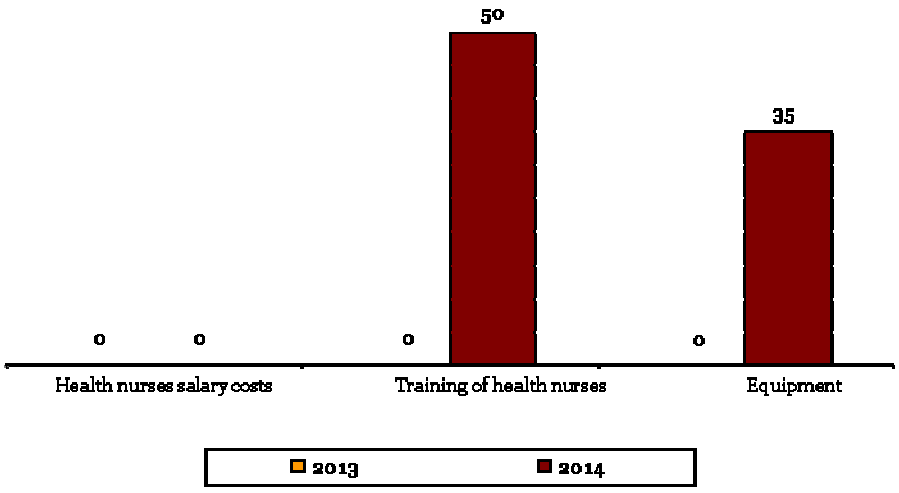
**Project phase – year 2014 – Costs for health care services at community level**

| Expense category | Amount (RON/ month) | Number of communities | Number of months budgeted | Total budget (RON/ year) | Number of actual months | Actual Total (RON/ year) |
|---|---|---|---|---|---|---|
| **Community health nurses - salary costs** | 1,500 | 32 | 12 | 576,000 | 0 | 0 |
| **Community health nurses - training costs** | 1,000 | 25 | 2 | 50,000 | 2 | 50,000 |
| **Tablets** | 1,400 | 25 | | 35,000 | | 35,000 |
| **Total expenses** | | | | **661,000** | | **85,000** |

*Source: UNICEF Romania data*

A summary of the evolution of the costs for health care at community level, in the two years of the project described above, is presented in the following chart:

**Evolution of actual costs for health care services at community level 2013-2014** (thousand lei)




As in the case of the social workers analysed previously, the budget did not cover the overhead costs required for the functioning of the community health nurses in the local mayoralty office, nor any transportation costs required for travel within the community. The underlying assumption was that these were anyway covered by the mayoralty, and the distances for travel within the community did not require public transportation.

## 3.2.2. Expenses at county level

The expenses for health services at county level cover the costs incurred by the DPH for supervising the community health nurses employed in the project, namely the costs for the salaries and training of supervisors.

**Salary costs**

The budget was based on the assumption that one supervisor would be required in each county to supervise the work of the 3 or 4 community health nurses employed in the communities of the respective county, which represents a total of 8 supervisors for the entire phase of the project. The salary cost was set at an average of 850 lei/person/month, based on the same principles as the budget defined for a GDSACP supervisor.

**Training costs**

The training for supervisors consisted of a 1-day TOT event and 1-day networking event, which was evaluated at 1,000 lei/person, based on the logistics costs for organizing these events.

**Transportation costs**

No transportation budget was allocated, as the transportation was shared with the GDSACP supervisors and financed from the social services budget. The same principle applied to the costs for the resource centres for communities at county level.

A summary of the modelling project phase costs for health services at county level, for the period between 2013-2014, is presented in the following tables.

The budget for the first year (2013) included the salaries of the DPH supervisors and the training costs for the two events planned and organised.

**Project phase – year 2013 – Costs for health care services at county level**

| Expense category | Amount (RON/ month) | Number of counties | Number of months budgeted | Total budget (RON/ year) | Number of actual months | Actual Total (RON/ year) |
|---|---|---|---|---|---|---|
| **Supervisors - salary costs** | 850 | 8 | 12 | 81,600 | 10 | 68,000 |
| **Supervisors - training costs** | 1,000 | 8 | 2 | 16,000 | 2 | 16,000 |
| **Total expenses at county level** | | | | **97,600** | | **84,000** |

*Source: UNICEF Romania data*

In the following year (2014), an additional line item for equipment (tablets) was added to the budget, and the training budget was extended to cover the training on the use of the new equipment and associated software.

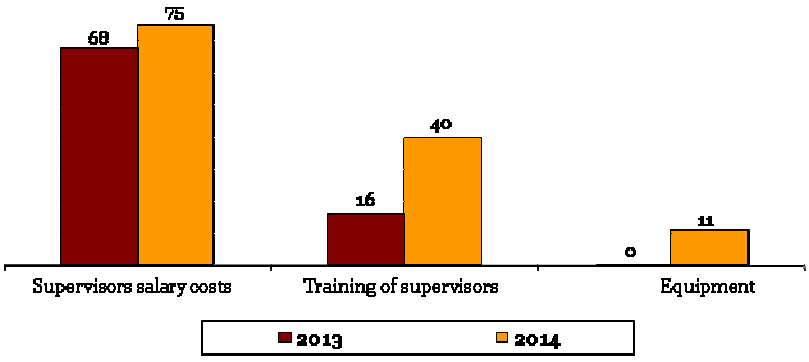
**Project phase – year 2014 – Costs for health care services at county level**

| Expense category | Amount (RON/ month) | Number of counties | Number of months budgeted | Total budget (RON/ year) | Number of actual months | Actual Total (RON/ year) |
|---|---|---|---|---|---|---|
| **Supervisors - salary costs** | 850 | 8 | 12 | 81,600 | 11 | 74,800 |
| **Supervisors - training costs** | 1,000 | 8 | 5 | 40,000 | 5 | 40,000 |
| **Tablets** | 1,400 | 8 | | 11,200 | | 11,200 |
| **Total expenses at county level** | | | | **132,800** | | **126,000** |

*Source: UNICEF Romania data*

A summary of the evolution of the costs for health care at county level, in the two years of the project described above, is presented in the following chart:

**Evolution of actual costs for health care services at county level 2013-2014** (thousand lei)




As in the case of the social services component analysed previously, the county supervisors were expected to use the facilities of the DPH as they usually did in their regular course of work, so **no overhead budget** was included to cover for expenses such as rent, utilities, cleaning services etc. Moreover, the **travel needs were financed through the social assistance services component**, as their transportation to the local communities they supervised was done at the same time and using the same means as the supervisors from the GDSACP.

However, given that the two components have different arrangements in terms of financing sources (i.e. Ministry of Health, social assistance budget etc), their budgets should be clearly defined and the cost allocation should be identified for each specific component, in order for the model to be implemented successfully.

# 4 Estimation of the costs required for scaling up the CBS model / MPS at national level

In estimating the costs required to scale up the CBS model/MPS at national level, we started from the costs incurred for the modelling project, using a set of assumptions regarding the potential implications of the implementation in different types and sizes of communities, as well as an estimation of certain costs, which are described in more detail further in this section.

## 4.1. Limitations of the cost information provided by the modelling project

The most important limitation of the data provided by the modelling project in terms of costs of implementation of the Community Based Services (CBS) model is the fact that it **only includes information for rural** communities.

Considering the significant differences between rural and urban communities, there may be important factors such as size, risks and needs which have an impact on the level of community based services that these communities may require, which the model does not provide. Therefore, with the available data we can reliably prepare a financial model for scaling up the rural communities at national level, and then consider a set of additional assumptions specific to the urban communities in order to include these in the same model as well.

However, UNICEF has recently launched another pilot project (in Bacău county) designed for implementation in urban communities as well, which will test the implications and the relevant parameters. The results of this pilot could be used in a subsequent phase to define a more accurate financial model for scaling up at national level in the urban communities.

Another limitation that should be considered is the fact that the CBS model was implemented in communities from a geographical area with the **highest level of poverty**, which consequently presents a significantly higher risk of child separation, higher rates of school dropout etc. Evidence from the modelling project records shows that the income of the 'invisible' children's families is extremely low: 80% of them live in absolute poverty, with less than US$ 1 per person per day, while the other 20% are in households with a monthly cash income per person below the national threshold of relative poverty[13].

Lastly, we had to make additional assumptions due to the **limited information available,** as a result of various reasons. Specifically, the lack of a methodology for assessing and recording vulnerabilities and the insufficient training of the social workers resulted in a rather poor accuracy of the project database, which makes it difficult to evaluate the impact that the modelling project has had on the communities where it was implemented.

Moreover, **implementation of some of the services included in the minimum package of services (MPS)**, namely the health and educational components of the package, was done only partially or lacked completely from the initial modelling project on community based services.

In fact, the educational component was not included at all in this project, therefore no data is available from which a scaling up scenario could be derived, even though this is a very important component of the package, as the level of education is one of the most important factors that could lead to the reduction of poverty and prevention of risks associated to the 'invisible' children.

[13] *Helping the 'invisible' children (HIC) – Second Evaluation Report. UNICEF, 2013*

With regard to the health care component, the community health nurse and/or a Roma health mediator was only available in some communities, where they were already employed by the community, so the information provided by the project in this respect is also limited.

## 4.2. Scenarios considered for scaling up

The approach used in calculating the intervention cost of scaling up the CBS model/MPS at national level is based on the common framework for estimating the costs incurred as a result of implementing a "new delivery model"[14], which involves defining two elements:

- The **content of the CBS/MPS delivered** in the model – the various types of CBS model/MPS components, and
- The exact **needs of the target population** – i.e. estimating the size of the target population and the different degrees to which they require the services included in the CBS/MPS model.

With regard to the first element – the **content of the CBS/MPS delivered** – and considering the relevance of splitting this exercise in several phases to ensure a progressive approach to the budgeting of funds required, we defined a number of **scenarios** that could be considered when implementing the model at national level (i.e. different levels of content for the CBS/MPS implemented), as follows:

1. **Basic rural:** Implementation of the minimum package of services, basic version (i.e. social assistance/social worker component) in rural communities.
   In order to accommodate budgetary constraints, this can be implemented in a phased approach, reaching the total scope of rural communities in three years. For this purpose, the scenario was split in three phases based on a calculated risk coefficient, as follows:
   - 1.1 In the **first year**, the scope could cover the communities with the highest probability of requiring such services (i.e. highest risk, based on a risk assessment that will be described in more detail further on);
   - 1.2 In the **second year,** the scope could be increased to include the communities with medium risk;
   - 1.3 In the **third year,** the scope would be extended to cover all the rural communities.
2. **Basic urban:** Implementation of the minimum package of services, basic version (social assistance/social worker component) in urban communities.
3. **Extended rural:** Implementation of the minimum package of services, extended version (i.e. social assistance/social worker and health care/community health nurse components) in rural communities.
4. **Extended urban:** Implementation of the minimum package of services, extended version (i.e. social assistance/social worker and health care/community health nurse components) in urban communities.
5. **Optimal rural:** Implementation of the minimum package of services, optimal version (i.e. social assistance/social worker, health care/community health nurse, and education/school counsellor components) in rural communities.
6. **Optimal urban:** Implementation of the minimum package of services, optimal version (i.e. social assistance/social worker, health care/community health nurse, and education/school counsellor components) in urban communities.

These 6 scenarios of progressive implementation of the CBS model/MPS at national level are merely a suggestion, one approach to scaling-up the intervention model. However, the development of the best scenarios of implementation and the actual implementation planning (e.g. timing, phases, sources of funding etc.) of any of these scenarios, or a combination of them, can be analysed, detailed and decided upon based on decision-makers' priority options, available resources, and relevant policies and legal provisions in place.

[14] *Cost benefit analysis guidance for local partnerships. Public Service Transformation Network, 2014*

The **minimum package** of services is defined starting from the modelling project, consisting in the minimum package of community services designed for preventing child-family separation as well as for better protecting children against various risks and vulnerabilities, activities supervised by the GDSACP representatives and implemented together with the Community Consultative Structures from the communities.

The minimum package of community services combines two complementary approaches: (i) social inclusion and (ii) children's rights. This results in seven dimensions of social inclusion and fulfilment of children's rights. The main vulnerable groups and their specific needs were identified for each dimension. Also, the social services for addressing these needs were determined (the available services at the community level, those that need to be improved as well as the ones that need to be created). As a result, for each dimension, a minimum package of community services was assembled, including both existing services, and some not granted or granted sporadically.

The minimum package of community services is organized in seven categories of services, namely identification, needs assessment, information, counselling, accompaniment and support, referral and monitoring and evaluation.

The MPS excludes the micro-grant component at this stage, but it can be considered as an addition to the budget, calculated based on specific assumptions regarding the number of communities and the amounts granted.

## 4.3. Description of the costing model

With regard to the second step of the framework used for estimating the costs of scaling up the CBS model – i.e. **the needs of the target population** – we used a set of indicators, derived from the available project information, in order to estimate the volume of effort required at national level for implementing the proposed delivery model.

As the modelling project was implemented in a limited number of communities from a specific geographical area, which is not representative of the entire country, in order to provide a realistic evaluation of the level of effort required for scaling up the modelling project at national level, we took into consideration a set of social and economic factors that influence the dimensions of the implementation effort, defined as **volume indicators**.

As a starting point, we defined the target population – i.e. the **"beneficiaries"** of the proposed services – as being children who face one or more vulnerabilities[15] and have different needs of social, medical and educational assistance.

In order to estimate the number of beneficiaries by community, we started from the **primary indicator – i.e. the number of children (aged between 0-18 years old) in the community**. This was considered the main factor that influences the number of social workers/community health nurses/school counsellors required in each community (i.e. representing a theoretical number, which is the starting point of the calculation). This number was then adjusted using the **secondary indicators** included in the costing model, so as to cover the effect of various social and economic factors, as described further.

The values for the indicators used in the costing model are based on the most recent data published by the National Institute of Statistics (NIS), at community level (where available) or county level. In some cases, the values were adjusted to account for different aspects, using available data from public sources, as indicated in detail in each specific case.

[15] The HIC modelling project has used the following list of vulnerabilities: (1) Children living in households with many children, in poverty and precarious housing conditions; (2) Children left behind by migrant parents, living in poverty or other difficult situations; (3) Children at risk of neglect or abuse; (4) Children with suspicion of severe diseases; (5) Relinquished or at risk of child relinquishment; (6) Children out of school and children at risk of school dropout; (7) Teenage mothers who left school and/or are at risk of relinquishing their newborn; (8) Children without ID papers or documents; (9) Other cases of vulnerable children.

As mentioned, the primary indicator included in the costing model is the number of children in the community – based on NIS figures (as published after the census conducted at the end of 2011) for the population between 0-19 years and adjusted with TransMonee.org figures, in order to define the population of 0-18 years. Based on these figures, 86% of the population between 0-19 years represents the population between 0-18 years. This percentage was applied evenly to all the communities included in the model, to derive the total population of children between 0-18 years in each community.

In defining the **necessary number of social workers** for delivering such a project, we started from the current legal requirements in force, as defined in Law 292/2011 for Social Assistance, which recommends that a social worker cover a maximum of 300 beneficiaries. However, the definition of beneficiaries that the law refers to is different from what the proposed delivery model targets, in that the model looks at children with vulnerabilities within the community, while the law refers to the entire population of a community.

In this respect, the modelling project experience shows that a social worker can provide assistance to an average of around 100 'invisible' children, with some communities having recorded higher efficiency (and needs), while others lower efficiency. Considering the two thresholds (i.e. 100 beneficiaries per social worker in the project and 300 beneficiaries per social worker in the legal standards in force), and using a conservative approach, we included in the costing model a level of workload capped at 200 'invisible' children per social worker. This estimation also considers the limitations given by a theoretical estimation, which cannot forecast the level of efficiency that would be achieved during the roll-out. Additionally, also based on the efficiency levels achieved in the modelling project, we considered that any community with less than 50 potential 'invisible' children would only require a part time social worker.

In order to define a **potential number of 'invisible' children** for each community, we used the data reported in the modelling project, which shows that approximately 10% of the community child population are in need of one or more of the services included in the CBS/MPS package. Consequently, in a community with a population of 500 children or less, there is potential to identify 50 'invisible' children or less. Similarly, in a community with 2000 children or less, there is potential to identify up to 200 'invisible' children, and so on.

To quantify these assumptions and hypotheses in the costing model, we used a rating that differentiates between the communities, based on their size in terms of child population, defined as follows:

- Number of children in the community below 500 – rating 0.5, which is equivalent to the assumption that such community would require a social worker with part time responsibilities (the other half of the working time could be covered by responsibilities taken under another position within the local administration, in order to complete a full time job);
- Number of children in the community over 500 – rating 1, which is equivalent to the assumption that such community would require one social worker with full time responsibilities, plus one additional unit for every group of 2000 children in a community (calculation is rounded upwards to the first integer).

To adjust the theoretical number of social workers thus calculated, we used the **secondary indicators**, in order to account for the effect of various factors that could influence the strategy for scaling up in each of the communities included in the costing model.

According to data from a recent World Bank analysis, "Provision of Inputs for the Preparation of a Draft National Strategy and Action Plan on Social Inclusion and Poverty Reduction (2014-2020)", in Romania, whether a household is in an urban or a rural area is a significant predictor of its level of social exclusion or poverty. Furthermore, poverty is three times more likely in rural areas than in urban areas, according to the same source. The differences that define the urban/rural divide in Romanian society can be identified in the very large difference between the values of the AROP (at risk of poverty after receiving social transfers) indicator for the two areas. In 2012, while only 11 percent of people living in densely or intermediate populated areas were at risk of poverty, 38

percent of those living in thinly populated areas faced such a risk, a difference of 3.5 percentage points.[16]

The secondary indicators used in the costing model, and the way in which they influence the estimated need for CBS in each of the communities at national level, are presented in detail below.

**Type of community (urban vs. rural)**

The need to differentiate between the two types of communities is based on the gap in the level of current allocation of social assistance services, which favours the urban communities, mainly due to a significant lack of human resources to cover the needs of the rural area, lack of financial resources at local level, the hiring freeze and wage cut off in the public sector that build an obstacle to retaining and recruiting specialised workforce, all these leading to a higher shortage of social services in rural area.

Consequently, we considered the need to allocate more resources to the rural area, in order to compensate for the deficiency of the current system, giving a higher priority to the rural communities. This was quantified in the costing model using an indicator with two values for the two types of communities, as follows:

- Urban communities are assumed to have a lower priority – coefficient used in the model: 1 (i.e. not influencing the theoretical number of social workers required in a community);
- Rural communities are assumed to have a higher priority in allocating financial resources for such services – coefficient used in the model: 2 (i.e. increasing the theoretical number of social workers required in a community by 100%).

**Share of children in total population**

An important indicator used in the project phase for selecting the communities in scope was the share of children in the total population of the community. This was considered an important factor, as families with a bigger number of children present a higher probability of requiring social services.

For the purposes of the costing model, this was calculated as the proportion between the number of children aged 0-18 years and the total number of population in the community (as per the data published by NIS after the census conducted at the end of 2011).

To quantify this factor in the costing model, we used a rating for the size of communities from this perspective, which was defined comparing the resulting percentage to the national average (i.e. 21%), as follows:

- Share below the country average – community considered as having low risk of generating 'invisible' children (coefficient 0.5);
- Share between 21%-30% – community considered as having medium risk of generating 'invisible' children (coefficient 1);
- Share higher than 30% – community considered as having high risk of generating 'invisible' children (coefficient 2).

**Population density**

This indicator provides us with relevant information regarding the necessary number of social workers taking into account the geographical area that needs to be covered and the travel time required for the social workers to fulfil their responsibilities within the community.

The indicator values are based on NIS figures as at 2012, at county level. The threshold of density was defined at the level of the first 20% of the counties in terms of population density, which are below 60 inhabitants/sq.km and were considered as requiring additional resources to cover the responsibilities of the community social worker. The remaining counties were

[16] *Provision of Inputs for the Preparation of a Draft National Strategy and Action Plan on Social Inclusion and Poverty Reduction (2014-2020). World Bank, 2014*

considered close to the national average (i.e. 85 inhabitants per sq.km.) and they were regarded as not requiring additional resources to fulfil the social worker responsibilities.

To quantify this factor in the costing model, we used a rating that was defined as follows:

- Density below 60 inhabitants/sq.km. – rating 2, which is equivalent to the assumption that such community requires a higher number of social workers, due to a bigger geographical territory that needs to be covered in order to visit the families in the community;
- Density over 60 inhabitants/sq.km. – rating 1, with no influence on the number of social workers required (i.e. regular type of community).

**Minimum guaranteed income (MGI)**

The MGI is a measure adopted by the Government to contribute to the elimination of poverty, and consists of a form of financial social assistance aimed at the population that is most exposed to the risk of poverty and social exclusion. Therefore, this factor was used to differentiate between communities in terms of poverty level, based on the number of beneficiaries of MGI in each county.

The value of the indicator was calculated based on the NIS figures as at 2011, for the number of beneficiaries of MGI at county level.

To quantify the impact of this factor in the costing model, we used a rating defined based on the percentage of a county's beneficiaries of MGI in total number of beneficiaries at national level, as follows:

- Rate between 3%-6% – community considered as having high risk of generating 'invisible' children, and thus requiring an increased effort in delivering social services (coefficient 2). At national level, almost 43% of MGI beneficiaries are in this category;
- Rate between 2%-2.99% – community considered as having medium risk of generating 'invisible' children, and thus requiring a medium effort in delivering social services (coefficient 1). At national level, almost 32% of MGI beneficiaries are in this category;
- Rate below 1.99% – community considered as having low risk of generating 'invisible' children, and thus requiring a lower effort in delivering social services (coefficient 0.5). At national level, nearly 25% of MGI beneficiaries are in this category.

**Average unemployment rate**

An additional factor included in the costing model to quantify the poverty level as a result of low income is the unemployment rate. The indicator values are based on NIS data for 2012, at county level.

This was included in the costing model using a rating defined based on the national average (i.e. 6.3%), as follows:

- Unemployment rate below 5% – community considered as having low risk of generating 'invisible' children, and thus requiring a lower effort in delivering social services (coefficient 0.5);
- Unemployment rate between 5-7% – community considered as having medium risk of generating 'invisible' children, and thus requiring a medium effort in delivering social services (coefficient 1);
- Unemployment rate over 7% – community considered as having high risk of generating 'invisible' children, and thus requiring an increased effort in delivering social services (coefficient 2).

**Summary of indicators used in the costing model**

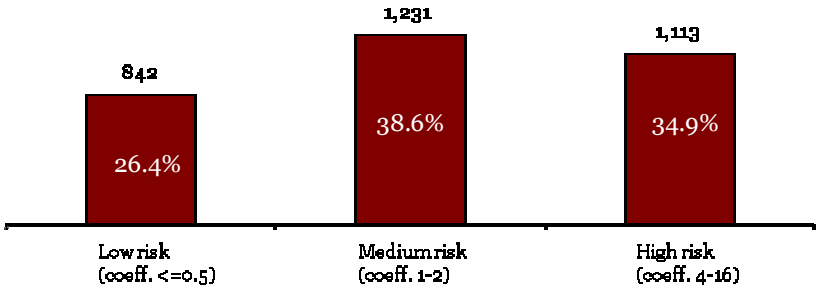
| Indicator | Category | Rating |
|---|---|---|
| **Number of children in the community** | Primary | <500 children – 0.5<br>(equivalent to a part time social worker)<br>>=500 children – 1<br>(equivalent to 1 full time social worker, plus one for every 2000 children or any fraction above a multiple of 2000) |
| **Type of community (urban vs. rural)** | Secondary | Urban – 1<br>Rural – 2 |
| **Share of children in total population** | Secondary | <21% low risk – o.5<br>>=21% and <30% medium risk – 1<br>>=30% high risk – 2 |
| **Population density** | Secondary | >60 inhabitants per sq.km – 1<br><60 inhabitants per sq.km – 2 |
| **Minimum guaranteed income** | Secondary | 3%-6% high risk – 2<br>2%-3% medium risk – 1<br><2% low risk – 0.5 |
| **Average unemployment rate** | Secondary | <5% low risk – 0.5<br>>=5% and <7% medium risk – 1<br>>=7% high risk – 2 |

The risk coefficient assigned to each community is given by the **compound indicator,** which was calculated by multiplying all the ratings associated to the secondary indicators described above.

The distribution of the total population (rural and urban) based on the risk coefficient thus calculated is as follows:

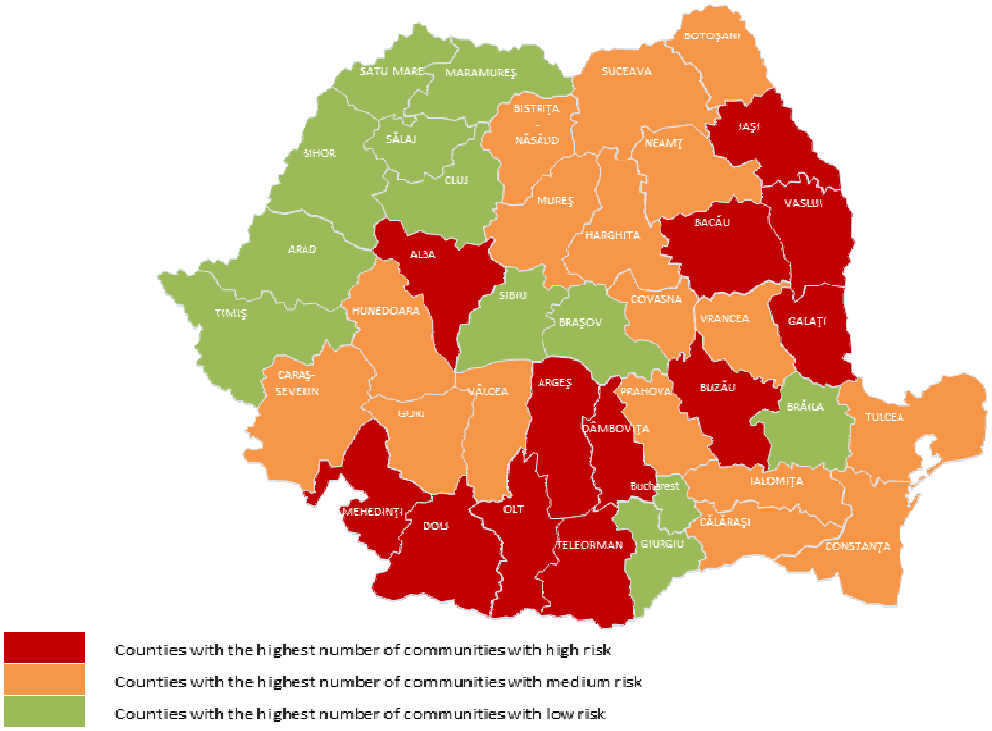
- 842 communities are included in the low risk category, with a coefficient below or equal to 0.5;
- 1,231 communities are included in the medium risk category, with a coefficient between 1 and 2;
- 1,113 communities are included in the high risk category, with a coefficient between 4 and 16.

**Distribution of communities based on the risk coefficient calculated**




To develop a map of the risk distribution at county level, we calculated the percentage of each risk category, based on the number of communities per each risk category, identified in a county. The county's risk category was established based on the highest number of communities in a risk category.

**Map of the risk distribution at county level**

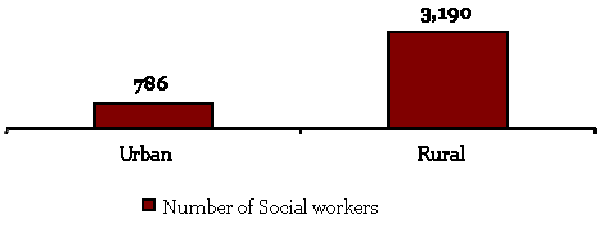



This coefficient was then applied to the theoretical number of social workers, as it resulted from the primary indicator, to adjust (upwards or downwards) the number of social workers required by a community, depending on its size and the associated risk calculated in the costing model. The adjustment is defined as follows:

- For the communities with low risk (coefficient below or equal to 0.5), the number of social workers was reduced to half of the theoretical number, with the exception of those communities requiring a part time or one full time social worker, which remained unchanged;
- For the communities with medium risk (coefficient higher than 0.5 but lower than or equal to 2), the number of social workers remained unchanged (i.e. equal to the theoretical number);
- For the communities with high risk (coefficient higher than 2), the number of social workers was doubled compared to the theoretical number.

Finally, after applying the compound coefficient to the theoretical number of social workers, as it resulted from the primary indicator, and adjusting it following the principles described above, the **estimated number of social workers** required to scale up the modelling project at national level is around 4,000, divided between urban and rural communities as presented in the chart below.

**Estimated number of social workers required to scale up the modelling project at national level**



According to the data presented in the WB report mentioned earlier, the need for social workers at national level and for the entire scope of social assistance (i.e. not only preventive services for 'invisible' children) is estimated between 2,300 and 3,600 in rural areas and small towns (with less than 50,000 inhabitants) and 11,000 at national level[17].

The factors and indicators (primary or secondary) presented above, used in our costing model, are merely a suggestion, and the risk coefficient we proposed can be adjusted (by adding or replacing the compound indicator derived from multiplying the secondary indicators) or substituted with a different one, depending on decision-makers' options and in accordance with the applicable policy provisions in place.

## 4.4. Estimated expenses related to the social assistance/social worker MPS component

In estimating the costs required to scale up the CBS model/MPS at national level, we first proceeded with an assessment of the costs incurred to date in the various phases of the modelling project, as a starting point for understanding the financial implications and cost drivers that need to be considered when scaling up. In addition, we considered other relevant costs included under the overhead costs category, as well as additional equipment requirements for the staff employed for this purpose.

### 4.4.1. Expenses related to social assistance/social workers at community level

Based on the number of social workers determined as mentioned above, costs have been calculated for the following categories of expenses:

**Salary costs for the social worker employed by each community (for both urban and rural communities)**

This was estimated at an average of 2,000 lei/person/month, calculated as the weighted average of the current level of salaries, as defined by Law 284/2010 regarding a unitary wage system for staff paid from public funds, including costs with taxes (e.g. contributions to national insurance, health and unemployment funds, income tax etc) and taking into consideration the distribution of the social workers by level of competence, as shown in the table below.

**Excerpt from Law 284/2010 used for calculating the average cost of salaries for social workers**

| Level* | Experience | Level of education | Hierarchy coefficient** | Salary cost** RON/month |
|---|---|---|---|---|
| **Principal** | Over 5 years | S | 3.44 | 2,539 |
| **Specialist** | Between 3 and 5 years | S | 2.89 | 2,133 |
| **Practitioner** | Between 1 and 3 years | S | 2.75 | 2,030 |
| **Beginner** | Less than 1 year | S | 1.77 | 1,306 |

(*) The current data from the National Register of Social Workers in Romania show that most of the social workers have at least 3 years of experience in social assistance, being specialists and principals (32% and 30% respectively). The new wave of social workers is represented by beginners/juniors (24%), who practice social work immediately after

[17] *Provision of Inputs for the Preparation of a Draft National Strategy and Action Plan on Social Inclusion and Poverty Reduction (2014-2020). World Bank, 2014*

graduation. Those who have at least 1 year of practical social work represent 14% of all social workers from Romania[18].

(**) The salary cost was calculated by multiplying the ranking coefficient (Romanian term "*coeficient de ierarhizare*" as per Law 284/2010 regarding a unitary wage system for staff paid from public funds) by the reference base salary of 600 RON/month (as per Government Emergency Ordinance 83/2014 regarding the wage level for staff paid from public funds in 2015 and other measures in the area of public expenditure), to which we applied the percentage of contributions paid by the employer to the state and local budgets (23% as per the relevant legislation).

Note: S in the column regarding the level of education stands for *superioare*, which is the Romanian term for high education.

**Travel costs for the social worker (travel within the community)**

These were estimated at an average of 50 lei/person/month for the rural areas, and 100 lei/person/month for the urban communities, based on the average cost of a monthly subscription to the public transportation system.

In rural areas we considered a lower transportation cost due to shorter distances within the communities and based on the assumption that the travel will mostly be on foot, as in most cases there is no public transportation available.

The transportation for participating to networking meetings, trainings and other events is considered part of the training costs.

**Training costs related to preparing the social workers for the activities they need to carry out in the communities where they are employed**

These also include the training activities required to maintain an adequate skill level (i.e. continuous education), after the first year of implementation.

The relevant costs were estimated, based on the figures budgeted for the modelling project, at 1,750 lei/ person/year, and revised based on the market rates for similar training programmes and events. To this end, we considered similar training programmes organized by the National Agency for Civil Servants for 2014-2015, which are evaluated at a cost ranging between 300-500 lei/person/day of training, based on which we chose an average of 350 lei/person/day, including training, accommodation and transportation. Considering a need of 5 days of training/person/year, we derived the required budget of 1,750 lei/person/year which was included in the model.

**Overhead costs recorded by the mayoralties for employing the social workers**

These include stationery, telecommunication costs and mobile internet, share of office equipment used by the social worker from the resources available in the mayoralty (e.g. printer, copy machine etc), rent and utilities for the office of the social worker etc.

These costs included in the costing model did not exist previously in the modelling project (see chapter 5 above), and were estimated based on an average administrative cost per employee reported by the mayoralties from a selection of rural communities included in the modelling project. The amounts reported were in the range of 230–345 lei/employee/month.

Considering an average of the expenses recorded during the project, the amount included in the costing model is of 300 lei/person/month for all the rural communities, although it may vary a lot between communities, depending on the specific conditions of the building in which the mayoralty functions. For urban communities, an average of 350 lei/person/month is considered, given the higher costs for utilities and a potentially higher rent for the office space.

[18] *Profilul asistenţilor sociali din România. Florin Lazăr, Colegiul Naţional al Asistenţilor Sociali din România, 2015* (The Profile of Social Workers in Romania. Florin Lazăr, The National College of Social Workers of Romania, 2015)

**Equipment costs**

These costs were considered to cover the initial investment in certain equipment that would facilitate the activity of social workers by providing them with the necessary tools for data recording, information gathering and data analysis. They consist of the following:

- A notepad for each social worker, evaluated at 1,600 lei/unit (based on the project budget), to ensure mobility in working with the AURORA application (the application developed specifically for the purpose of the modelling project);
- A desktop computer for each community, estimated at an average market price of 1,300 lei/unit, considering a model with the following features: Intel Pentium ™ processor 3.0GHz, 4GB RAM, 500GB HDD, LED Monitor AOC 18.5" Wide;
- A projector per community, estimated at an average cost of 1,400 lei/unit (based on market rates, considering the BenQ MS504 model).

**Summary of unitary costs included in the costing model for the budget at community level**

| Expense category | Amount | | | Comments |
|---|---|---|---|---|
| | Actual costs (rural area) | Estimated costs (rural area) | Estimated costs (urban area) | |
| Social worker<br>Salary costs (RON/person/month) | 1,000 | 2,000 | 2,000 | The increase included in the estimated budget is based on the legal requirements regarding salary levels for civil servants (Law 284/2010) |
| Travel costs<br>(RON/person/month) | 0 | 50 | 100 | Additional to the project, when these were covered from the mayoralties' budgets. |
| Training costs<br>(RON/person/year) | 1,400 | 1,750 | 1,750 | Increased, in line with the daily rates used in similar training programs for civil servants. |
| Overhead costs<br>(RON/person/month) | 0 | 300 | 350 | Additional to the project, when these were covered from the mayoralties' budgets. |
| Equipment costs<br>(RON/person – one time investment) | 0 | 4,300 | 4,300 | Additional to the project, when these were provided by the mayoralties from existing resources. |
| **Total cost per Social Worker:** | | | | |
| **One-off investment at the beginning of implementation**<br>(RON/social worker) | **-** | **4,300** | **4,300** | |
| **Annual cost**<br>(RON/year/social worker) | **13,400** | **29,950** | **31,150** | |

## 4.4.2. Expenses related to social assistance/social workers at county level

In addition to the costs concerning the social workers employed in the communities, the costing model also includes the **costs for supervision**, i.e. the supervisors employed by the GDSACP, consisting of the following elements:

**Salary costs for the supervisor employed by the county GDSACP**

These costs were estimated at 1,400 lei/person/month, based on the current level of salaries and connected costs with taxes for the supervisors involved – i.e. existing supervisors employed by the county GDSACP.

These costs are similar for both urban and rural communities, as the supervisors have the same responsibilities and operate from the same location, irrespective of where the social workers are employed.

**Travel costs for the supervisor (for travelling to the communities they supervised)**

These were estimated at an average of 370 lei/person/month, assuming an average of 800 km/month travelled by each supervisor, with a cost of 6.1-6.2 lei/l of fuel and 7.5% consumption rate, as allowed by the relevant legislation[19].

**Training costs related to preparing the supervisors for the activities they need to perform for the purposes of the roll-out**

The training activities also include sessions aimed at keeping supervisors updated on changes in legislation, methodologies etc.

The related costs were estimated based on the figures budgeted for the modelling project, but also taking into account the relevant market rates (as described above) and considering an average of 3 days of training per year for each supervisor. Consequently, the amount included in the budget for this purpose is of 1,050 lei/person/year.

**Overheads**

These include stationery, telecommunication costs, depreciation of equipment used by the supervisor, rent and utilities for the office of the supervisor etc.

The related costs were included in the costing model in addition to the costs budgeted for the project, and were estimated based on an average administrative cost per employee in similar institutions, at an average of 400 lei/person/month (based on the benchmarking results presented above).

**Resource centres**

These cover the costs for ensuring methodological support to the social workers employed by the communities, but also to help with activating the Community Consultative Structures. The methodological support for the social workers should cover the following topics: presentation of relevant cases and exchange of experience with other social workers, information and counselling about the steps to take in solving specific cases, as well as assistance in writing the projects for the micro-grants and in implementing those projects.

The modelling project budgetary allocation for the GDSACP of 1,000 lei/county/every three months (i.e. 4 times per year) covered 8 communities per county. Considering that a county may include between 70 and 100 communes, the current budget for resource centres would need a significant extension directly related to the number of communities covered by a county. In this respect, we estimated a value of 1,000 lei for every 10 communities on a quarterly basis (i.e. 4 times per year), which should cover the logistical aspects of organising meetings with the participation of social workers from the county, as well as other material expenses required for ensuring methodological support to the communities.

[19] Art. 16 of Government Decision 1860/2006 regarding the rights and obligations of the staff of public authorities and institutions on detail mission to another location or on business travel in the area of work.

**Summary of unitary costs included in the costing model for the budget at county level**

| Expense category | Amount | | Comments |
|---|---|---|---|
| | Actual costs | Estimated costs | |
| Supervisor Salary costs (RON/person/month) | 850 | 1,400 | The increase included in the estimated budget is based on the legal requirements regarding salary levels for civil servants. |
| Travel costs (RON/person/month) | 300 | 370 | An increase in travel costs is justified by the significant increase in the number of communities in scope. |
| Training costs (RON/person/year) | 1,000 | 1,050 | Costs were estimated based on the figures budgeted for the modelling project. |
| Overhead costs (RON/person/month) | 0 | 400 | In the modelling project, the overhead costs were covered by the mayoralties. |
| Resource centres (RON/10 communities/3 months) | 1,000 | 1,000 | Costs were estimated based on the figures budgeted for the modelling project. |
| **Total cost per supervisor:** | | | |
| **Annual cost per supervisor*** (RON/year/supervisor) | **14,800** | **27,090** | |

(*) In addition to the annual cost per supervisor, multiplied by the number of supervisors required in each county, the budget will also include the costs incurred for the resource centres, which are calculated based on the number of communities from each county, and not based on the number of supervisors.

The number of supervisors required in each county was calculated based on the assumption that one supervisor should coordinate and monitor the activity of maximum 20 social workers from the communities included in the respective county. The standard was based on the modelling project experience, where one supervisor – with part time involvement in the project – supervised, in the first year of the project, the work of the 12 social workers employed in the communities of the respective county, in the second year, 8 social workers and in the third year, 4 social workers. The involvement of the supervisors remained relatively constant throughout the modelling project despite the decrease in the number of communities covered, due to the increased complexity of supervisors' tasks, which compensated for the decreasing number of social workers they supervised. Considering an average between the first year and the second year of the project, we can conclude that a supervisor with part time involvement in the project can supervise 10 social workers, which results in a standard workload of 20 social workers allocated to a supervisor with full time involvement in the project. This estimation is also in line with the conclusions presented in the second HIC Evaluation Report, which estimated a number of "8-10 supervisors to coordinate the activities of all rural Public Social Assistance Services" in a county[20].

The scenarios presented further contain separate calculations for rural communities and for urban communities, which leads to an increased number of supervisors required in some cases, due to the fact that the synergies at county level are not fully leveraged. In case implementation is done both for rural and for urban communities at the same time, or for other combinations of communities, the total number of supervisors required may vary slightly.

[20] *Helping the 'invisible' children (HIC) – Second Evaluation Report. UNICEF, 2013*

## 4.5. Estimated expenses related to the health care/community health nurse MPS component

For the estimations regarding the expenses with health services, there was little data in the modelling project to support the scaling up scenarios. However, discussions with relevant people involved in the project lead to the conclusion that **similar level of expenses as those estimated for the social workers** should be considered for the community health nurses as well.

**Salary costs for the community health nurse employed by each community (for both urban and rural communities)**

This was estimated at an average of 2,000 lei/person/month, calculated as the weighted average of the current level of salaries, as defined by Law 284/2010 regarding a unitary wage system for staff paid from public funds, including costs with taxes (e.g. contributions to national insurance, health and unemployment funds, income tax etc).

**Excerpt from Law 284/2010 used for calculating the average cost of salaries for community health nurses**

| Level | Experience | Level of education | Hierarchy coefficient* | Salary cost* RON/month |
|---|---|---|---|---|
| **Principal** | Over 5 years | S | 3.19 | 2,354 |
| **Specialist** | Between 1 and 5 years | S | 2.89 | 2,133 |
| **Beginner** | Less than 1 year | S | 1.77 | 1,306 |

(*) The salary cost was calculated by multiplying the ranking coefficient (Romanian term "*coeficient de ierarhizare*" as per Law 284/2010 regarding a unitary wage system for staff paid from public funds) by the reference base salary of 600 RON/month (as per Government Emergency Ordinance 83/2014 regarding the wage level for staff paid from public funds in 2015 and other measures in the area of public expenditure), to which we applied the percentage of contributions paid by the employer to the state and local budgets (23% as per the relevant legislation).

Note: S in the column regarding the level of education stands for *superioare*, which is the Romanian term for high education.

**Travel costs**

These were estimated at the same level as for the social worker, based on the assumption that they visit the same households, at an average of 50 lei/person/month for the rural areas, and 100 lei/person/month for the urban communities, based on the average cost of a monthly subscription to the public transportation system.

**Training costs related to preparing the community health nurses for the activities they need to carry out in the communities where they are employed**

These also include the training activities required to maintain an adequate skill level (i.e. continuous education), after the first year of implementation.

The relevant costs were estimated, based on the figures budgeted for the modelling project, at 1,750 lei/person/year, on the same assumptions as those used in estimating the travel costs for the social workers. These are also in line with the initial estimates prepared by the Centre for Health Policies and Services (CPSS) regarding the training of the community health nurses involved in the modelling project.

**Overhead costs recorded by the mayoralties for employing the community health nurses included in the project**

The overheads were estimated at the same level as for the social worker, based on an average administrative cost per employee reported by the mayoralties from a selection of rural communities included in the modelling project. The amounts reported were in the range of 230–345 lei/employee/month.

Considering an average of the expenses that may be incurred, the amount included in the costing model is of 300 lei/person/month for all the rural communities, although it may vary a lot between communities, depending on the specific conditions of the building in which the mayoralty functions. For urban communities, an average of 350 lei/person/month is considered, given the higher costs for utilities and a potentially higher rent for the office space.

**Equipment costs**

These costs were considered to cover the initial investment in certain equipment that would facilitate the activity of the community health nurses by providing them with the necessary tools for data recording, information gathering and data analysis. They consist of the following:

- A notepad for each community health nurse, evaluated at 1,600 lei/unit (based on the modelling project budget), to ensure mobility in working with the AURORA application (the application developed specifically for the purpose of the modelling project);
- A desktop computer for each community, estimated at an average market price of 1,300 lei/unit, considering a model with the following features: Intel Pentium ™ processor 3.0GHz, 4GB RAM, 500GB HDD, LED Monitor AOC 18.5" Wide;
- A projector per community, estimated at an average cost of 1,400 lei/unit (based on market rates, considering the BenQ MS504 model).

**Costs related to medical kits and consumables**

The only significant addition that should be considered when budgeting for the community health nurses (i.e. expenses at community level) is the investment in **medical kits**, which is estimated at a total of approximately 840 lei for each community health nurse employed within the community (one-off investment at the beginning of the implementation), as well as the **annual cost for consumables**, estimated at approximately 440 lei/year for each community health nurse employed within the community.

**Detailed cost breakdown of the costs estimated for medical kits and consumables**

| Expense type | | Quantity | Unit cost (RON/item) |
|---|---|---|---|
| Medical kit | Blood pressure monitor with stethoscope | 50 | 161 |
| | Glucometer | 50 | 121 |
| | Pulse oximeter | 50 | 105 |
| | Thermometer for children and adults | 50 | 41 |
| | Disposable surgical kit | 50 | 10 |
| | Scales for newborns | 50 | 169 |
| | Renal tray | 50 | 2 |
| | Waste bag | 50 | 4 |
| | Tourniquet | 50 | 6 |
| | Box for the items above | 50 | 221 |
| **Total one-off investment in medical kit** | | | **840** |

| Expense type | | Quantity | Unit cost (RON/item) |
|---|---|---|---|
| Consumables | Needles and test strips for glucometer | 2 | 6 |
| | Cotton | 2 | 5 |
| | Gauze | 10 | 1 |
| | Sterile dressing | 10 | 1 |
| | Betadine solution | 2 | 3 |
| | Oxygenated water | 4 | 3 |
| | Syringes | 10 | 155 |
| | Surgical gloves | 5 | 58 |
| | Masks | 10 | 1 |
| | Blood glucose tests | | 58 |
| | Hematuria | | 12 |
| | FOB test | | 97 |
| | Urine tests | 2 | 40 |
| **Total annual cost with consumables** | | | **440** |

**Summary of unitary costs included in the costing model for the health component budget at community level**

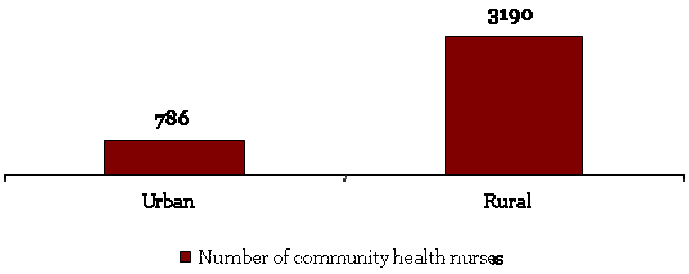
| Expense category | Amount | | | Comments |
|---|---|---|---|---|
| | Actual costs (rural area) | Estimated costs (rural area) | Estimated costs (urban area) | |
| Community health nurse Salary costs (RON/person/month) | 1,500 | 2,000 | 2,000 | The increase included in the estimated budget is based on the legal requirements regarding salary levels for civil servants (Law 284/2010). |
| Travel costs (RON/person/month) | 0 | 50 | 100 | Additional to the modelling project, when these were covered from the mayoralties' budgets, estimated based on a similar logic as the one used for social workers. |
| Training costs (RON/person/year) | 1,000 | 1,750 | 1,750 | Increased, in line with the daily rates used in similar training programmes for civil servants. |
| Overhead costs (RON/person/month) | 0 | 300 | 350 | Additional to the modelling project, when these were covered from the mayoralties' budgets, estimated based on a similar logic as the one used for social workers. |
| Equipment costs (RON/person – one time investment) | 0 | 4,300 | 4,300 | Additional to the modelling project, covering the computer, tablet and projector required for the community health nurses, based on assumptions similar to those used for the social workers. |
| Medical kits (RON/person – one time investment) | 0 | 840 | 840 | Additional to the modelling project, estimated based on the data presented in the table above. |
| Consumables (RON/year) | 0 | 440 | 440 | Additional to the modelling project, covering the material requirements for the community health nurses' specific activities. |
| **Total cost per Community Health Nurse:** | | | | |

| | | | |
|---|---|---|---|
| **One-off investment at the beginning of implementation** (RON/ community health nurse) | **-** | **5,140** | **5,140** |
| **Annual cost** (RON/ year/ community health nurse) | **19,000** | **30,390** | **31,590** |

The **estimated number of community health nurses** required to scale up the modelling project nationwide, namely around 4,000 community health nurses at national level, was calculated based on the same assumptions used in determining the number of social workers. These assumptions were based on two factors that were taken into consideration in this respect:

- The scope of work of the community health nurses covers the same beneficiaries as that of the social workers, and their responsibilities will require a similar amount of effort in terms of time allocated, travel distances etc.
- The current work standards provided by the legal framework in place (Government Decision 459/2010) indicate a number of 500 beneficiaries allocated to a community health nurse. However, the responsibilities undertaken for the positions to which the law refers are different than the ones included in the terms of reference for the modelling project, and the definition of beneficiaries is also different. As such, we considered the standards in force not to be relevant for our estimation purposes, and used the assumptions we defined for the social workers instead, as being more relevant.

**Estimated number of community health nurses required to scale up the modelling project at national level**




The expenses estimated at county level (i.e. for the DPH supervisors of the community health nurses) are in line with the budget defined for the GDSACP supervisors of the social workers. The number of DPH supervisors required in each county was calculated based on the same assumption as for the GDSACP supervisors, presented previously.

**Summary of unitary costs included in the costing model for the budget at county level**

| Expense category | Amount | | Comments |
|---|---|---|---|
| | Actual costs | Estimated costs | |
| Supervisor Salary costs (RON/person/month) | 850 | 1,400 | The increase included in the estimated budget is based on the legal requirements regarding salary levels for civil servants. |
| Travel costs (RON/person/month) | 300 | 370 | An increase in travel costs is justified by the significant increase in the number of communities in scope. |
| Training costs (RON/person/year) | 1,000 | 1,050 | Costs were estimated based on the figures budgeted for the modelling project. |
| Overhead costs (RON/person/month) | 0 | 400 | In the modelling project, the overhead costs were covered by the mayoralties. |
| Resource centres (RON/10 communities/3 months) | 0 | 1,000 | In the modelling project, these costs were included in the Social Assistance component, a single budget being allocated for this purpose. |
| **Total cost per supervisor:** | | | |
| **Annual cost per supervisor*** (RON/year/supervisor) | **14,800** | **27,090** | |

(*) In addition to the annual cost per supervisor, multiplied by the number of supervisors required in each county, the budget will also include the costs incurred for the resource centres, which are calculated based on the number of communities from each county, and not based on the number of supervisors.

## 4.6. Estimated expenses related to the education/school counsellor MPS component

Although the educational component was not addressed in the modelling project so far, recent studies[21] show that there is a real need for counselling and vocational guidance among students at national level, and, considering the constraints of the school system in providing these services, the school counsellor has a critical role in the future development of the students.

The study carried out by the National Resource Centre for Vocational Guidance is based on a survey conducted among the students of Romania, in 2008, as input for the "Analysis of Lifelong Counselling Needs". The aim of the survey was to identify students' needs of counselling and vocational guidance. Based on the survey results, an increased need of counselling and vocational guidance was identified for a significant percentage of the questioned students (more than 70%), in terms of self-knowledge, security and stability, communication, social and entrepreneurial skills, effective learning, career planning, conflict solving and lifestyle.

This situation can be due to the difficulty of providing effective counselling services and guidance in schools to the majority of the students, the activity generally being focused on special cases or on information aimed at large groups.

Consequently, as the modelling project did not provide related data to support the scaling up scenarios, and in order to include the educational component in the proposed costing model for implementing the CBS model/MPS at national level, we based our estimations on the current costs incurred for a school counsellor working in the education system. To this end, with the help of the Ministry of Education, we gathered relevant information regarding the current costs incurred at national level in this respect.

[21] *Analiza nevoilor de consiliere pe toată durata vieţii. Centrul Naţional de Resurse pentru Orientare Profesională, 2008* (Analysis of Lifelong Counselling Needs. The National Resource Centre for Vocational Guidance, 2008)

The information collected for this purpose is presented in the consolidated table below:

| # | County | No. of counsellors | | Salary costs RON/year | Professional development RON/year | Transport costs RON/year | Overhead costs RON/year | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Urban | Rural | | | | Material expenses | Specific materials | Other expenses |
| 1 | Argeş | 67 | 11 | 1,918,327 | 11,000 | 18,527 | 2,329 | 6,284 | 5,442 |
| 2 | Bacău | 54 | 19 | 2,505,000 | 10,000 | 13,000 | 24,000 | | |
| 3 | Bihor | 44 | 7 | 1,430,000 | | 9,500 | | 1,530 | |
| 4 | Bistrița-Năsăud | 31 | 6 | 963,948 | 12,298 | 100,008 | 39,100 | 10,826 | 1,850 |
| 5 | Botoşani | 32 | 10 | 1,821,805 | | 14,933 | | 24,733 | |
| 6 | Brăila | 23 | 2 | 784,808 | 1,059 | | 11,246 | 12,946 | |
| 7 | Bucureşti | 211 | | 6,671,894 | | | | | 12,096 |
| 8 | Caraş-Severin | 28 | 6 | 1,208,605 | | 3,000 | | 1,400 | |
| 9 | Constanța | 74 | 8 | 2,682,625 | 18,980 | 70,715 | 32,362 | 43,461 | 46,255 |
| 10 | Covasna | 23 | | 680,772 | | 1,066 | 4,849 | | |
| 11 | Dolj | 47 | 1 | 2,024,576 | 14,000 | 13,000 | 18,000 | 51,000 | 3,000 |
| 12 | Hunedoara | 48 | 1 | 1,461,360 | | 12,000 | 36,000 | | 36,000 |
| 13 | Ialomița | 25 | 5 | 998,448 | | 5,568 | 18,216 | 9,264 | 10,764 |
| 14 | Iaşi | 65 | 13 | 2,601,768 | | 19,476 | 10,000 | 8,000 | 9,000 |
| 15 | Mehedinți | 33 | 7 | 1,164,000 | | 36,000 | | | |
| 16 | Mureş | 87 | 11 | 2,768,662 | 400 | 30,953 | 27,792 | 904 | 2,824 |
| 17 | Neamț | 30 | 2 | 756,600 | 1,500 | 5,540 | | 70,000 | |
| 18 | Olt | 45 | 3 | 2,127,000 | | 29,000 | 10,000 | | |
| 19 | Prahova | 28 | | 912,000 | | 12,000 | 12,000 | 21,000 | 7,500 |
| 20 | Sălaj | 34 | 9 | 1,204,443 | 310 | 17,980 | 66,340 | 310 | |
| 21 | Satu Mare | 49 | 16 | 2,724,906 | | 30,000 | 15,000 | 61,500 | 23,400 |
| 22 | Sibiu | 48 | 3 | 1,446,780 | 8,670 | 7,500 | 12,750 | 153,000 | |
| 23 | Vaslui | 37 | 3 | 1,675,526 | 82,400 | 5,000 | | | |
| 24 | Suceava | 44 | 8 | 1,462,800 | 9,000 | 4,446 | 12,000 | 99,439 | |
| 25 | Teleorman | 20 | 8 | 721,416 | 2,400 | 30,000 | 12,000 | 24,000 | 24,000 |
| 26 | Cluj | 86 | 5 | 2,845,308 | 5,730 | 15,570 | 98,200 | 8,453 | |
| 27 | Vrancea | 27 | 5 | 1,046,084 | | 17,085 | 29,537 | 1,859 | |
| 28 | Tulcea | 22 | 10.5 | 1,108,315 | 16,500 | 18,475 | | 39,000 | |
| 29 | Dâmbovița | 42 | 8 | 1,451,000 | 1,000 | 25,000 | 10,000 | 5,000 | 71,000 |
| 30 | Galați | 50.5 | 12 | 1,593,000 | | 21,180 | 8,500 | | |
| 31 | Maramureş | 59 | 11 | 2,177,433 | 15,840 | 41,516 | 113,332 | 87,205 | |
| 32 | Harghita | 46 | 17 | 2,400,000 | 94,830 | 41,400 | 15,000 | 13,330 | |
| 33 | Ilfov | 10 | 26 | 741,000 | 750 | 3,723 | 5,200 | | |
| 34 | Timiş | 61 | 1 | 1,938,409 | 70,100 | 22,768 | 227,116 | 10,794 | |
| | Total | 1,631 | 255 | 60,018,618 | 160,617 | 695,929 | 363,984 | 599,597 | 158,131 |

Based on the information collected from the 34 counties, we estimated an average cost per school counsellor, as detailed below:

| Expense category | Estimated costs for both urban and rural areas (RON/person/month) |
|---|---|
| School counsellor Salary costs | 2,700 |
| Travel costs | 400 |
| Training costs | 100 |
| Overhead costs | 600 |
| **Total cost per School counsellor:** | |
| **Annual cost** (RON/year/school counsellor) | **33,500** |

The expenses estimated at county level (i.e. for the CERA supervisors of the school counsellors) are in line with the similar budgets defined for GDSACP and DHP supervisors on the social and health components.

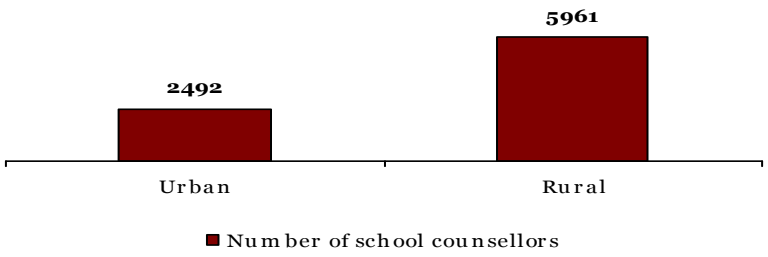
The **required number of school counsellors** was defined based on the provisions of the Education Minister's Order 5555/2011 approving the Regulation regarding the organization and operation of centres for educational resources and assistance, according to which a school counsellor should cover a maximum of 800 pupils aged between 6-17 years, and 400 pre-school pupils aged between 3-5 years.

In order to define the child population of school age in each age category for all the communities included in the costing model, we adjusted the child population with an average rate of enrolment, based on relevant data reported for 2013[22]:

- 82% for the age category between 3-5 years;
- 93% for the age category between 6-17 years.

Based on these estimations, the resulting number of school counsellors required to implement the proposed CBS model at national level is approximately 8,450, as presented in the chart below:

**Estimated number of school counsellors required to implement the proposed model at national level**




[22] Report of documentary analysis of the educational sector in Romania, 2013 – project financed through the European Fund for Regional Development POAT 2007-2013

**Summary of unitary costs included in the costing model for the education component budget at county level**

| Expense category | Amount | | Comments |
|---|---|---|---|
| | Actual costs | Estimated costs | |
| Supervisor Salary costs (RON/person/month) | 850 | 1,400 | The increase included in the estimated budget is based on the legal requirements regarding salary levels for civil servants |
| Travel costs (RON/person/month) | 300 | 370 | An increase in travel costs is justified by the significant increase in the number of communities in scope |
| Training costs (RON/person/year) | 1,000 | 1,050 | Costs were estimated based on the figures budgeted for the modelling project |
| Overheads (RON/person/month) | 0 | 400 | In the modelling project, the overhead costs were covered by the mayoralties |
| Resource centres (RON/10 communities/3 months) | 0 | 1,000 | In the modelling project, these costs were included in the Social Assistance component, a single budget being allocated for this purpose |
| **Total cost per supervisor:** | | | |
| **Annual cost per supervisor*** (RON/year/supervisor) | **14,800** | **27,090** | |

(*) In addition to the annual cost per supervisor, multiplied by the number of supervisors required in each county, the budget will also include the costs incurred for the resource centres, which are calculated based on the number of communities from each county, and not based on the number of supervisors.

## 4.7. Scaling up constraints

When defining the scaling up model, there are additional factors to be considered apart from the estimated costs and the total budget required for such an exercise.

**Availability of financing at local/community level**

The national strategy and laws in the area establish the need for provision of services, but they do not provide the funds to do this, or the social control mechanisms to ensure feasibility. Decentralization is realized in terms of administrative responsibilities, but the financial decentralization is not in place.

**Legislation constraints (hiring freeze in the public sector)**

The Romanian public sector has been affected by personnel reduction and hiring blockage since 2010. Starting 2013, Government Emergency Ordinance no. 77 enables mayoralties to hire personnel on posts that became vacant in 2013.

Consequently, for the purpose of scaling up the modelling project and implementing it at country level, changes in the legislation are required, to allow the local communities to hire the required personnel for the project.

**Limited availability of the required human resources**

Employment of social workers is blocked not only by the legislative ban on hiring in public functions, but also by the lack of resources (even in those cases where hiring may be done under a different status, i.e. community worker).

The modelling project experience shows that some of the social workers hired in the project do not have the necessary level of knowledge and practice, this being illustrated within the

evaluations of the project that were performed during its first two years of implementation. Furthermore, the added health care component was implemented only partially (i.e. in 24 out of the 32 communes included in the project at the time of implementation), because of the lack of community health nurses in the communities.

## 4.8. Expected impact after scaling up

The modelling project evaluations provide overwhelming proof that the issue of 'invisible' children is highly relevant for rural communities in Romania and it represents a serious problem that needs an urgent and determined policy response. At the same time, the project has demonstrated that outreach activities are possible and essential to ensuring the right to social security of children (and other vulnerable groups), but also that preventive community services are more effective and much cheaper in real life, not only in theory.

In the first two years of implementation (2011-2012), the modelling project identified 5,758 'invisible' children who faced a complex cumulus of vulnerabilities. During this period of time, over 3,400 children and their families received a variety of services, from diagnostic to information, counselling, accompaniment and support, referral, as well as monitoring and evaluation. Thus, access to health, education, social protection, and the opportunity to develop into the natural family have been enhanced for many children at risk.

In addition, people's attitudes towards children and child rights have changed for the better, the preventive community services have improved, and the number of cases of violence and abuse within the communities has declined. The level of community activation and participation (particularly through the Community Consultative Structures) also improved during the modelling project.

As proof of the effectiveness of the CBS/MPS model, project results show that the separation of children from their families - children exposed to abandonment or at risk of child abandonment, was prevented in 58 out 0f 70 cases. This was ensured with a cost per child (and his/her family) of 250 lei/year. By comparison, the cost standard established in the child protection system varies between 11,000 and 21,000 lei/child/year (as per Government Decision 23/6 January 2010 on cost standards for social services[23]). Thus, preventive community services are not only more effective in protecting children, but also much cheaper compared to the specialized protection services.

Several factors, however, **limit the actual savings that the government will accrue** as a result of using community based services instead of institutional services.

- Firstly, creating alternative social services requires an initial investment in capital, staffing, training, and other resources.
- Secondly, government savings resulting from the use of community based services are likely to accrue only after the number of individuals in a residential institution decreases. Savings may not be substantial until a residential facility is closed or an alternative use is found for it.
- Finally, and most importantly, new services generally increase the number of individuals who receive assistance. Residential institutions serve only a small portion of vulnerable individuals, while community based services would assist not only current recipients (the institutionalized), but also many others who previously received no assistance. Thus, the target population for community based services would be significantly larger than those individuals who receive residential care. The increase in the number of recipients ensures much needed assistance to previously unassisted people but will require additional resources beyond the money saved by closing residential institutions.

[23] Cost standard per child per year varies as follows: 11,014 lei for foster parents with 3 children in foster care; 13,931 lei for foster parents with 2 children in foster care; 20,896 lei for foster parents with 1 child in foster care; 20,653 lei for residential centres.

- Ultimately, the focus of assistance should be to prevent what causes the institutionalization of children — poverty, social exclusion of ethnic minorities, of children with disabilities and other vulnerable groups.

Moreover, there are a number of **risks associated with implementing community based services**. The two most important aspects to be noted in this respect are the following:

- Creating inadequate community services – Staff may not be well trained, and services may not fully address an individual's problems or material needs. This risk can surface when successful, carefully nurtured, small-scale pilot projects are replicated or expanded.
- Implementation may not be sustainable – Governments change, priorities shift, resources decrease, or a different level of government becomes responsible for the project and may not treat it as a priority. These changes can profoundly affect financial sustainability, programmatic integrity, and staff continuity.

Risks can be mitigated with careful, continuous planning, adequate funding, and, most importantly, with an active constituency that is involved in the decision making regarding these services.

## 4.9. Costing scenarios

### 4.9.1. Basic rural scenario – Implementation of the minimum package of services, basic version (i.e. social assistance/social worker component) in rural communities.

This scenario considers a scaling up of the CBS/MPS model only in rural communities, at national level (i.e. 2,861 communities).

Based on the indicators collected and assumptions described previously, the costing model renders a total estimated annual cost associated with employing the required number of social workers in all rural communities, in excess of 108 million lei (equivalent of approx. EUR 24 million).

The annual costs associated with employing the GDSACP supervisors were estimated at over 5.5 million lei (equivalent of approx. EUR 1.2 million).

**Summary of total costs included in the basic rural scenario (social assistance/social worker component)**

- RON/year -

| Level | No. of communities | No. of social workers | No. of supervisors | Salary Costs | Travel | Training | Overhead | Equipment | Resource centres | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|
| County level | | | 159 | 2,662,800 | 703,740 | 166,425 | 760,800 | - | 1,220,000 | 5,513,765 |
| Community level | 2,861 | 3,190 | | 76,560,000 | 1,914,000 | 5,582,500 | 11,484,000 | 12,828,700 | - | 108,369,200 |
| Total | 2,861 | 3,190 | 159 | 79,222,800 | 2,617,740 | 5,748,925 | 12,244,800 | 12,828,700 | 1,220,000 | 113,882,965 |

In order to accommodate budgetary constraints, this can be implemented in a phased approach, reaching the total scope of rural communities in three years. The communities are distributed based on the **compound indicator** which is calculated by multiplying all the ratings associated with the secondary indicators presented under section 6.3, as follows:

1. In the **first year**, the scope could cover the communities with the highest probability of requiring such services (i.e. highest risk coefficient (between 4 and 16), representing 35% of all rural communities);

2. In the **second year,** the scope could be increased to include the communities with medium risk (i.e. risk coefficient between 1 and 2, representing 39% of all rural communities);

3. In the **third year,** the scope would be extended to cover all the rural communities.

**Summary of total costs included in the basic rural scenario – First year of project**

- RON/year -

| Level | No. of communities | No. of social workers | No. of supervisors | Salary Costs | Travel | Training | Overhead | Equipment | Resource centres | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|
| County level | | | 89 | 1,486,800 | 392,940 | 92,925 | 424,800 | - | 1,220,000 | 3,617,465 |
| Community level | 1,087 | 1,769 | | 42,456,000 | 1,061,400 | 3,095,750 | 6,368,400 | 5,765,300 | - | 58,746,850 |
| Total | 1,087 | 1,769 | 89 | 43,942,800 | 1,454,340 | 3,188,675 | 6,793,200 | 5,765,300 | 1,220,000 | 62,364,315 |

**Summary of total cumulative costs included in the basic rural scenario – Second year of project**

- RON/year -

| Level | No. of communities | No. of social workers | No. of supervisors | Salary Costs | Travel | Training | Overhead | Equipment | Resource centres | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|
| County level | - | - | 133 | 2,234,400 | 590,520 | 139,650 | 638,400 | - | 2,440,000 | 6,042,970 |
| Community level | 2,191 | 2,675 | - | 64,188,000 | 1,604,700 | 4,680,375 | 9,628,200 | 10,194,900 | - | 90,296,175 |
| Total | 2,191 | 2,675 | 133 | 66,422,400 | 2,195,220 | 4,820,025 | 10,266,600 | 10,194,900 | 2,440,000 | 96,339,145 |

**Summary of total cumulative costs included in the basic rural scenario – Third year of project**

- RON/year -

| Level | No. of communities | No. of social workers | No. of supervisors | Salary Costs | Travel | Training | Overhead | Equipment | Resource centres | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|
| County level | - | - | 159 | 2,662,800 | 703,740 | 166,425 | 760,800 | - | 3,660,000 | 7,953,765 |
| Community level | 2,861 | 3,190 | - | 76,560,000 | 1,914,000 | 5,582,500 | 11,484,000 | 12,828,700 | - | 108,369,200 |
| Total | 2,861 | 3,190 | 159 | 79,222,800 | 2,617,740 | 5,748,925 | 12,244,800 | 12,828,700 | 3,660,000 | 116,322,965 |

### 4.9.2. Basic urban scenario – Implementation of the minimum package of services, basic version (social assistance/social worker component), in urban communities.

Based on the indicators collected and assumptions described previously, the costing model renders a total estimated annual cost associated with employing the required number of social workers in all urban communities (i.e. 325 communities), of over 26.6 million lei (equivalent of approximately EUR 5.9 million).

The annual costs associated with employing the GDSACP supervisors were estimated at over 1.3 million lei (equivalent of approximately EUR 0.3 million).

**Summary of total costs included in the basic urban scenario (social assistance/social worker component)**

- RON/year -

| Level | No. of communities | No. of social workers | No. of supervisors | Salary Costs | Travel | Training | Overhead | Equipment | Resource centres | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|
| County | | | 40 | 672,000 | 177,600 | 42,000 | 192,000 | - | 204,000 | 1,287,600 |
| Community | 325 | 786 | | 18,864,000 | 943,200 | 1,375,500 | 3,301,200 | 2,135,100 | - | 26,619,000 |
| Total | 325 | 786 | 40 | 19,536,000 | 1,120,800 | 1,417,500 | 3,493,200 | 2,135,100 | 204,000 | 27,906,600 |

### 4.9.3. Extended rural scenario – Implementation of the minimum package of services, extended version (i.e. social assistance/social worker and health care/community health nurse components) in rural communities.

Based on the indicators collected and assumptions described previously, the costing model renders a total estimated annual cost associated with employing the required number of social workers and community health nurses (CHNs) in all rural communities (i.e. 2,861 communities), of approx. 232 million lei (equivalent of approx. EUR 52 million).

The annual costs associated with employing the GDSACP/DPH supervisors were estimated at over 11 million lei (equivalent of approx. EUR 2.5 million).

**Summary of total costs included in the extended rural scenario (social assistance/social worker & health care/community health nurse components)**

- RON/year -

| Level | No. of communities | No. of social workers & CHNs | No. of supervisors | Salary Costs | Travel | Training | Overhead | Equipment | Resource centres | Costs for aid kits & consumables | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| County | | - | 317 | 5,325,600 | 1,407,480 | 332,850 | 1,521,600 | - | 2,440,000 | | 11,027,530 |
| Community | 2,861 | 6,380 | - | 153,120,000 | 3,828,000 | 11,165,000 | 22,968,000 | 25,657,400 | - | 4,083,200 | 220,821,600 |
| Total | 2,861 | 6,380 | 317 | 158,445,600 | 5,235,480 | 11,497,850 | 24,489,600 | 25,657,400 | 2,440,000 | 4,083,200 | 231,849,130 |

### 4.9.4. Extended urban scenario – Implementation of the minimum package of services, extended version (i.e. social assistance/social worker and health care/community health nurse components) in urban communities.

Based on the indicators collected and assumptions described previously, the costing model renders a total estimated annual cost associated with employing the required number of social workers and community health nurses (CHNs) in all urban communities (i.e. 325 communities), of 54.2 million lei (equivalent of approx. EUR 12.1 million).

The annual costs associated with employing the GDSACP/DPH supervisors were estimated at over 2.5 million lei (equivalent of approx. EUR 0.55 million).

**Summary of total costs included in the extended urban scenario (social assistance/social worker & health care/community health nurse components)**

- RON/year -

| Level | No. of communities | No. of social workers & CHNs | No. of supervisors | Salary Costs | Travel | Training | Overhead | Equipment | Resource centres | Costs for aid kits & consumables | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| County | | - | 80 | 1,344,000 | 355,200 | 84,000 | 384,000 | - | 408,000 | | 2,575,200 |
| Community | 325 | 1,572 | - | 37,728,000 | 1,886,400 | 2,751,000 | 6,602,400 | 4,270,200 | - | 1,006,080 | 54,244,080 |
| Total | 325 | 1,572 | 80 | 39,072,000 | 2,241,600 | 2,835,000 | 6,986,400 | 4,270,200 | 408,000 | 1,006,080 | 56,819,280 |

### 4.9.5. Optimal rural scenario – Implementation of the minimum package of services, optimal version (i.e. social assistance/ social worker, health care/community health nurse and education/school counsellor components) in rural communities.

Based on the indicators collected and assumptions described previously, the costing model renders a total estimated annual cost associated with employing the required number of social workers, community health nurses (CHNs) and school counsellors (SCs) in all rural communities (i.e. 2,861 communities), of over 420.5 million lei (equivalent of approx. EUR 93,3 million).

The annual costs associated with employing the GDSACP/DPH/CERA supervisors were estimated at over 20.3 million lei (equivalent of approx. EUR 4.5 million).

**Summary of total costs included in the optimal rural scenario (social assistance/social worker, health care/community health nurse & education/school counsellor components)**

- RON/year -

| Level | No. of communities | No. of social workers, CHNs & SCs | No. of supervisors | Salary Costs | Travel | Training | Overhead | Equipment | Resource centres | Costs for aid kits & consumables | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| County | | - | 616 | 10,348,800 | 2,735,040 | 646,800 | 2,956,800 | - | 3,660,000 | - | 20,347,440 |
| Community | 2,861 | 12,341 | - | 346,256,400 | 6,212,400 | 11,761,100 | 26,544,600 | 25,657,400 | - | 4,083,200 | 420,515,100 |
| Total | 2,861 | 12,341 | 616 | 356,605,200 | 8,947,440 | 12,407,900 | 29,501,400 | 25,657,400 | 3,660,000 | 4,083,200 | 440,862,540 |

### 4.9.6. Optimal urban scenario – Implementation of the minimum package of services, optimal version (i.e. social assistance/social worker, health care/community health nurse and education/school counsellor components) in urban communities.

Based on the indicators collected and assumptions described previously, the costing model renders a total estimated annual cost associated with employing the required number of social workers, community health nurses (CHNs) and school counsellors (SCs) in all urban communities (i.e. 325 communities), of over 137 million lei (equivalent of approx. EUR 30.5 million).

The annual costs associated with employing the GDSACP/DPH/CERA supervisors were estimated at over 6.1 million lei (equivalent of approx. EUR 1.3 million).

**Summary of total costs included in the optimal urban scenario (social assistance/social worker, health care/community health nurse & education/school counsellor)**

- RON/year -

| Level | No. of communities | No. of social workers, CHNs & SCs | No. of supervisors | Salary Costs | Travel | Training | Overhead | Equipment | Resource centres | Costs for aid kits & consumables | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| County | | - | 206 | 3,452,400 | 912,420 | 215,775 | 986,400 | - | 612,000 | - | 6,178,995 |
| Community | 325 | 4,064 | - | 118,468,800 | 2,883,200 | 3,000,200 | 8,097,600 | 4,270,200 | - | 1,006,080 | 137,726,080 |
| Total | 325 | 4,064 | 206 | 121,921,200 | 3,795,620 | 3,215,975 | 9,084,000 | 4,270,200 | 612,000 | 1,006,080 | 143,905,075 |

## 4.9.7. Optimal rural scenario – Cost summary per MPS component

- RON/ year -

| Component | Level | No. of communities | No. of SWs, CHNs, SCs | No. of supervisors | Salary Costs | Travel | Training | Overhead | Equipment | Resource centres | Costs for aid kits & consumables | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Social** | County level | - | - | 159 | 2,662,800 | 703,740 | 166,425 | 760,800 | - | 1,220,000 | | 5,513,765 |
| | Community level | 2,861 | 3,190 | - | 76,560,000 | 1,914,000 | 5,582,500 | 11,484,000 | 12,828,700 | - | | 108,369,200 |
| | Total | 2,861 | 3,190 | 159 | 79,222,800 | 2,617,740 | 5,748,925 | 12,244,800 | 12,828,700 | 1,220,000 | - | 113,882,965 |
| **Health** | County level | - | - | 159 | 2,662,800 | 703,740 | 166,425 | 760,800 | - | 1,220,000 | - | 5,513,765 |
| | Community level | 2,861 | 3,190 | - | 76,560,000 | 1,914,000 | 5,582,500 | 11,484,000 | 12,828,700 | - | 4,083,200 | 112,452,400 |
| | Total | 2,861 | 3,190 | 159 | 79,222,800 | 2,617,740 | 5,748,925 | 12,244,800 | 12,828,700 | 1,220,000 | 4,083,200 | 117,966,165 |
| **Education** | County level | - | - | 299 | 5,023,200 | 1,327,560 | 313,950 | 1,435,200 | - | 1,220,000 | - | 9,319,910 |
| | Community level | 2,861 | 5,961 | - | 193,136,400 | 2,384,400 | 596,100 | 3,576,600 | - | - | - | 199,693,500 |
| | Total | 2,861 | 5,961 | 299 | 198,159,600 | 3,711,960 | 910,050 | 5,011,800 | - | 1,220,000 | - | 209,013,410 |
| **TOTAL** | County level | - | - | 616 | 10,348,800 | 2,735,040 | 646,800 | 2,956,800 | - | 3,660,000 | - | 20,347,440 |
| | Community level | 2,861 | 12,341 | - | 346,256,400 | 6,212,400 | 11,761,100 | 26,544,600 | 25,657,400 | - | 4,083,200 | 420,515,100 |
| | Total | 2,861 | 12,341 | 616 | 356,605,200 | 8,947,440 | 12,407,900 | 29,501,400 | 25,657,400 | 3,660,000 | 4,083,200 | 440,862,540 |

## 4.9.8. Optimal urban scenario – Cost summary per MPS component

- RON/year -

| Component | Level | No. of communities | No. of SWs, CHNs, SCs | No. of supervisors | Salary Costs | Travel | Training | Overheads | Equipment | Resource centres | Cost with aid kits & consumables | Total cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Social** | County level | - | - | 40 | 672,000 | 177,600 | 42,000 | 192,000 | - | 204,000 | | 1,287,600 |
| | Community level | 325 | 786 | - | 18,864,000 | 943,200 | 1,375,500 | 3,301,200 | 2,135,100 | - | | 26,619,000 |
| | Total | 325 | 786 | 40 | 19,536,000 | 1,120,800 | 1,417,500 | 3,493,200 | 2,135,100 | 204,000 | - | 27,906,600 |
| **Health** | County level | - | - | 40 | 672,000 | 177,600 | 42,000 | 192,000 | - | 204,000 | - | 1,287,600 |
| | Community level | 325 | 786 | - | 18,864,000 | 943,200 | 1,375,500 | 3,301,200 | 2,135,100 | - | 1,006,080 | 27,625,080 |
| | Total | 325 | 786 | 40 | 19,536,000 | 1,120,800 | 1,417,500 | 3,493,200 | 2,135,100 | 204,000 | 1,006,080 | 28,912,680 |
| **Education** | County level | - | - | 126 | 2,108,400 | 557,220 | 131,775 | 602,400 | - | 204,000 | - | 3,603,795 |
| | Community level | 325 | 2,492 | - | 80,740,800 | 996,800 | 249,200 | 1,495,200 | - | - | - | 83,482,000 |
| | Total | 325 | 2,492 | 126 | 82,849,200 | 1,554,020 | 380,975 | 2,097,600 | - | 204,000 | - | 87,085,795 |
| **TOTAL** | County level | - | - | 206 | 3,452,400 | 912,420 | 215,775 | 986,400 | - | 612,000 | - | 6,178,995 |
| | Community level | 325 | 4,064 | - | 118,468,800 | 2,883,200 | 3,000,200 | 8,097,600 | 4,270,200 | - | 1,006,080 | 137,726,080 |
| | Total | 325 | 4,064 | 206 | 121,921,200 | 3,795,620 | 3,215,975 | 9,084,000 | 4,270,200 | 612,000 | 1,006,080 | 143,905,075 |

# 5 Key findings and recommendations

## 5.1. Key findings and recommendations regarding the costs associated with scaling up the minimum package of services (MPS) at national level

Our analysis of the distribution of the total population (rural and urban), based on the calculations of a specific compound indicator and on a socio-economic vulnerability risk assessment (more details in chapter 6 of the present report), has rendered 842 communities in the low risk category (26.4%), 1,231 communities in the medium risk category (38.6%), and 1,113 communities in the high risk category (34.9%). As 2,861 of these communities are rural and 325 are urban, we used the six scenarios developed for the gradual implementation of the CBS model/MPS and applied our costing model to each scenario.

The cost estimates for each scenario are outlined below.

1. *Basic rural scenario: Implementation of the minimum package of services, basic version (social assistance/social worker component) in rural communities.*
   The Basic Rural scenario considers the scaling up of the model in all 2,861 rural communities nationwide.
   Our costing model rendered a total estimated annual cost associated with employing the required number of social workers in all rural communities in excess of 108 million lei (equivalent of approximately EUR 24 million), while the annual costs associated with employing the GDSACP supervisors were estimated to be over 5.5 million lei (equivalent of approximately EUR 1.2 million).

2. *Basic urban scenario: Implementation of the minimum package of services, basic version (social assistance/social worker component) in urban communities.*
   Our costing model rendered a total estimated annual cost associated with employing the required number of social workers in all 325 urban communities of over 26.6 million lei (equivalent of approximately EUR 5.9 million), while the annual costs associated with employing the GDSACP supervisors were estimated at more than 1.3 million lei (equivalent of approximately EUR 0.3 million).

3. *Extended rural scenario: Implementation of the minimum package of services, extended version (social assistance/social worker and health care/community health nurse components) in rural communities.*
   Our costing model rendered a total estimated annual cost associated with employing the required number of social workers and community health nurses in all 2,861 rural communities of approximately 232 million lei (equivalent of approximately EUR 52 million), while the annual costs associated with employing the GDSACP/ DPH[24] supervisors were estimated at over 11 million lei (equivalent of approximately EUR 2.5 million).

4. *Extended urban scenario: Implementation of the minimum package of services, extended version (social assistance/social worker and health care/community health nurse components) in urban communities.*
   Our costing model rendered total estimated annual costs associated with employing the required number of social workers and community health nurses in all 325 urban communities of 54.2 million lei (equivalent of approximately EUR 12.1 million), while the annual costs

[24] DPH – Directorate for Public Health (at county level)

associated with employing the GDSACP/ DPH supervisors were estimated at over 2.5 million lei (equivalent of approximately EUR 0.55 million).

5. *Optimal rural scenario: Implementation of the minimum package of services, optimal version (social assistance/social worker, health care/community health nurse, and education/school counsellor components) in rural communities.*
   Our costing model rendered a total estimated annual cost associated with employing the required number of social workers, community health nurses and school counsellors[25] in all 2,861 rural communities of over 420.5 million lei (equivalent of approximately EUR 93,3 million), while the annual costs associated with employing the GDSACP/ DPH/ CERA[26] supervisors were estimated at over 20.3 million lei (equivalent of approximately EUR 4.5 million).

6. *Optimal urban scenario: Implementation of the minimum package of services, optimal version (optimal version (social assistance/social worker, health care/community health nurse, and education/school counsellor components) in urban communities.*
   Our costing model rendered a total estimated annual cost associated with employing the required number of social workers, community health nurses, and school counsellors in all 325 urban communities in excess of 137 million lei (equivalent of approximately EUR 30.5 million), while the annual costs associated with employing the GDSACP/ DPH/ CERA supervisors were estimated at over 6.1 million lei (equivalent of approximately EUR 1.3 million).

These 6 scenarios of progressive implementation of the CBS model/MPS at national level are merely a suggestion, one approach to scaling-up the intervention model. However, the development of the best scenarios of implementation and the actual implementation planning (e.g. timing, phases, sources of funding etc.) of any of these scenarios, or a combination of them, can be analysed, detailed and decided upon based on decision-makers' priority options, available resources, and relevant policies and legal provisions in place.

The factors and indicators (primary or secondary) used in our costing model in relation to these scaling-up scenarios (see chapter 4 of the report) are also a suggestion, and the risk coefficient we proposed can be adjusted (by adding or replacing the compound indicator derived from multiplying the secondary indicators) or substituted with a different one, depending on decision-makers' options and in accordance with the applicable policy provisions in place. Hence, there is significant flexibility in terms of the options for progressive implementation of the model and related costing formulas, enabling multiple combinations of factors/indicators, components and implementation phases, both with regard to the envisaged communities and the minimum package of services:

- Urban (325 communities) vs. rural (2,861 communities);
- Communities rated as high risk (1,113), medium risk (1,231), low risk (842). In a first phase, implementation could target communities with the highest probability of requiring the services provided via the CBS model/MPS, followed by those with medium probability, in a second phase, and those with the least probability, in a third phase;
- Components of the MPS in the basic, extended and optimal versions. The social assistance/social worker component of the package could be implemented in a first phase, to which the health care/community health nurse component could be added in a second phase, and the education/school counsellor component, in a third phase.

[25] As the education/school counsellor component was not part of the MPS package tested in the CBS modelling project and actual project costs for it were not available as in the case of the other two MPS package components (social assistance/social worker and health care/community health nurse), our costing model for school counsellors considered similar level of expenses as those estimated for social workers and community health nurses.
[26] CERA – Centre for Educational Resources and Assistance (at county level)

## 5.2. Key findings and recommendations regarding financial sources and mechanisms

Considering the current budgeting process at national and local level, the first approach for attracting financial resources for scaling up the CBS model/MPS is to secure a budget allocation at central level from the VAT and income tax deducted amounts, allotted to local public institutions for balancing off local budgets related to specific social services provision (for the social assistance and educational components), the health insurance special fund (for the health care component) and the consolidated budget with the specific social and cultural related expenses (for all components).

There are several potential points for stepping-in during the annual budgeting process in order to secure the required financing, starting with the local level initial drafting of the budget in May-June, and continuing with the central reviews and amendments at central level in July and September.

To ensure the effectiveness of budget allocation, programme/intervention model owners can actively support the budget drafting activities at local level, by offering assistance with needs identification, prioritization and budget planning, thus signalling potential expenses categories that could cover large parts of the budget elements required for scaling up the model.

The budget elements more likely to be addressed at central level relate to overall program caps and specific budget items identified at local level, eligible for and committed to covering specific program expense categories.

An important trigger at this stage of budget drafting is the planning timeframe, Ministries being urged to submit a 3 year-out budget estimate to the Ministry of Public Finance (MPF). Thus, advocacy and assistance directed towards effective planning, budgeting, funding and spending targets to influence budget allocation towards agreed specific topics of interests could improve the quality of medium term budget forecasting and increase cross sectoral integration, ensuring a wider pool of potential budgeting sources for the upcoming years.

Additionally to the State and local budget, a number of financing options may be employed in order to support the scaling up of the model of community-based services. Considering the low absorption rate of EU funds available (an average of 51% in 7 years), this could represent the most feasible source to consider. The five major funding opportunities available for accessing are represented by the:

- European Social Fund/Administrative Capacity Development Program (POCA) – which could be used for the social component of the MPS, to cover training activities and equipment (i.e. for improving the social assistance services);
- European Social Fund/Human Capital Operational Program (POCU) – which could be used for the social and health components of the MPS, to cover training activities and material expenses (i.e. for improving access to social assistance and healthcare services);
- European Social Fund/Regional Operational Program (POR) – which could be used for all MPS components (i.e. for improving access to social assistance, education and healthcare services);
- European Social Fund/National Rural Development Program (PNDR) – which could be used to finance the training activities for all package components in the rural communities, as well as material expenses for the social component in the rural communities (i.e. education and training for rural economy employees and improvement of access to social assistance services);
- World Bank Loan – Health Sector Reform (reimbursable funds) – for financing the health component of the MPS;
- Norway Grants, EEA Grants and Swiss Grants – which could be used for all MPS components.

With regard to the budgeting process, a detailed assessment of the prevailing budgeting process at central and local level signals a series of key insights regarding the pain points and bottlenecks, such as:

- Limited reallocation of savings or amounts estimated not to be spent by year end;
- Fragmented process flow and limited aggregation level of special funds within the overall consolidated budget;
- Lack of medium term planning, forecasting and monitoring of budgetary objectives against spending targets;
- Limited cross-sectoral integration. [The existing budgetary process does not facilitate cross-sectoral integration. At the national level, the division of work between the Ministries favours a predominantly sectoral approach to development and social policy, with each national Ministry making efforts to spend their budget allocation for meeting their output targets. The same logic is reproduced at the sub-national level, either by the local offices of line Ministries, or by local governments. The legal framework in force empowers the latter with the authority to adopt and pursue integrated strategies, but a large part of their budgetary allocations come in the form of assigned transfers. The agenda for negotiating and drafting integration strategies for the social, health and education domains at the sub-national level is therefore severely constrained, being a key trigger to budget allocation flexibility.]

There is no blueprint for enhancing public sector efficiency. Public authorities worldwide have adopted diverse approaches to reforming their key institutional arrangements, including: increasing decentralisation, strengthening competitive pressures, transforming workforce structure, size, and human resource management arrangements, changing budget practices and procedures, and introducing results-oriented approaches to budgeting and management.

A detailed assessment of best practice budgeting flows in place for peer countries within the EU sums up to three key recommendations for modifying institutional structures, roles and responsibilities to ensure better access to financing sources:

- Increased correlation of budgeting process and planning and management functions;
- Implementation of uniform cooperation and coordination framework across all sectoral Ministries;
- Definition, reporting and monitoring of non-financial performance data relevant for the budgeting exercise.

In order to achieve a more efficient use of resources, four major areas for improvement were identified, being by no means exhaustive, but rather considered to be those levers that can be effectively addressed within a short to medium term timeframe, based on the already implemented optimization requests from the European Commission regarding modifying the financial flows to ensure a more efficient use of resources:

- Increasing flexibility of public authorities through enhanced focus on output and outcome reporting;
- Strengthening budgetary stability to enable multiannual cost-benefit assessment across categories of expenses, ensuring transparent basis for savings and/or unspent limits reallocation across sectors;
- Developing management tools and acumen at local level to increase co-financing of local EU funded projects;
- Fostering the use of performance information systems in the budgeting process.

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