

## **Evaluating Investment Projects' Performance – Non-Monetary Factors**

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*Abstract* Considering the high significance of taking into account all the monetary and non-monetary factors when assessing the performance of an investment project, the article presents the most common indicators used in this process and the ones that are frequently underestimated and often ignored, in the case of Romania. *Are Romanian investment projects correctly evaluated? Does the evaluation process appreciate all the monetary and non-monetary factors implied in the project? Are all the factors quantifiable? Does the ex-ante projects' evaluation offer comparable results with the ones provided by the ex-post evaluation? What is the reason for the abounding projects that demonstrate to be unsustainable, even though they obtained high scores in the ex-ante evaluation?* To address these questions, a literature review was carried out using statistical data, official and scientific materials. After describing all types of indicators used in evaluating projects' performance, the article exposes the indispensable non-quantifiable factors that have to be accounted as indicators, in order to improve the evaluation process and also to provide the adequate feedback of the implemented projects. In this way, the information resulted after ex-post evaluation of the investment projects can offer a realistic situation of the projects' performance and can also provide a solid base for the upcoming projects. The article demonstrates that not all the factors implied in a project can be quantified. However, they should not be disregarded in the projects' evaluation as they happen to be of critical importance for the projects' performance. Based on the article's results, a new type of analysis has to be developed in order to effectively evaluate the Romanian investment projects' performance. Assessing appropriately the investment projects, the public funds would be correctly allocated and the Romanian governance would have the possibility to implement the performance-based budgeting. Therefore, sustainable economic development of the country could become a reality.

*Keywords:* evaluation, project performance, non-monetary factor, non-quantifiable factor