



The on-going evaluation of NRDP 2014 – 2020 during 2017-2020

Evaluation study III – Performance framework

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ACZ Consulting SRL & t33 SRL



The on-going evaluation of NRDP 2014 – 2020 during 2017-2020

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Acronym List

Acronyms	Full Title
AAFS	Academy of Agricultural and Forestry Sciences
AI	Additional Indicators
AIR	Annual Implementation Report
ANC	Areas facing Natural Constraints
AWU	Annual Work Unit
CAP	Common Agricultural Policy
CE(Q)	Common Evaluation Question
CMEF	Common Monitoring and Evaluation Framework
CMES	Common Monitoring and Evaluation System
COFRI	County Office for Financing Rural Investments
CSG	Community Strategic Orientations
DID	Difference within Difference
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
EC	European Commission
ECB	European Central Bank
EDU	Economic Dimension Unit
EERP	European Economic Recovery Plan
EIB	European Investment Bank
ENRD	European Network for Rural Development
ESIF	European Structural and Investment Funds
EU	European Union
GAEC	Good Agricultural and Environmental Conditions
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GVA	Gross Value Added
HNV	High Natural Value
LAG	Local Action Group
LDS	Local Development Strategy
LEADER	Liaison Entre Actions de Développement de l'Économie Rurale
LTD	Limited Company
MA	Managing Authority
MA NRDP	Managing Authority for National Rural Development Programme
MA SOP Environment	Managing Authority for the Sectoral Operational Programme - Environment
MARD	Ministry of Agriculture and Rural Development
MC	Monitoring Committee
ME	Ministry of Environment



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Acronyms	Full Title
NAEP	National Agency for Environmental Protection
NGO	Non-Governmental Organization
NRDN	National Rural Development Network
NRDP	National Rural Development Programme
NSI	National Statistical Institute
NSVFSA	National Sanitary Veterinary and Food Safety Authority
NVA	Net Value Added
OPAC	Operational Programme Administrative Capacity
PAAI	Payment Agency for Agricultural Interventions
PARDF	The Payment Agency for Rural Development and Fishing
PSR	Propensity Score Matching
RCGF	Rural Credit Guarantee Fund
RCRIF	Regional Center for Rural Investment Financing
RDP	Rural Development Programme
SE(Q)	Specific Evaluation Question
SME	Small Medium Enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Technical Assistance
TAU	Territorial Administrative Unit
TIFH	Territorial Inspectorate Of Forest And Hunting
WUAI	Water Users' Association for Irrigation

1. Executive summary

1.1 Main findings of the evaluation

The performance framework is a tool of accountability introduced by the EU regulatory framework to strengthen and monitor the results orientation of programmes. The established milestones include financial indicators and performance indicators closely linked to the supported policy interventions. Thus, at the level of the performance framework there is a list of indicators predefined by the EC and alternative indicators selected by the MA, applicable to priorities 2-6, respectively: i) financial indicators; ii) performance indicators and iii) indicators related to other key implementation stages (signed contracts), which apply to those priorities where the contracts have a long implementation period and for which it is foreseen that no significant achievements will be registered until the end of 2018.

The calculation methodology applied to quantify the performance targets for the year 2023 was mainly established on the basis of the provisions of Regulation (EU) no. 1303/2013, of Regulation (EU) no. 480/2014, of Regulation (EU) no. 215/2014 and the methodological guide provided by the EC. At the same time, when setting the targets for 2023, the experience and lessons learned in the previous programming period 2007-2013 were taken into account. It can also be concluded that the way of setting the milestones follows the instructions of the European Commission, having followed the criteria related to their representativeness, the way of quantification, as well as the way of estimating the target values.

The review to the EU Regulation 215/2014 have modified the legal parameters that regulate the performance framework at the level of ESI (European, Structural and Investment) funds by adopting Commission Implementing Regulation (EU) 2018/276. The most relevant innovation of the amended regulation is that the financial and achievement indicators, as well as the related targets and objectives can be calculated based on the projects being implemented (physically started) and / or the completed projects. However, a prerequisite for applying this amendment to the regulation is the ability of the monitoring system to monitor the projects under implementation.

With the changes made to the regulation, for the financial indicators and the performance indicators monitored by AFRI (Agency for Financing Rural Investments), the milestones and targets are also calculated based on the physically started projects. Amendments to Regulation (EU) no. 215/2014 did not generate any modification of the way of collecting and centralizing the data at PAIA level

1.2 Conclusions and recommendations

Conclusions

The achievement rate of the milestones has reached the minimum threshold of 85% in the case of all indicators, which makes the parameters of the performance framework to be achieved at the level of all the priorities of the programme for 2018. Thus, all the alternative indicators established by the programme and 5 out of the 7 main indicators, set for all priorities, have achieved their milestone by 100%. The exception is found in the case of the indicator *Total public expenditure P5 (EUR)*, with a level



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of achievement of the milestone of 95,65% and in the case of the indicator *Population targeted by the LAG (intervention area 6B) (P6)*, with an achievement level of 90,81%.

Thus, it can be concluded that there were no major factors that would negatively influence the implementation of the NRDP and that the positive results recorded in this intermediate stage of monitoring the performance indicators further create the necessary premises for achieving the 2023 final targets.

Review of Regulation (EU) no. 215/2014 were found to have a significant level of utility in terms of how to quantify the programme's performances and contributed, at least partially, to the achievement of the milestones.

In the evaluator's opinion, the external factors should not prevent the implementation of the programme in the next period, considering the fact that solutions have been defined and applied in order to reduce their impact. The main focus should be on the capacity of the areas of intervention and the measures to contribute to the achievement of the final objectives of the performance framework. However, it is estimated that reaching the final targets will depend more on programme implementation and project implementation, than on the influence of exogenous factors.

The probability of reaching the final target is higher for priorities 2, 4 and 6. In this regard, MA expects all priorities to reach their milestone and target values. Before the changes made at the level of Regulation (EU) no. 215/2014, priorities 2 and 4 presented a more advanced stage of implementation and higher values of the financial and performance indicators compared to the other priorities of the programme. This situation is confirmed also after the amendments of the Regulation, because priorities 2, 4 and 6 are more likely to successfully reach the final targets, because the output indicators and the key implementation stages (for priority 6) have already exceeded the 85% threshold.

Given the achievement rate of the 2018 milestones, there seems to be no reason why the performance reserve should not be allocated to the program and priorities, according to the initial planning.

Recommendations

Although some indicators of the performance framework have exceeded the milestone set for 2018, it has been concluded that no changes in the target values for 2023 are expected. Some reviews could be made in terms of introducing new measures / sub-measures, rather than changing the achievement rate of the performance framework.

Financial corrections are not required, as the achievement rate of the stage objectives exceeds 65% in all cases, thus not being classified as a serious failure, according to the recommendations offered by the European Commission.

In the case of priorities 2, 4 and 6, the Payment Agencies should mainly take measures to carefully monitor payment procedures and public spending. In the case of priorities 3 and 5, the implementation of the related measures should be strengthened and streamlined.

2. Introduction

2.1 Purpose of the evaluation study

Evaluation study III - Performance framework was elaborated on the basis of the findings highlighted during the observation, analysis and evaluation stages of the NRDP 2014-2020 interventions, whose main aim is to examine the results of the programme from the perspective of reaching the targets set for 2023 and the milestones set for 2018.

In order to ensure the representative and comprehensive character of the analyzes carried out at the level of Evaluation Study III, during the research activities were pursued:

- Identificarea principalilor factori endogeni și exogeni care au influențat atingerea obiectivelor de etapă 2018 și modalitatea de adresare a acestor factori din perspectiva atingerii țintelor 2023.
- Evaluating the achievement degree of milestones in 2018, including identifying possible deviations and external factors that influence their attainment;
- Analysis of the reasoning that was the basis of the calculation methodology applied in order to quantify the 2018 milestones and the 2023 targets for the performance indicators established at the NRDP 2014-2020 level;
- Verification of compliance with the payment agencies' structures of the procedures for collecting the data necessary to calculate the predefined indicators of EC/ alternative indicators, applicable at the level of priorities (financial indicators and performance indicators);
- Identifying the main endogenous and exogenous factors that have influenced the achievement of the 2018 milestones and how to address these factors from the perspective of reaching the 2023 targets.

According to the elements presented in the following chapters, special attention will be paid to the methods adopted to determine the target values of the performance indicators, so as to evaluate their effectiveness in representing and capturing the results obtained during the implementation of the programme. This analysis will also be the knowledge base for the next programming period 2021-2028.

During the evaluation activities carried out, the team of experts used methods and techniques of qualitative and quantitative analysis, which based the answers to the evaluation questions and allowed the development of conclusions and recommendations presented at the evaluation study level.

The data that were the basis of the analyzes performed reflect the situation as of 31.12.2018.

2.2 Structure of the evaluation study

The content of the evaluation study was defined according to the requirements presented at the level of the contract award documentation and the working methodology agreed with the Contracting Authority.

Evaluation study III - Performance framework includes information regarding: the context of the implementation of NRDP 2014-2020; details regarding the main methodological elements and tools applied during the evaluation process (structure of the evaluation and evaluation methods used, the description of the key programme terms, the data source, techniques for data collection, techniques and methods to answer the evaluation questions); the content of the NRDP 2014-2020 from the perspective of strategies adopted and the planned financial allocations; answers to 5 evaluation questions; overall analysis of programme effectiveness (from the perspective of achieving the milestones and of the endogenous or exogenous influence factors).

Based on the answers provided to the evaluation questions, a series of conclusions were formulated - and where appropriate - recommendations on achieving the targets set for 2023.

3. Evaluation context

3.1 Description of the evaluation process

3.1.1 Description of terms of reference

The general objective of Evaluation Study III is represented by the analysis of the extent to which the programme interventions reached the milestones set for each priority, the evaluation of endogenous and exogenous factors that influenced the results of NRDP implementation, as well as the analysis of the effectiveness of methodological approach and the methods applied by programme authorities for estimating target values within the performance framework.

The evaluation study III is provided in the context of the thematic evaluation studies that are the subject of the contract "*The on-going evaluation of the National Rural Development Programme 2014-2020 during 2017-2020*" and contains answers to five specific questions:

- 1) To what extent were the 2018 milestones set for each priority achieved?
- 2) What are the main causes related to the implementation of NRDP that led to the failure to meet the 2018 milestones, if any? How can these causes be treated from the perspective of reaching the 2023 targets?
- 3) To what extent the external factors have led to not achieving the milestones in 2018, if any? How can these factors be treated towards the achievement of targets in 2023?
- 4) Towards which priorities that achieved the 2018 milestones objectives is it recommended to reallocate the amount corresponding to the performance reserve related to the priorities which did not meet the 2018 milestone objectives (if applicable)?

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- 5) What is the estimated level of achieving the 2023 targets established in the performance framework of NRDP 2014-2020? What are the actions needed to achieve the 2023 targets?

According to the provisions of the Joint Monitoring and Evaluation System, the on-going evaluation of the National Rural Development Program 2014-2020 is carried out by the independent evaluator ACZ Consulting SRL & t33 SRL, selected following a public tender procedure. Service contract *“On-going evaluation of the National Rural Development Program 2014-2020 in the period 2017-2020,”* was signed on April 5, 2017 and has a implementation duration of 46 months, out of which 43 months of implementation of project activities and 3 months required to make the final payment in accordance with the instructions for payment and the last installment payment.

The on-going evaluation process of the rural development programme involves the four methodological phases presented in the figure below:

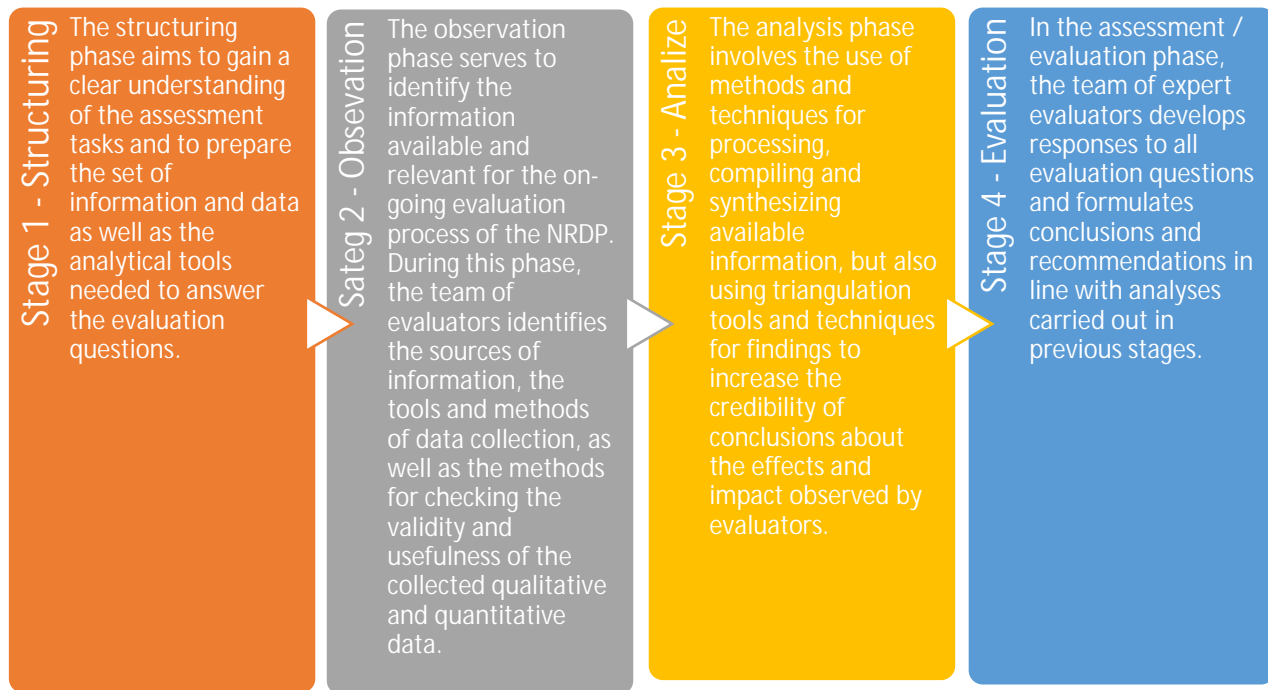


Figure no. 1 The on-going evaluation methodological phases

3.1.2 Scope and objectives of the evaluation

The on-going evaluation of the NRDP aims to analyze the effectiveness (the extent to which the set objectives have been met), the efficiency (the optimal relationship between the resources used and the results obtained), the relevance (the extent to which the planned objectives are in line with the needs, other aspects encountered in the programme implementation) and the socio-economic impact generated by programme interventions on the sustainable and balanced development of Romanian rural space.

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The overall objective of the contract is to carry out the NRDP 2014-2020 evaluation studies, both mandatory and foreseen by European regulations, and those identified by the Managing Authority for four years between 2017-2020. Seven evaluation studies will be provided, including two evaluation studies required to prepare the annual consolidated implementation reports to be transmitted to the European Commission in the years 2017 and 2019, and five thematic evaluation studies on the following issues: Performance Framework, mountain farming, small farms and the development of associative forms, Administrative capacity in the implementation of NRDP and the Environment and Climate Measures in the NRDP 2014-2020.

In addition to the seven evaluation studies, during the implementation period of the contractual activities starting in 2017, with an annual frequency up to and including 2020, the provider will analyze the net contribution of the NRDP interventions to the change in the value of the SEA indicators as well as the analysis of the degree to achieve the objectives of each measure in the NRDP.

3.2 Short presentation of relevant previous evaluations

According to the provisions of the European regulations, during the 2014-2020 programming period, the control of European funds is carefully monitored, so that all relevant stakeholders can be provided with useful information regarding the results of spending the European funds in relation to the needs, objectives and priorities identified at regional or national level.

In this context, NRDP is subject to ex-ante, on-going and ex-post evaluations, in order to improve the quality of the programme's elaboration and implementation, as well as to assess its effectiveness, efficiency and impact in relation to the needs and problems of rural development specific to Romania.

The NRDP 2014-2020 was evaluated prior to its implementation, by carrying out the ex-ante evaluation and the strategic environmental evaluation, as well as during the implementation period, by the on-going evaluation and the elaboration of the Evaluation Study I (AIR 2016 transmitted in 2017) , Evaluation study IV - Mountain area and Evaluation study II (AIR 2018 transmitted in 2019).

The following is a brief description of the main evaluations carried out at the NRDP 2014 - 2020 level.

Ex-ante evaluation of NDP 2014-2020

Overall objective: to improve the quality of the National Rural Development Program 2014-2020 and to provide value judgments and recommendations for improving and ensuring program coherence by identifying and evaluating problems.

Evaluation period: December 2013 – March 2015

Basis for evaluation in terms of European Union legislation and regulations:

- Regulation (UE) nr. 1303/2013;
- Regulation (UE) nr.1305/2013;
- Regulation (UE) nr. 1306/2013.



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Issues analyzed in the assessment:

1. Assessment of context and needs
2. External coherence, and internal coherence of the Program
3. Measure the progress and results of the Program
4. Analysis of the arrangements planned for the implementation of the Program
5. Evaluating horizontal themes

Strategic Environmental Assessment of NDRP 2014-2020

The overall objective of the Strategic Environmental Assessment (SEA) of the National Rural Development Program 2014-2020 was to integrate environmental issues with the aim of ensuring a high level of environmental protection and contributing to the sustainable development of Romania. The Strategic Environmental Assessment verified whether the likely significant environmental impacts generated by the implementation of the NRDP 2014-2020 are identified, described, evaluated and taken into account in the program development and adoption process.

Duration of the evaluation activities: December 2013 – March 2015

The basis of the evaluation from the point of view of the legislative norms and the Community regulations:

- Regulation (UE) nr. 1305/2013;
- Regulation (UE) nr. 1303/2013;
- Directive 2001/42 / EC of the European Parliament and of the Council on the assessment of the effects of certain plans and programs on the environment;
- Government Decision (HG) no. 1076/2004 on establishing the procedure for carrying out the environmental assessment for plans and programs;
- Directive 92/43/EEC (Habitat Directive);
- Order of the Minister of Environment no. 117/2006 approving the Government Decision Implementation Manual no. 1076/2004;
- Order of the Minister of Environment no. 480/2006 on the establishment and functioning of the Special Committee at central level involved in the SEA procedure stage;
- Order of the Minister of Environment no. 985/2006 for the approval of the indicative list of plans and programs falling within the scope of Government Decision no. 1076/2004.

Issues analyzed in the assessment:

- Assessing the current environmental situation and its likely evolution if the program is not implemented;
- Environmental assessment of certain parts of the program (proposed priority objectives, measures, activities, projects, options, etc.), including assessment of the cumulative effects of the whole program;
- Assessment of the proposed monitoring program (including identification of relevant environmental indicators and reporting methods).

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The on-going evaluation of NRDP 2014-2020: Evaluation study I – AIR 2016

Overall objective of the Evaluation Study I was represented by the evaluation of relevance, efficiency and effectiveness of the interventions supported through NRDP, but also of the impact and the factors of success or failure of the programme until the end of 2017. Thus, within the study, it was analysed the way in which the rural development programme has responded to the current needs of Romania, but also to the extent to which the programme has contributed to the priorities set at the European Union level.

Duration of the evaluation activities: April 2017 – September 2017

Issues analyzed in the assessment:

- Quantifying the achievements of the programme and evaluating the relevance, efficiency and effectiveness of the interventions supported through the NRDP, but also of the impact and success or failure factors of the programme;
- Analysis of the contribution of interventions supported through the NRDP in achieving the cross-cutting objectives;
- Establishing synergies between the priorities and the intervention areas of the programme;
- Appreciation of the delivery mechanisms of NRDP;
- Evaluating the contribution of the funds allocated to technical assistance to the achievement of the objectives;
- Evaluation of the contribution of the NRDP interventions in reaching the objectives of each rural development priority, but also in reaching the thematic objectives;
- Evaluation of compliance with the horizontal principles in the implementation of the program regarding (a) promoting equality between men and women and non-discrimination, (b) sustainable development, (c) the role of the partners mentioned in art. 5, 7, 8 of the EU regulation no. 1303/2013 in the implementation of the programme.

The on-going evaluation of NRDP 2014-2020: Evaluation study IV – Mountain area

The overall objective of the Evaluation Study IV was represented by the evaluation of relevance, efficiency and effectiveness of the NRDP interventions in the mountain area, but also of the impact and success or failure factors of the programme.

Duration of the evaluation activities: October 2017 – September 2018

Issues analyzed in the assessment:

- Evaluation of the extent to which NRDP interventions have contributed to the improvement of economic performance, the restructuring and modernization of operations in the mountain area;
- Analysis of the extent to which NRDP interventions have contributed to the development of small farms in the mountain area, through structural transformation and market opening;
- Evaluation of the extent to which the NRDP interventions contributed to the installation and maintenance of young farmers in the mountain area and to reducing abandonment of agricultural lands in the mountain area;



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- Analysis of the contribution of NRDP interventions to the sustainable management of forests and the conservation of biodiversity in the mountain area, the reduction of GHG and ammonia emissions generated by agriculture and the adaptation to climate change, etc.

The on-going evaluation of NRDP 2014-2020: Evaluation study II – AIR 2018

The overall objective of the Evaluation Study II was to evaluate the relevance, efficiency and effectiveness of interventions supported through NRDP, but also of the impact and factors of success or failure, reflecting the situation of the programme implementation at the end of 2018.

Duration of the evaluation activities: november 2018 – september 2019

Issues analyzed in the assessment:

- Quantifying the programme achievements and evaluating the relevance, efficiency and effectiveness of the interventions supported through NRDP, but also of the impact and success or failure factors of the programme;
- Evaluating the contribution of NRDP interventions in reaching the objectives of each rural development priority, but also in reaching the thematic objectives;
- Evaluating the compliance with the horizontal principles in the implementation of the programme regarding (a) promoting equality between men and women and non-discrimination, (b) sustainable development, (c) the role of the partners mentioned in art. 5, 7, 8 of the EU regulation no. 1303/2013 in the implementation of the program;
- Evaluating the contribution of NRDP interventions to meet the objectives of EU 2020 Strategy on increasing the employment rate among the population aged 20 to 64, increasing investments in research, innovation, development, mitigating the effects of climate change and reducing greenhouse gas emissions, reducing the number of European population below the poverty line, halting the loss of biodiversity and degradation of ecosystem services, etc.
- Evaluating the contribution of NRDP interventions to the CAP objectives on encouraging the competitiveness of agriculture, ensuring the sustainable management of natural resources and actions to combat climate change, balanced territorial development of rural economies and communities, including job creation and maintenance.

4. Methodology

4.1 Presentation of the structure of the evaluation and of the assessment methods used

The methodological approach used for the elaboration of Evaluation Study III includes a set of techniques and tools that bring together and combine the literature review, the analysis of administrative data from the monitoring system, the semi-structured interviews with the programme management authorities, the logical model and quantitative methods for analyzing the values recorded by the predefined or alternative performance indicators.

The literature review is one of the benchmarks used in the on-going evaluation of the programme and the main transversal method applied for the preliminary context analysis and the completion of the answers to the evaluation questions. The main criteria for selecting the documents included in the literature were: (1) availability; (2) relationship with the evaluation theme and (3) reference to sources of high scientific reputation (scientific articles/evaluations/public policy papers). For the literature review, both internal resources of the programme (e.g. the programme document, guides and technical sheets, evaluation studies) and external resources (e.g. European Commission Guidelines) were used.

The collection and analysis of administrative data underpin the methodological approach used to formulate the answers to the evaluation questions. The analysis of the administrative data represented the first stage during the evaluation, through which the measures / sub-measures and the implementation of the programme were analyzed, respectively based on which the field research activities were planned. The semi-structured interviews conducted with the representatives of the authorities involved in the programme management (MA NRDP, AFRI, PAIA) aimed at collecting information on the implementation stage of NRDP at the end of 2018, reasoning the calculation methodology applied in order to quantify the 2018 milestones and 2023 targets for performance indicators, success or failure factors that influenced the results obtained, as well as suggestions for improving the programme.

The quantitative methods were used in order to analyze the values recorded by the predefined indicators and alternative indicators of NRDP performance framework.

The logical model was used to rebuild the intervention logic and to check the changes and updates made on different versions of the NRDP. The central notion of the logical model is the idea of the causality of the programme, namely the ordering of the events in such a way that the presence of an event or action determines, or is the cause, of a subsequent event or action. The development of a logic model is therefore based on identifying a causal link between the internal and external elements of the program.

The reconstruction of the intervention logic involved the analysis of all measures financed through the NRDP 2014-2020, based on the last approved version of the NRDP 2014-2020 during the reporting period (version VIII, approved in December 2018). The second level of the analysis is related to the performance indicators and the way they are set in relation to the relevant measures. The third level of the logical model is related to areas of intervention and associated result/target indicators. The upper level of the intervention logic is represented by the priorities defined at the level of the NRDP, thus demonstrating the causality and the way of integrating the interventions financed by the programme.

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4.2 Description of key terms of the programme – Evaluation questions, evaluation criteria, target levels

The following table presents the correspondence between the evaluation questions, the key terms of the evaluation and the performance framework indicators used for the evaluation and analysis of 2018 milestones and 2023 final targets achievement.

Evaluation question	Key terms of evaluation/ evaluation criteria	Performance framework indicators (NRDP version VIII, approved in December 2018)	Alternative performance framework indicators (NRDP version VIII, approved in December 2018)
1) To what extent were the 2018 milestones set for each priority achieved?	<p>The achievement degree of milestones for 2018, at priority level</p> <p>Adequacy and compliance with the modalities / procedures for collecting the data necessary for calculating the performance framework indicators, applied at the level of payment agencies</p> <p>Usefulness and contribution of the amendments made to Regulation (EU) no. 215/2014 when reaching the 2018 milestones</p>	<p>Number of agricultural holdings with RDP support for investments in restructuring or modernization (intervention area 2A) + investment farms / business plans for young farmers supported by RDP (intervention area 2B)</p> <p>Target 2023: 12.760,00 Milestone 2018: 2.552,00 (20%) Achieved (2018): 12.361 (96,87%)</p> <p>Total public expenditure P2 (EUR) Target 2023: 1.989.793.142,00 Milestone 2018: 298.468.971,30 (15%) Achieved (2018): 901.344.207,70 (45,30%)</p> <p>Total public expenditure P3 (EUR) Target 2023: 1.139.506.157,00 Milestone 2018: 444.407.401,23 (39%) Achieved (2018): 471.468.885,30 (41,37%)</p>	<p>Number of beneficiaries supported for animal welfare Target 2023: 549,00 Milestone Stage: 384,30 (70%) Achieved (2018): 508 (92,53%)</p> <p>Number of operations supported by sub-measure 4.2 Target 2023: 279,00 Milestone 2018: 41,85 (15%) Achieved (2018): 86 (30,82%)</p> <p>Agricultural land subject to management contracts that contribute to biodiversity (intervention area 4A) + improvement of water management (intervention area 4B) + improvement of soil management and / or prevention of soil erosion + agricultural land subject to ANC payment contracts (area intervention 4C) Target 2023: 6.221.650,00</p>



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Evaluation question	Key tems of evaluation/ evaluation citeria	Performance framework indicators (NRDP version VIII, approved in December 2018)	Alternative performance framework indicators (NRDP version VIII, approved in December 2018)
		<p>Number of supported farms receiving support for participation in quality systems, local markets and short supply circuits, as well as producer groups (intervention area 3A) Target 2023: 1.768,00 Milestone 2018: Not the case Achieved (2018): Does not apply</p> <p>Number of farms participating in risk management systems (intervention area 3B) Target 2023: 5.400,00 Milestone 2018: Not the case Achieved (2018): Does not apply</p> <p>Total public expenditure P4 (EUR) Target 2023: 2.718.619.944,00 Milestone 2018: 1.087.447.977,60 (40%) Achieved (2018): 1.258.886.382,79 (46,31%)</p> <p>Agricultural land subject to management contracts that contribute to biodiversity (ha) (intervention area 4A) + improvement of water management (ha) (intervention area 4B) + improvement of soil management and / or prevention of soil erosion (ha) (area of intervention (4C) Target 2023: 1,521,650.00 Milestone 2018: Not the case Achieved (2018): Does not apply</p>	<p>Milestone 2018: 4.977.320,00 (80%) Achieved (2018): 5.951.836,37 (95.66%)</p> <p>Number of operations supported by sub-measure 4.1 (for example, manure storage, manure treatment) Target 2013: 435,00 Milestone 2018: 56,55 (13%) Achieved (2018): 200 (45,98%)</p> <p>Surface area (ha) targeted by investments for the purpose of saving water (for example, more efficient irrigation systems) -KIS Target 2013: 362.745,00 Milestone 2018: 145.098,00 (40%) Achieved (2018): 492.734,11 (135,83%)</p> <p>Number of operations contracted to improve basic services and infrastructure in rural areas (P6B and P6C) -KIS Target 2023: 1.192,00 Milestone 2018: 715,20 (60%) Achieved (2018): 2.064 (173,15%)</p>



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Evaluation question	Key tems of evaluation/ evaluation citeria	Performance framework indicators (NRDP version VIII, approved in December 2018)	Alternative performance framework indicators (NRDP version VIII, approved in December 2018)
		<p>Total public expenditure P5 (EUR) Target 2023: 809.147.000,00 Milestone 2018: 89.006.170,00 (11%) Achieved (2018): 85.139.062,71 (10,52%)</p> <p>Agricultural and forest lands subject to management contracts aimed at promoting carbon sequestration / conservation (ha) (intervention area 5E) + agricultural land subject to management contracts aimed at reducing GHG and / or ammonia (ha) emissions (intervention area 5D) + irrigated land moving to a more efficient irrigation system (ha) (intervention area 5A) Target 2023: 401.875,00 Milestone 2018: Not the case Achieved (2018): Does not apply</p> <p>Number of investment operations in energy saving and energy efficiency (intervention area 5B) + in the production of energy from renewable sources (intervention area 5C) Target 2023: 11,00 Milestone 2018: Not the case Achieved (2018): Does not apply</p> <p>Total public expenditure EUR P6 (EUR) Target 2023: 2.575.417.608,00 Milestone 2018: 154.525.056,48 (6%) Achieved (2018): 556.799.069,65 (21,62%)</p>	



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Evaluation question	Key tems of evaluation/ evaluation citeria	Performance framework indicators (NRDP version VIII, approved in December 2018)	Alternative performance framework indicators (NRDP version VIII, approved in December 2018)
		<p>Number of supported operations aimed at improving basic services and infrastructure in rural areas (intervention areas 6B and 6C) Target 2023: 1.192,00 Stage 2018: Not the case Achieved (2018): Does not apply</p> <p>LAG population (intervention area 6B) Target 2023: 9.610.132,00 Milestone 2018: 9.610.132,00 (100%) Achieved (2018): 8.726.539,00 (90,81%)</p>	
<p>2) What are the main causes related to the implementation of NRDP that led to the failure to meet the 2018 milestones, if any? How can these causes be treated from the perspective of reaching the 2023 targets?</p>	<p>Influence of endogenous and exogenous factors on the degree of implementation / absorption at programme level</p> <p>The contribution of the remedial measures adopted by the programme management authority to accelerate the implementation / absorption degree and reach the 2018 milestones.</p> <p>The extent to which the pogramme implementation reflects the consideration of lessons learned in the previous programming period</p> <p>Recommendations for mitigation / elimination of factors that may prevent the achievement of 2023 targets</p>		

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Evaluation question	Key tems of evaluation/ evaluation citeria	Performance framework indicators (NRDP version VIII, approved in December 2018)	Alternative performance framework indicators (NRDP version VIII, approved in December 2018)
3) To what extent the external factors have led to not achieving the milestones in 2018, if any? How can these factors be treated towards the achievement of targets in 2023?	<p>The influence of exogenous factors regarding the achievement of 2018 milestones</p> <p>Recommendations for mitigation / elimination of exogenous factors that may prevent the achievement of 2023 targets</p>		
4) Towards which priorities that achieved the 2018 milestones objectives is it recommended to reallocate the amount corresponding to the performance reserve related to the priorities which did not meet the 2018 milestone objectives (if applicable)?	<p>Priorities for reallocating the performance reserve have been identified (if applicable)</p>		
5) What is the estimated level of achieving the 2023 targets established in the performance framework of NRDP 2014-2020? What are the actions needed to achieve the 2023 targets?	<p>Estimări privind atingerea valorilor țintă finale (în 2023)</p> <p>Recomandări privind posibilele acțiuni necesare în vederea atingerii valorilor țintă în anul 2023</p> <p>Estimates for reaching final target values (in 2023)</p> <p>Recommendations regarding the possible actions needed to reach the target values in 2023</p>		

4.3 Data sources, data collection techniques

During the research activities, the evaluation team used data collected from primary and secondary sources, which based the answers to the evaluation questions and allowed the analysis of programme implementation effectiveness.

The data from primary sources were collected through field research, respectively by conducting semi-structured interviews with key actors involved in the management, implementation and monitoring of NRDP 2014-2020.

Secondary sources used for data collection were the documents included in the literature review and databases from the programme monitoring system.

4.3.1 Primary data sources

Semi-structured interviews

The semi-structured interviews investigated the factors involved in the management and implementation of the programme, in order to identify and analyze the achievements, results and factors that influenced programme implementation.

The information was collected through 3 semi-structured interviews, conducted face to face with the authorities involved in the management and implementation of NRDP: representatives of the Managing Authority (1 interview), representatives of AFRI (1 interview), representatives of PAIA (1 interview)

In order to organize the interviews, the following steps were taken:

- Developing the list of interviewed participants and interview guides and submit them to the Contracting Authority. The interview guide allowed a certain degree of flexibility among the issues discussed and the responses received, so as to ensure the possibility of deepening the additional aspects of interest identified during the discussion.
- Contacting interviewees to check the availability for participation;
- Submitting the interview guide to interviewees prior to conducting interviews to familiarize them with the main topics/questions to be discussed during the interview;
- Carrying out interviews and drafting interview reports;
- Submitting interview reports to discussion participants to update/refresh the content of the document, if applicable;
- If a feedback from interviewees was received on the interview report, the updating and finalizing of the document was realized according to the comments received.

4.3.1 Secondary data sources

The analysis of the specialized literature included strategic documents, studies and analyzes at national and European level, specialized articles and papers published internationally, guides and guidelines of the European Commission regarding the performance framework indicators, etc.

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Data from the programme monitoring system was provided by the MA NRDP, AFRI and PAIA and was used to analyze the indicators associated with the evaluation questions.

4.4 Techniques / methods for answering evaluation questions and drawing conclusions

The following table presents the methodology used to formulate the answers to the evaluation questions

Evaluation question	Administrative data	Literature review	Interviews	Logic model
1. To what extent were the 2018 milestones set for each priority achieved?	X	X	X	X
2. What are the main causes related to the implementation of NRDP that led to the failure to meet the 2018 milestones, if any? How can these causes be treated from the perspective of reaching the 2023 targets?	X	X	X	X
3. To what extent the external factors have led to not achieving the milestones in 2018, if any? How can these factors be treated towards the achievement of targets in 2023?	X	X	X	X
4. Towards which priorities that achieved the 2018 milestones objectives is it recommended to reallocate the amount corresponding to the performance reserve related to the priorities which did not meet the 2018 milestone objectives (if applicable)?	X	X	X	X
5. What is the estimated level of achieving the 2023 targets established in the performance framework of NRDP 2014-2020? What are the actions needed to achieve the 2023 targets?	X	X	X	X

4.5 Difficulties or limitations of the methodology used

The methodological approach used had a predominantly qualitative character, according to the aspects established at the level of the methodology approved for the elaboration of the Evaluation Study III. The evaluation activities were carried out in compliance with the planned deadlines, and no significant obstacles or specific difficulties were encountered.

5. Answer to the evaluation question

5.1 Analysis and discussion of the indicators respecting the evaluation criterion and the targets referred to in the evaluation questions

The performance framework is a tool that provides guidance on achieving the results proposed for implementing ESI Funds. In this respect, a set of milestones and final targets has been defined for each priority of the National Rural Development Programme, except for the priority regarding technical assistance.

The specific indicators of the performance framework refer both to the milestones, to be reached by December 31, 2018, and to the final targets, to be reached by December 31, 2023. The milestones are set for each priority and represent intermediate targets directly linked to the achievement of the specific objective of a priority, which expresses the progress that is intended to be registered in order to meet the target set for the end of the period. The established milestones include financial indicators and performance indicators closely related to the supported policy interventions. Thus, in the case of NRDP, at the level of the performance framework there is a list of indicators predefined by the EC and alternative indicators, applicable to priorities 2-6, respectively: i) financial indicators; ii) performance indicators and iii) indicators related to other key implementation stages (signed contracts), which apply to those priorities where the contracts have a long implementation period and for which it is foreseen that no significant achievements will be registered until the end of 2018;

According to the analysis carried out, it can be concluded that the way of setting the stage objectives follows the instructions of the European Commission, having followed the criteria imposed, as presented below:

- realistic and achievable (the milestones are neither too low nor too high, depending on the evidence of previous or similar experience);
- relevant and capturing essential information about the progress of a priority, reflects the objectives and operations of the priority;
- in accordance with the nature and character of the specific objectives of the priority - the stage objectives are in accordance with the intervention logic of the priority;
- transparent, with objectively verifiable values and whose data source are identified;
- verifiable, without imposing a disproportionate administrative burden.

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Table no. 1 Correspondence of the way of setting the milestones with the criteria imposed by the European Commission

Priority	Milestone	Realistic and Achievable	Relevant and in accordance with priority objectives	Transparent and verifiable	
P2: Increasing the viability of farms and the competitiveness of all types of agriculture in all regions and promoting innovative agricultural technologies and sustainable forest management;	Number of agricultural holdings with RDP support for investments in restructuring or modernization (focus area 2A) + investment farms / business plans for young farmers supported by PDR (focus area 2B)	The experience from the previous implementation stage was taken into account as the two measures contributing to the stage objective have correspondent in the 2007-2013 programming period.	The implementation of the corresponding measures was analyzed (112 and 121 vegetable) as well as the fact that the related beneficiaries with transitional commitments also contribute to the milestone transitional (corresponding to sub-measures 4.1 and 6.1).	There is data or evidence as well reference values obtained from the previous implementation period. The value of the milestone is calculated by the information obtained from the monitoring process carried out during the evolution of the projects and the programme.	✓
	Total public expenditure P2 (EUR)	The previous experience was taken into account, based on the financial implementation of the corresponding measures of the 2007-2013 programming period, as well as the fact that the beneficiaries contribute to the stage objective related to transitional commitments.	Financial indicator, which refers to the expenses realized and recorded in the monitoring system of the related measures, which contribute to priority 2..	The amount of public expenditure related to the relevant measures is recorded in the monitoring system of the NRDP, according to the monitoring and reporting plan.	✓
P3: Promote the organization of the food chain, including the sectors for processing and	Total public expenditure P3 (EUR)	The experience from the previous programming period was taken into account. Thus, it was taken into account that a significant part of the financial allocation related	Financial indicator, which refers to the expenses realized and recorded in the monitoring system of	The amount of public expenditure related to the relevant measures is recorded in the monitoring system of the NRDP, according to	✓

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Priority	Milestone	Realistic and Achievable	Relevant and in accordance with priority objectives	Transparent and verifiable	
marketing agricultural products, animal welfare and risk management in agriculture		to this priority corresponds to the measure 14 Welfare Animals - (commitments concluded between 2007-2013) that were completed in the current implementation period.	the related measures, which contribute to priority 3.	the monitoring and reporting plan.	
	Number of supported farms receiving support for participation in quality systems, local markets and short supply circuits, as well as producer groups (focus area 3A)	In the case of this indicator, the condition of the 50% threshold is not met. Thus, an additional specific indicator was chosen (alternatively) which is relevant in the case of Ro - "The number of farms supported for animal welfare"	-	-	Not applicable
	Number of farms participating in risk management systems (focus area 3B)	In the case of this indicator, the condition of the 50% threshold is not met. Thus, the alternative indicator was chosen "The number of farms supported for animal welfare"	-	-	Not applicable
P4: Restoration, conservation and strengthening of ecosystems related to agriculture and forestry	Total public expenditure P4 (EUR)	In the case of environmental measures, the setting of intermediate milestones was based on previous experience, respectively from the analysis of the situation existing in 2011 for the corresponding measures. Also, the annual payments were taken into account and the premise that most of the current beneficiaries will request support through the new programming period. In	To this priority a significant contribution is made by the measures: agri-environment and climate (measure 10) and payments for areas facing natural constraints or other specific constraints (measure 13).	The amount of public expenditure related to the relevant measures is recorded in the monitoring system of the NRDP, according to the monitoring and reporting plan.	✓


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Priority	Milestone	Realistic and Achievable	Relevant and in accordance with priority objectives	Transparent and verifiable	
		conclusion, an estimate of the use of 40% of the P4 budget was made (proportional to the period of time).			
	Agricultural land subject to management contracts that contribute to biodiversity (ha) (focus area 4A) + improvement of water management (ha) (focus area 4B) + improvement of soil management and / or prevention of soil erosion (ha) (focus area 4C)	In the case of this indicator, the condition of the 50% threshold is not met. An alternative indicator was chosen "Agricultural lands that are the subject of contributing management contracts biodiversity (focus area 4A) + improvement of water management (focus area 4B) + improving soil management and / or preventing soil erosion + subject agricultural land ANC payment contracts (focus area 4C) "	-	-	Not applicable
P5: Promote the efficient use of resources and support the transition to a low carbon and climate resilient economy in the agricultural, food and forestry sectors	Total public expenditure P5 (EUR)	In establishing the milestones, the high degree of project complexity and their long duration of implementation, was considered of, as well as the experience of the previous programming period.	82% of the allocation related to this priority corresponds to the measure of investments in physical assets, the amounts being intended for complex investments especially in livestock farms and investments for rehabilitation and modernization of irrigation systems.	The amount of public expenditure related to the relevant measures is recorded in the monitoring system of the NRDP, according to the monitoring and reporting plan.	✓

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Priority	Milestone	Realistic and Achievable	Relevant and in accordance with priority objectives	Transparent and verifiable	
			The expenses incurred are recorded in the monitoring system of the related measures, which contribute to priority 5.		
	Agricultural and forest lands subject to management contracts aimed at promoting carbon sequestration / conservation (ha) (focus area 5E) + agricultural land subject to management contracts aimed at reducing GHG and / or ammonia (ha) emissions (focus area 5D) + irrigated land moving to a more efficient irrigation system (ha) (focus area 5A)	Given the importance of sub-measure 4.3 in the area of intervention 5A, an indicator will be used KIS - "Surface irrigated by switching to a more efficient irrigation system".	-	-	Not applicable
	Number of investment operations in energy saving and energy efficiency (intervention area 5B) + in the production of energy from renewable sources (focus area 5C)	In the case of this indicator, the condition of the 50% threshold is not met. An alternative identifier was chosen.	-	-	Not applicable
P6: Promoting social inclusion, poverty reduction and economic	Total public expenditure EUR P6 (EUR)	Expected level of payments is small due to the high degree of complexity of the projects, complexity of the preparation process a	The financial allocation of this measure is distributed among the measures	The amount of public expenditure related to the relevant measures is recorded in the monitoring system of	✓

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Priority	Milestone	Realistic and Achievable	Relevant and in accordance with priority objectives	Transparent and verifiable	
development in rural areas		the documentation needed to access the support, as well as how the financing is operated.	intended to support the activities of processing and non-agricultural, basic infrastructure and LEADER. Expenses are recorded in the monitoring system of the related measures, which contributes to the priority 6.	the PNDR, according to the monitoring and reporting plan.	
	Number of supported operations aimed at improving basic services and infrastructure in rural areas (focus areas 6B and 6C)	In the case of focus area 6B, a KIS indicator is proposed, due to the high degree of complexity of projects), based on experience from the 2007-2013 programming period	-	-	Not applicable
	LAG population (intervention area 6B)	The stage objective is achieved under the conditions in which the LAGs cover the whole territory of Romania.	The objective of the 2014-2020 programming period is to increase the area covered by LAGs and implicitly the population, up to the threshold of 100% of the total rural population.	The population targeted by LAGs can be checked based on the information provided by LAGs, as well as national statistical data.	 The information provided by LAGs may differ from national statistical data.

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Table no. 2 The correspondence of the way of setting the stage objectives with the criteria of the European Commission

Priority	Milestone	Realistic and Achievable	Relevant and in accordance with priority objectives	Transparent and verifiable	
P3: Promote the organization of the food chain, including the sectors for processing and marketing agricultural products, animal welfare and risk management in agriculture	Number of beneficiaries supported for animal welfare	This indicator is related both to the commitments made for animal welfare in the period 2007-2013 and to the new commitments generated since the introduction of measure 14. It has been taken into account that the new measure introduced will not have effects in terms of support (payment made) until in 2019.	The indicator directly targets interventions through priority 3 on animal welfare.	The number of beneficiaries is registered in the NRDP monitoring system, according to the monitoring and reporting plan.	✓
	Number of operations supported by sub-measure 4.2	In setting the target and the stage objective, the complexity of the projects was taken into account, as well as previous programming experience.	The proposed additional indicator refers to investments in the processing and marketing of agri-food products that contribute to the promotion and the functioning of short supply chains and local markets.	The number of operations supported by sub-measure 4.2 are monitored by the MA NRDP.	✓
P4: Restoration, conservation and strengthening of ecosystems related to agriculture and forestry	Agricultural land subject to management contracts that contribute to biodiversity (focus area 4A) + improvement of water management (focus area 4B) + improvement of soil management and / or prevention of soil erosion + agricultural land subject to ANC payment contracts (focus area 4C)	During the programming period 2007-2013, the area with commitment contracts from the corresponding measures considered as a landmark (M211, M212 and M214) it reached 76.5%, for which a percentage of 80% for intermediate targets.	Given the preset indicator by COM and the fact that it does not meet the condition that this indicator holds more than 50% of the priority, the surface has been added supported for payments from ANC, whose allocation holds over 50% of the P4 allocation.	The values recorded at the level of the relevant measures are reported in the NrDP monitoring system, according to the monitoring and reporting plan.	✓

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Priority	Milestone	Realistic and Achievable	Relevant and in accordance with priority objectives	Transparent and verifiable	
P5: Promote the efficient use of resources and support the transition to a low carbon and climate resilient economy in the agricultural, food and forestry sectors	Number of operations supported by sub-measure 4.1 (for example, manure storage, manure treatment)	In establishing the stage objective for the year 2018, the degree of accomplishment of these projects through PNDR 2007-2013 and the large number of canceled projects were considered.	The additional indicator chosen is relevant, especially for investments in the modernization and construction of farms that respect animals. environmental standards (waste disposal systems, garbage platforms, sewage treatment plants, etc.).	The values are recorded in the NRDP monitoring system, according to the monitoring and reporting plan.	✓
	Surface area (ha) targeted by investments for the purpose of saving water (for example, more efficient irrigation systems) -KIS	When establishing the stage objective, it was taken into account that the development and implementation of the projects requires a longer period of time and that the beneficiaries are organizations of water users for irrigation, in the programming 2007-2013 the percentage of employment (contracting) being of 32.6% of the predicted targets through the programme.	The indicator refers to the area committed by the investment contracts regarding the efficient management of water and the application of systems of water saving by modernizing the irrigation systems (water metering, loss reduction, etc.).	The values are recorded in the NRDP monitoring system, according to the monitoring and reporting plan.	✓
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	Number of operations contracted to improve basic services and infrastructure in rural areas (P6B and P6C) -KIS	The use of the key stage indicator (KIS) is relevant because investments have a high level of complexity and require a longer period for implementation.	By defining the indicator, the conditions for achieving the objectives related to priority 6 are met.	The values are recorded in the NRDP monitoring system, according to the monitoring and reporting plan.	✓

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In the context of analysis on the performance framework, a series of evaluation criteria have been selected, which correspond to the recommendations offered by the European Commission, so that, in their perspective, it is possible to reach conclusions relevant to the proposed purpose. Thus, from the perspective of the modalities and procedures for collecting the information necessary for the calculation of the indicators, it can be stated that the PNDR respects the rules imposed by the Commission, these being used constantly by the Managing Authority, AFRI and PAIA throughout the implementation period of the program. (their description is made in chapter 6 of this document). As a result, data collected on the state of the projects, at the level of the sub-measure / measure, area of intervention or priority are available (through the monitoring system) and offer the possibility of analysis at any time of the year.

Regarding the degree of achievement of the stage objectives, according to the information provided by the Annual Implementation Report 2018, it is respected in the case of all indicators, they exceeding the 85% fulfillment weight for the values established until the end of 2018. Below is the summary the degree of achievement of the objectives at the level of each indicator, or alternative indicator, of performance established at the priority level of the program (the resulting conclusions can be found in chapter 5.2 of this document):

Table no. 3 Achievement rate of performance indicators

Priority	Indicator and unit of measure, if applicable	Target 2023	Milestone 2018	Value reached by the end of 2018 (projects completed and projects under implementation with at least one payment made)
P2: Increasing the viability of farms and the competitiveness of all types of agriculture in all regions and promoting innovative agricultural technologies and sustainable forest management;	Number of agricultural holdings with RDP support for investments in restructuring or modernization (focus area 2A) + investment farms / business plans for young farmers supported by PDR (focus area 2B)	12.760,00	2.552,00 (20%)	12.361 (96,87%)
	Total public expenditure P2 (EUR)	1.989.793.142,00	298.468.971,30 (15%)	901.344.207,70 (45,30%)
P3: Promote the organization of the food chain, including the sectors for processing and marketing	Total public expenditure P3 (EUR)	1.139.506.157,00	444.407.401,23 (39%)	471.468.885,30 (41,37%)
	Number of supported farms receiving support for participation in quality systems, local markets and short supply circuits,	1.768,00	Not applicable	

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Priority	Indicator and unit of measure, if applicable	Target 2023	Milestone 2018	Value reached by the end of 2018 (projects completed and projects under implementation with at least one payment made)
agricultural products, animal welfare and risk management in agriculture	as well as producer groups (focus area 3A)			
	Number of farms participating in risk management systems (focus area 3B)	5.400,00	Not applicable	
P4: Restoration, conservation and strengthening of ecosystems related to agriculture and forestry	Total public expenditure P4 (EUR)	2.718.619.944,00	1.087.447.977,60 (40%)	1.258.886.382,79 (46,31%)
	Agricultural land subject to management contracts that contribute to biodiversity (ha) (focus area 4A) + improvement of water management (ha) (focus area 4B) + improvement of soil management and / or prevention of soil erosion (ha) (focus area 4C)	1.521.650,00	Nu se aplică	
P5: Promote the efficient use of resources and support the transition to a low carbon and climate resilient economy in the agricultural, food and forestry sectors	Total public expenditure P5 (EUR)	809.147.000,00	89.006.170,00 (11%)	85.139.062,71 (10,52%)
	Agricultural and forest lands subject to management contracts aimed at promoting carbon sequestration / conservation (ha) (focus area 5E) + agricultural land subject to management contracts aimed at reducing GHG and / or ammonia (ha) emissions (focus area 5D) + irrigated land moving to a more efficient irrigation system (ha) (focus area 5A)	401.875,00	Not applicable	
	Number of investment operations in energy saving and energy efficiency (intervention area 5B) + in the production of energy	11,00	Not applicable	

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Priority	Indicator and unit of measure, if applicable	Target 2023	Milestone 2018	Value reached by the end of 2018 (projects completed and projects under implementation with at least one payment made)
	from renewable sources (focus area 5C)			
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	Total public expenditure EUR P6 (EUR)	2.575.417.608,00	154.525.056,48 (6%)	556.799.069,65 (21,62%)
	Number of supported operations aimed at improving basic services and infrastructure in rural areas (focus areas 6B and 6C)	1.192,00	Not applicable	
	LAG population (intervention area 6B)	9.610.132,00	9.610.132,00 (100%)	8.726.539,00 (90,81%) ¹

Source: NRDP Programme Document 2014-2020, version VIII, December 2018 and the Annual Implementation Report 2018, submitted in 2019

Table no. 4 Achievement rate of performance indicators

Priority	Indicator and unit of measure, if applicable	Target 2023	Milestone 2018	Value reached by the end of 2018 (projects completed and projects under implementation with at least one payment made)
P3: Promote the organization of the food chain, including the sectors for processing and marketing agricultural products, animal welfare and risk management in agriculture	Number of beneficiaries supported for animal welfare	549,00	384,30 (70%)	508 (92,53%)
	Number of operations supported by sub-measure 4.2	279,00	41,85 (15%)	86 (30,82%)
P4: Restoration, conservation and strengthening of ecosystems related to agriculture and forestry	Agricultural land subject to management contracts that contribute to biodiversity (focus area 4A) + improvement of water management	6.221.650,00	4.977.320,00 (80%)	5.951.836,37 (95,66%)

¹ According to the data provided by the National Institute of Statistics, the resident population in the rural area, at the end of 2018, was 8,955,328. Results a target achievement of of 97.44%.

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Priority	Indicator and unit of measure, if applicable	Target 2023	Milestone 2018	Value reached by the end of 2018 (projects completed and projects under implementation with at least one payment made)
	(focus area 4B) + improvement of soil management and / or prevention of soil erosion + agricultural land subject to ANC payment contracts (focus area 4C)			
P5: Promote the efficient use of resources and support the transition to a low carbon and climate resilient economy in the agricultural, food and forestry sectors	Number of operations supported by sub-measure 4.1 (for example, manure storage, manure treatment)	435,00	56,55 (13%)	200 (45,98%)
	Surface area (ha) targeted by investments for the purpose of saving water (for example, more efficient irrigation systems) -KIS	362.745,00	145.098,00 (40%)	492.734,11 (135,83%)
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	Number of operations contracted to improve basic services and infrastructure in rural areas (P6B and P6C) -KIS	1.192,00	715,20 (60%)	2.064 (173,15%)

Source: NRDP Programme Document 2014-2020, version VIII, December 2018 and the Annual Implementation Report 2018, submitted in 2019

5.2 Answers to the evaluation questions

EQ 1. To what extent were the 2018 milestones set for each priority achieved?

Key terms of evaluation / evaluation criteria

- The achievement rate of the milestones for 2018, at priority level
- Adequacy and compliance with the modalities / procedures for collecting the data necessary for calculating the performance framework indicators, applied at the level of the payment agencies
- The usefulness and contribution of the amendments made to Regulation (EU) no. 215/2014 when reaching the 2018 stage objectives

Methods and data sources - To formulate the answer to this evaluation question was used a mix of methodological methods and tools that included the literature review (with emphasis on PNDR program documents, annual implementation reports, Guide on the performance framework elaborated by the European Commission, etc.) analysis of the administrative data available at the level of the monitoring system and interviews with the representatives of the Methodology, Monitoring, Coordination and Evaluation Department within the MA of NRDP, respectively the AFRI and PAIA representatives. In addition to the above, the evaluation team used the concept of a logical model to provide an answer to the evaluation question.

Answer

According to the provisions of the EU Implementing Regulation no. 215/2014 and Reg. EU 1303/2013 of the European Parliament and of the Council, in the year 2019, based on the AIR 2018, the Member States must reach at least 85% of the value of a stage objective in order to consider that it has been achieved, while, a value below 65% of the stage objective is considered to be a failure (with derogations depending on the number of indicators set on priority).

Analyzing the values of the indicators associated with the performance framework, we notice an advanced stage regarding the achievement of the 2018 stage objectives, all the indicators predefined by the EC having values over 85% of the absolute value of the stage. In the case of alternative performance indicators, the situation is extremely positive, as the objectives set for 2018 have been achieved in most cases, since the end of 2017.

The progress made towards achieving the stage objectives can be explained, at least in part, by the changes made to Regulation (EU) no. 215/2014, changes that have been shown to have a significant contribution to meeting the objectives assumed for 2018, from at least two perspectives:

i) firstly, by establishing the key stages of implementation (signed contracts), which is applicable in the case of those priorities where the contracts have a long implementation period and for which it was foreseen that no significant achievements will be registered until the end of 2018 (eg priority 6, where

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the specificity of the projects requires a higher level of complexity and a longer period of implementation and completion of investments);

ii) the updates of the EU regulation also contributed to overcoming the time gaps and the synchronization between the approval of the program (May 2015), the finalization and the approval of the European regulations (2014) and the signing of the first financing contracts within the NRDP (2016).

The positive results registered until the end of 2018 were also determined by the measures adopted by the PNDR MA in order to accelerate the degree of implementation / absorption at the program level and to reach the stage objectives, materialized in: i) simplifying procedures (introducing the possibility of submission on-line documentation, creation of databases with reference prices, etc.) and reducing the number of documents requested to potential beneficiaries, ii) intensifying information actions among potential beneficiaries, iii) increasing the allocation for the livestock sector, at the level of SM 4.1, and the orientation of the support to the complex projects (from the vegetal and zootechnical sector) that demonstrate the contribution to the FA 5D etc.

Regarding the modality or the procedures for collecting the data necessary for the calculation of the performance framework indicators, from the field analyzes (interviews with MA NRDP, AFRI and PAIA representatives), it was noted that the changes made to Regulation (EU) no. 215/2014 generated difficulties at the level of the payment agencies, of which the most important was to determine the status of the project (determining whether or not the project was physically started). The administrative effort to collect these data was a significant one, especially in the case of those projects at the first or second payment installment².

Conclusions – By 2018, all the indicators related to the PNDR 2014-2020 performance framework have reached the value of the 2018 stage or have exceeded the 85% threshold. Thus, it can be deduced that the positive results recorded in this intermediate stage of monitoring the performance indicators further create the necessary premises for achieving the final 2023 targets.

Updates to Regulation (EU) no. 215/2014 were found to have a significant level of utility in terms of how to quantify the program's performances and contributed, at least partially, to the achievement of the stage objectives.

The methods and procedures for collecting data at the level of the payment agencies are appropriate in relation to the needs of recording and monitoring the indicators of the performance framework.

Recommendations – Not the case

² Although the checks for each installment were performed, the paying agency did not have in the electronic system the information that the beneficiary started the work. Specifically, it was not known whether a certain payment installment registered in the system corresponds to physical works or if only expenses related to the services are settled. Therefore, for the collection of information on the type of expenses, specific forms, already existing on the payment stream (payment authorizations), were used, to which were added additional fields.

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EQ 2. What are the main causes related to the implementation of NRDP that led to the failure to meet the 2018 milestones, if any? How can these causes be treated from the perspective of reaching the 2023 targets?

Key terms of evaluation / evaluation criteria

- Influence of endogenous and exogenous factors on the status of implementation / absorption at programme level

Methods and data sources – To formulate the answer to this evaluation question was used a mix of methods and methodological tools that included the review of the specialized literature (with emphasis on the annual implementation reports) the analysis of the administrative data available at the level of the monitoring system and the interviews with the representatives of the Methodology, Monitoring, Coordination and Evaluation Department within the MA NRDP, respectively the AFRI and PAIA representatives. In addition to the above, the evaluation team used the concept of a logical model to provide an answer to the evaluation question.

Answer

According to the information collected from the PNDR MA and according to the Annual Implementation Report 2018, all the stage objectives were achieved in proportion of over 85% of the planned value. At the same time, it is noted that in most cases, the values reached by the end of 2018 exceed, in the case of certain indicators, the target values set for 2023, with the premise that most of the indicators established by the program will be reached by the end of the reporting period. In this context, it can be stated that, so far, the implementation of the NRDP has made a positive contribution to achieving the set targets and stage goals.

Thus, all the alternative indicators established by the program and 5 of the 7 main indicators set at the level of all the priorities have reached their stage objective at 100%. The exception is found in the case of the indicator Total public expenditure P5 (EUR), with a degree of achievement of the stage objective of 95.65% and in the case of the indicator Population targeted by the LAG (intervention area 6B) (P6), with degree of attainment of the 90.81% stage goal.

In the case of the indicator Total public expenditure P5 (EUR), there are potential exogenous factors that influence the attainment of the stage objectives / target objectives: i) the aging phenomenon of the population; ii) the reluctance of potential beneficiaries to access new packages; iii) the complexity of the conditions that the beneficiaries must respect and the specific knowledge required. As a factor aimed at the implementation of the NRDP, a potential negative effect in terms of achieving the performance framework objectives is represented by the delayed launch of the financial instrument (2018), which supports the potential beneficiaries in ensuring the co-financing rate of the project (in case the measures to which this principle applies).

In the case of the indicator The population targeted by the LAG (intervention area 6B) (P6) it is noted that the selected stage objective does not correspond to the values registered by the National Institute of



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Statistics, the total population residing in the rural area being 8,955,328 (the year 2018), resulting in a degree of achievement of 97.44%. In this context, there is the possibility of erroneous estimates regarding the coverage of the population by the LAG, including due to the discrepancies between the information collected and provided by the different LAGs. However, the high level of population coverage by LAGs represents a purely theoretical estimate, based on the information provided by LAGs, and does not mean that the entire population actually benefits (directly or indirectly) from the projects proposed through Local Development Strategies.

Conclusions - All the indicators related to the 2014-2020 PNDR performance framework have reached the value of the 2018 stage or have exceeded the 85% threshold. Thus, it can be concluded that there were no major factors that would negatively influence the implementation of the NRDP, and from the perspective of reaching the 2023 targets it is estimated that most of the proposed values will be successfully achieved.

Recommendations – Not applicable.

EQ3. To what extent the external factors have led to not achieving the milestones in 2018, if any? How can these factors be treated towards the achievement of targets in 2023?

Key terms of the evaluation/evaluation criteria

- Influence of exogenous factors in reaching the 2018 milestones;
- Recommendations for mitigation / elimination of exogenous factors that may prevent the achievement of 2023 targets.

Methods and data sources – The answer to the evaluation question used the qualitative findings of the interviews with the Managing Authority – Monitoring Department, AFRI and PAIA and the findings of the Evaluation Study II supporting the AIR 2019. Moreover, administrative data will be used to identify the implementation status of all the priorities and gap from the milestone value for 2018. Document review will be based on programme documents with the specific purpose of highlighting the methods to determine target values. Logic model will support the answer to understand the logic chain of each priority and the specific contribution of measures to the indicators.

Answer - The analysis of the milestones in 2018 shows the programme priorities have achieved the planned values in spite of the negative contribution of the following external factors: social factors (aging population and the reluctance of potential beneficiaries to access new packages); legal and administrative complexity and swine fever. Meanwhile, the Managing Authority has also launched various initiatives to improve information and communication activities, simplifying the procedures (introduction of the possibility of on-line filing of documentation, creation of reference price databases, etc.) and reducing the number of requested documents for potential beneficiaries, reallocation of available funds from focus areas that were under implementation bottlenecks (5D) to better performing areas (2A) and to address new needs (e.g. swine fever), improving the implementation of less performing priorities, for example for



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P5, the last session of submission of projects under sM 4.1 was directed to the selection of zootechnical projects contributing to FA 5D.

Conclusions – In the evaluator's opinion, these external factors should not hinder programme implementation in the future since all the possible remedies have been defined to reduce their impact. The main focus should be on the capacity of the single focus areas and measures to contribute to achieving performance framework final targets. However, this capacity is expected to depend on the programme implementation and project implementation rather than on exogenous factors.

Recommendations – No foreseen.

EQ 4. Towards which priorities that achieved the 2018 milestones objectives is it recommended to reallocate the amount corresponding to the performance reserve related to the priorities which did not meet the 2018 milestone objectives (if applicable)?

Key terms of the evaluator/evaluation criteria - Priorities for reallocation of performance reserve have been identified (if applicable)

Methods and data sources - The answer to the evaluation question used the findings of the interviews with the Managing Authority – Monitoring Department, AFRI and PAIA and the findings of the Evaluation Study II supporting the AIR 2019. In this regard, all the administrative data from the monitoring system have been exploited to assess the capacity of the programme and priorities to reach the milestones for 2018 and targets for 2023. Literature review, related to the regulations in force and the ad hoc guidance on the performance framework and reserve have been consulted to provide the legal basis and its main interpretation and guidance inspiring Managing Authority work. The evaluators have based their assessment on the following EU regulations: EU reg 1303/2013 providing common provision on ESI funds (art. 20, 21, 22 and Annex II), EU reg. 1305/2013 providing EAFRD fund-specific provisions, EU reg. 276/2018 reforming the performance framework, EU reg. 215/2014 on the initial performance framework (art. 4, 5, 6, 7), Reg. EU 480/2014 on the financial corrections (art. 2 and 3). The methodological approach also used administrative data from the monitoring system and the logic model to analyse the structure of the interventions and understand the role of the performance framework indicators in respect to the priorities and to the programme indicators.

Answer - At the level of each priority, the performance framework includes financial indicator, key implementation steps and output indicator milestones for 2018 and targets for 2023. The performance framework encompasses some indicators preliminarily defined by the European Commission and some additional alternative indicators proposed by the Programme Managing Authority. Key implementation steps have been introduced to monitor notably measures and interventions which could take some time to be implemented. In addition to the performance framework, the EU regulatory framework has introduced the performance reserve, which represents 6% of the fund allocated. The performance reserve applies as a percentage of the financial allocation to a programme priority to be allocated definitively in



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2019 to the priorities which achieved their milestones in 2018. While milestones of the performance framework do not include the value of the performance reserve, targets already take into account this amount.

The analysis of the milestones in 2018 shows the programme priorities have achieved the planned values.

Conclusions - Considering the achievement of the milestone values in 2018, there seems not to be any reason related to programme performance framework why the performance reserve would not be allocated to the programme and priorities as initially planned.

Recommendations – No specific recommendation is proposed considering the positive result of the programme performance.

EQ 5. What is the estimated level of achieving the 2023 targets established in the performance framework of NRDP 2014-2020? What are the actions needed to achieve the 2023 targets?

Key terms of the evaluation/evaluation criteria:

- Estimates regarding reaching the final target values (in 2023);
- Recommendations regarding the possible actions needed to reach the target values in 2023.

Methods and data sources - The answer to the evaluation question used the findings of the interviews with the Managing Authority – Methodology, Monitoring, Coordination and Evaluation Department, AFRI and PAIA and the findings of the Evaluation Study II supporting the AIR 2019 as well as the review of the following documents: European Commission Guidance for Member States on performance framework, review and reserve (June 2018), Programme ex-ante evaluation, previous evaluation studies including ex-post 2007-2013 evaluations, AFRI and PAIA guidance documents on the procedures of monitoring and reporting as finally approved in April 2019, initial programme version, programme versions n.8 and 9. Moreover, the evaluators have based their assessment on the following EU regulations: Reg. EU 1303/2013 providing common provision on ESI funds (art. 20, 21, 22 and Annex II), Reg. EU 1305/2013 providing EAFRD fund-specific provisions, Reg EU 276/2018 reforming the performance framework, Reg. EU 215/2014 on the initial performance framework (art. 4, 5, 6, 7), Reg. EU 480/2014 on the financial corrections (art. 2 and 3). The methodological approach also used administrative data from the monitoring system and the logic model to analyse the structure of the interventions and understand the role of the performance framework indicators in respect to the priorities and to the programme indicators.

Answer - The analysis has been conducted at the level of each priority and within the priorities for each indicator.

Priorities 2, 4 and 6



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- *Estimated achievement of targets for 2023.* Priorities 2, 4 and 6 show a higher probability to successfully achieve the final target of the priority because their output indicator has already overcome the threshold of 85% of the final target. Therefore, this situation shows the higher potential of these priorities and that the risk of serious failure (occurring when at least two indicators are below 85%) should be avoided. Financial indicators are still lagging behind the output indicators, however, considering the previous programme performance and the current programming period, target achievement is reasonable.
- *Actions needed to achieve the 2023 targets.* The Managing Authority could focus its attention in terms of action needed to achieve the 2023 targets mainly on fostering and monitoring the public expenditure and thus the payments, since overall the implementation should not present any major issue.

Priorities 3 and 5

- *Estimated achievement of targets for 2023.* The other two priorities (3 and 5), while achieving the milestone value in 2018, have a lower probability compared with priorities 2, 4 and 6 to achieve the targets for 2023, even if achieving the targets seems possible. In the case of Priority 3, 3A shows high effectiveness, while 3B presents a lower achievement level of the targets, aspect explained by the relatively recent introduction of M05 and M17 within the programme, no expenses associated with the interventions supported by these measures being recorded until the end of 2018.
- . FA 3A reaches a high level of effectiveness being the target indicator over 50% of the target value.
- *Actions needed to achieve the 2023 targets.* The Managing Authority should concentrate the main efforts on the implementation of sM 4.1 and 4.2 to ensure the adequate achievement of targets for 2023 respectively for Priority 3 and 5.

Conclusions – Priorities 2, 4 and 6 are more likely to achieve 2023 targets than priorities 3 and 5.

Recommendations – In case of priorities 2, 4 and 6, the Payment Agencies should mainly take actions to monitor carefully payment procedures and public expenditure. In the other two priorities, the implementation of the related measures should be reinforced and made more effective.

6. Overall analysis of programme effectiveness

6.1 Effectiveness assessment

This section assesses the programme effectiveness, which is the capacity to reach programme targets and planned values. In this regard, evaluation study II supporting the official delivery to the European Commission of the Annual Implementation Report has already fully assessed the programme effectiveness as well as efficiency and relevance³. Considering the specific focus of the present report, the evaluation of effectiveness regards performance framework indicators.

6.2 Performance framework and NRDP

The performance framework is an accountability tool introduced by the EU regulatory framework to reinforce and monitor the result-orientation in programmes. At the level of each priority, it includes financial indicator, key implementation steps and output indicator milestones for 2018 and targets for 2023. The PNDR performance framework includes some indicators preliminarily defined by the European Commission and some additional alternative indicators. Key implementation steps have been introduced to monitor notably measures regarding basic infrastructure, irrigation investments, in other terms all the types of interventions which are expected to take more time to be implemented (e.g. Priority 6, where project specificity requires a higher level of complexity and a longer implementation and completion period of investments).

The calculation methodology applied to quantify the performance targets for 2023 has been established primarily on the basis of the provisions of Regulation (EU) No. 1303/2013, Regulation (EU) No. 480/2014, Regulation (EU) No. 215/2014 and the methodological guide provided by the EC. At the same time, when setting the targets for 2023, the experience and lessons learned during the previous programming period 2007-2013 were taken into account.

EU Regulation 215/2014 establishes the thresholds of achievement and failure for a priority. By the end of 2018, a priority is deemed to have achieved its milestones (1) with no more than two indicators in the performance framework, if all indicators have achieved at least 85% of their 2018 milestone; (2) with three or more indicators in the performance framework, if all but one indicators have achieved at least 85% of their 2018 milestone and the other has achieved at least 75% of its milestone value.

At the end of the period, financial corrections may be applied. In this regard, a priority will be deemed to have seriously failed: (1) with no more than two indicators in the performance framework related to a priority, if any of these two indicators has failed to achieve at least 65% of the 2023 target value; (2) with more than two indicators in the performance framework related to a priority, if at least two of these indicators have failed to

³ The assessment of efficiency investigates how 'costly' is the programme implementation, while the assessment of the relevance concerns the capacity of the programme to address the main rural development needs.

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achieve at least 65% of the 2023 target. A similar assessment (with similar thresholds applied to milestones) of 'serious failure' of the performance framework is conducted for the mid-term review at the end of 2018.

6.3 Data collection and quality control procedures

It is important to underline that programme monitoring builds on the activities of two agencies: Agency for Rural Investment Financing (AFRI) and Payment and Intervention Agency for Agriculture (PAIA).

AFRI data collection procedures build on regional / county centers, collect data related to the indicators well before the start of the project, more precisely, as soon as the documentation for the grant application is submitted. At the evaluation stage, these data are verified, and if they prove to be real, they remain in the system. Based on the score, the best projects are selected, and later, notices are sent to the beneficiaries for contracting selected projects. AFRI takes data on indicators into its systems and records at the time the project is contracted.

With regard to data verification, this takes place at the project evaluation stage, when information on monitoring indicators is verified as well, some of which are found in technical memos. At the evaluation stage, the project is fully verified, and if it is considered eligible and selected, the data related to it remains in the system and transposed into the AFRI tables.

For each payment installment (which takes place over several years) field checks are carried out and, if the beneficiary does not comply with the technical documentation submitted, the project is terminated. If the project passes these on-the-spot checks, the data of the indicator remains in the AFRI system.

If we refer to the additional indicators, besides those on payments and the number of farms, they were requested by the NRDP or were introduced on the basis of AFRI's past experiences. The Agency collects data and information that is not mandatory now, but which may prove to be beneficial for the next programming phase after 2020.

Monitoring difficulties occur when changes to the regulations, legislation or rules, underlying the collection and monitoring system, happen. An example in this regard would be to request new indicators (other than those initially foreseen), or to break down the indicators into one or more components that were not initially foreseen.

PAIA ensures the management, monitoring and control of data on payment requests submitted by farmers through the Integrated Administration and Control System (IACS). The key variable that verifies the correctness of the data on the amounts actually paid to the beneficiaries is the farmer's unique ID. Centralized databases with payment entitlements are transferred from IACS to the financial accounting system through this link variable.

The approach that PAIA use to centralize and collect the data underlying the indicators reported in the AIR is the same for both the common indicators (EC predefined) and the NRDP alternative ones. The data presented in the RAI were processed as a result of the examination of the IACS system, as well as due to the payment management approach applied by PAIA.

When calculating the physical and financial indicators, only the farmers and expenses covered by the advance payment, the final payment or the final payment made in the year preceding the submission of the RAI are taken into account, excluding farmers and expenses for which only payment in the advance was made.

Regarding the measures managed by PAIA, it is observed that the performance indicators reached (or even exceeded) the milestones set for 2018, due to the frequency of payments made to the beneficiaries (at the campaign level), as well as the relatively low incidence of beneficiaries who fail to honor their commitments.

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Among the solutions adopted for the improvement of the implementation of measures 10 and 11, PAIA uses activities of informing the beneficiaries on different channels of communication e.g. mass media, development, display and distribution of leaflets at the level of the eligible ATUs for each measure, etc. Communication activities came in support of potential beneficiaries, providing them with information on the available measures and the eligibility conditions they would have to meet to access the measures.

According to the analyses of PAIA, taking into account payments made by mid-2019, it is expected that the M10 financial budget will be exhausted in 2023, the M11 ceiling in 2020 and the M13 ceiling in 2019.

According to the internal procedure, the PAIA checks the data taken from the IACS system, prior to their transmission to the MA of PNDR. For example, between June-July, the control statistics for the European Commission are produced and transmitted until the 15th of July 2019. In order to ensure the quality of the collected and centralized data in the IACS system, a sample set of files from the beneficiaries applying for the support in the 2018 campaign are randomly selected and sent to the PAIA county centers. Checks are made by comparing the data in lettered form declared by farmers with the reference data in electronic format stored in the IACS database.

- In the 2018 campaign, the sample was selected from approximately 400,000 beneficiaries and was previously agreed with the Audit Authority (the Court of Auditors).
- Although at the beginning of the programming period (2015 campaign) there was a reluctance to request support for M10 and M11, this impediment was overcome. There is an increase in payments to beneficiaries between 2015-2018, reflecting also an increase in the areas for which support was requested, at the level of each measure and package.

6.4 Regulatory amendments and the current performance framework

The amendments to EU Regulation 215/2014 have modified the legal framework governing the performance framework across the ESI (European Structural and Investment) Funds through the adoption of Commission Implementing Regulation (EU) 2018/276. The most relevant innovation of the amended regulation is that financial indicators and output indicators and related milestones and targets can be calculated based on projects under implementation (physically initiated) and / or completed projects. However, a necessary condition to apply this amendment of the regulation is the capacity of the monitoring system to monitor projects under implementation.

With the changes to the regulation, for financial indicators and output indicators monitored by AFRI (Agency for Rural Investment Financing), milestones and targets are also calculated on the basis of physically initiated projects. As to ensure the application of the amended regulation, AFRI had to introduce a specific column 'Contract status – Finalized (F) / Cancelled (R)' within the programme monitoring system database. This column shows three different conditions of the contracted projects: finalized (letter F), canceled (letter R) and physically started (letter D). Although verifications for each payment instalment were made, AFRI did not have the information in the electronic system if the beneficiary physically initiated the project. Specifically, it was not known whether a certain payment installment registered in the system corresponds to the physical initiation of the project or whether to only service-related expenses. Therefore, in order to collect information on the type of expenditure, specific forms already in use on the payment flow (payment authorizations) were used, to which additional headings were added. The administrative effort to collect these data was significant, especially for those projects in the first or second installment. AFRI applies the same data collection, centralization and monitoring procedures and

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procedures for both common indicators (EC predefined) and for alternative indicators (as defined by the NRDP); indicators are not treated differently, and data comes from the same system.

All in all, despite the administrative effort, the amendments to the EU Regulation 215/2014 had a positive influence on the achievement of 2018 milestones.

The amendments to Regulation (EU) No. 215/2014 did not generate any changes in the way of data collection and centralization at PAIA level. The regulation, as it is conceived, only influences the reporting of indicators in RAI, and their calculation at the end of the calendar year does not take into account farmers who have received only advance payments, their number being by the tens of thousands. Therefore, the amount of payments made to farmers is higher than that reported in RAI.

Last but not least, in the current programming period, changes were made to the target values for financial indicators, primarily by reallocating funds and introducing new sub-measures, and thus by recalculating EAFRD contribution (the value of financial indicators was automatically calculated in SFC). At the level of the alternative indicators, correlations with Chapter 11 of the Indicator Plan were made considering the introduction of M14, sM17.1, M5 and sM7.4 in the NRDP, while maintaining the percentage of the 2018 key implementation steps.

6.5 Performance reserve and milestone achievement

In addition to the performance framework, the EU regulatory framework in force has introduced the performance reserve (which does not apply to European Territorial Cooperation Programmes), which represents 5-7% of the fund allocated. The performance reserve applies as a percentage of the financial allocation to a programme priority to be allocated definitively in 2019 to the priorities which achieved their milestones in 2018. While milestones of the performance framework do not include the value of the performance reserve, targets already take into account this amount. The following table shows the performance reserve.

Table no. 5 Performance reserve

Priority	Total union contribution planned (€)	Total union contribution planned (€) subject to the performance reserve	Performance reserve (€)	Min performance reserve (Min 5%)	Max performance reserve (Max 7%)	Performance reserve rate
P2	1.723.804.733,00	1.750.422.880,38	105.025.373,00	87.521.144,02	122.529.601,63	6%
P3	993.744.357,00	914.084.960,65	54.845.097,00	45.704.248,03	63.985.947,25	6%
P4	2.343.926.199,43	2.397.271.290,14	167.808.990,00	119.863.564,51	167.808.990,31	7%
P5	678.821.389,57	694.270.591,26	34.713.530,00	34.713.529,56	48.598.941,39	5%
P6	2.209.331.804,00	2.259.613.679,57	118.546.814,12	112.980.683,98	158.172.957,57	5,25%

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It is relevant to highlight that transfers to the EAFRD from the 1st pillar of the Common Agricultural Policy (Article 20(c) and (d) CPR) are excluded from the performance reserve, despite being under performance framework review as the other EAFRD priority resources.

Considering the achievement of the milestone values in 2018, the evaluator cannot identify any relevant obstacle to the allocation of the performance reserve to the programme and priorities. The final decision will be taken by the European Commission.

6.6 Milestone and target achievement

Section 1.d of the Annual Implementation Report as well as tables F1 and F2 of the Monitoring Annex of the Annual Implementation Report allows drawing conclusions on the capacity to achieve milestones for 2018 and preliminary insights about target values for 2023.

The following table reports the performance framework as contained in the Annual Implementation Report delivered to the European Commission in 2019, with some elaborations. The table shows achieved values in 2018 of all the common and alternative indicators of PNDR performance framework, milestone values for 2018 and target for 2023. Moreover, the table includes the following elaborations supporting the evaluation activities:

$$a) \text{ Milestone achievement rate} = \frac{\frac{\text{Achieved value in 2018}}{\text{Target value for 2023}}}{\text{Milestone value for 2018 in percentage}}$$

$$b) \text{ Target achievement rate} = \frac{\text{Achieved value in 2018}}{\text{Target value for 2023}}$$

c) *Probability of target achievement of the priority.*

This is the result of the relative capacity of the priority to reach the final target, based on the milestone achievement and other evaluation activities (e.g. document review, interviews). Overall, the probability is classified 'higher' when at least one of the two indicators or two out of the three indicators of the performance framework have achieved 65% threshold of achievement according to Reg. EU 215/2014. This would avoid the risk of serious failure according to Reg. EU 215/2014. Probability is 'lower' whenever two out of three indicators have not yet achieved 65% of the target.

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Table no. 6 Performance framework

Priority	Type of indicator	Indicator	Achieved value in 2018	Milestone value for 2018	Target value for 2023	Milestone achievement rate	Target achievement rate	Probability of target achievement of the priority
2	Common - EC indicator	Total public expenditure P2 (EUR)	901.344.207,78	15%	1.989.793.142	301,99%	45,30%	Higher
2	Common - EC indicator	Number of agricultural holdings with PDR support for investments in restructuring or modernization (intervention area 2A) + investment farms / business plans for young farmers supported by PDR (intervention area 2B)	12.361	20%	12760	484,40%	96,87%	
3	Common - EC indicator	Total public expenditure P3 (EUR)	471.468.885,30	39%	1.139.506.157	106,09%	41,37%	Lower
3	Alternative indicators	Number of beneficiaries supported for animal welfare	508	70%	549	132,19%	92,53%	
3	Alternative indicators	Number of operations supported by sub-measure 4.2	86	15%	279	205,50%	30,82%	
4	Common - EC indicator	Total public expenditure P4 (EUR)	1.258.886.382,79	40%	2.718.619.944,00	115,77%	46,31%	Higher
4	Alternative indicators	Agricultural land subject to management contracts that contribute to biodiversity (intervention area 4A) + improvement of water management (intervention area 4B) + improvement of soil management and / or prevention of soil erosion + agricultural land subject to ANC payment contracts (area intervention 4C)	5.951.836,37	80%	6.221.650,00	119,58%	95,66%	
5	Common - EC indicator	Total public expenditure P5 (EUR)	85.139.062,71	11%	809.147.000,00	95,66%	10,52%	Lower

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Priority	Type of indicator	Indicator	Achieved value in 2018	Milestone value for 2018	Target value for 2023	Milestone achievement rate	Target achievement rate	Probability of target achievement of the priority
5	Alternative indicators	Number of operations supported by sub-measure 4.1 (for example, manure storage, manure treatment)	200	13%	435	353,67%	45,98%	
5	Alternative indicators	Surface area (ha) targeted by investments to save water (for example, more efficient irrigation systems) - KIS	492.734,11	40%	362.745	339,59%	135,83%	
6	Common - EC indicator	Total public expenditure EUR P6 (EUR)	556.799.069,65	6%	2.575.417.608	36,03%	21,62%	Higher
6	Common - EC indicator	LAG population (intervention area 6B)	8.726.539,00	100%	9.610.132,00	90,81%	90,81%	
6	Alternative indicators	Number of operations contracted to improve basic services and infrastructure in rural areas (P6B and P6C) - KIS	2.064	60%	1.192	288,59%	173,15%	

Source: AIR 2019 and evaluator's calculation

The analysis of the table shows the following evaluation findings



The milestone achievement rate is always beyond the minimum threshold of 85%, which makes the performance framework achieved in all the priorities for 2018. Achievement rate is below 100% only for the total public expenditure indicator in priority 5 and the targeted population of LAGs in priority 6. From the evaluator's point of view, considering the actual implementation of the LAGs, it seems unlikely to reach the expected 100% as the target value. However, this should not pose any risk of serious failure.



Although some indicators of the performance framework have exceeded the milestones set for 2018, the interview with the MA has shown that no changes to the 2023 targets are foreseen for this reason. Some changes could be made for introducing new measures/sub-measures rather than for the actual performance framework achievement level. However, it is important to underline that according to the EC Guidance on Performance Framework and reserve – section 2.4.3 *“If the milestones have been significantly overachieved in 2018, the Commission will insist – where appropriate – on more ambitious target setting for the end of the programme”*.



The probability of achieving the final target is higher for priorities 2, 4 and 6. In this regard, the MA expectation is that all priorities will achieve their target values. It was noted that before the amendments to Regulation (EU) No. 215/2014, priorities 2 and 4 presented a more advanced implementation stage and higher values of the financial and performance indicators compared to the other priorities of the programme. This situation is also confirmed after the amendments of the Regulation, because priorities 2, 4 and 6 show a higher probability to successfully achieve the final target of the priority because their output indicators and key implementation steps (for priority 6) has already overcome the threshold of 85%. Therefore, this situation shows the higher probability of these priorities and the lower risk of serious failure. As a matter of fact, a priority will be deemed to have seriously failed to achieve the milestone in the following cases: (a) if there are no more than two indicators in the performance framework related to a priority and any of these two indicators has failed to achieve at least 65% of the milestone value by the end of 2018 or, (b) if there are more than two indicators in the performance framework related to a priority and at least two of these indicators have failed to achieve at least 65% of the milestone value by the end of 2018. (occurring when at least two indicators are below 85%). Thus, the Managing Authority could focus its attention mainly on fostering and monitoring the public expenditure and thus the payments, since globally the implementation is not presenting any major issue. Although the other two priorities reached the milestone values in 2018, they are less likely to achieve the target values in 2023. .

So far, the main measures adopted by the NRDP to accelerate the implementation / absorption of the programme and the achievement of the milestones were: i) Actions to inform the general public regarding access to the NRDP 2014-2020; ii) Simplification of procedures (introduction of the possibility of on-line filing of documentation, creation of reference price databases, etc.) and reduction of the number of requested documents for potential beneficiaries; iii) the reallocation of available funds from intervention areas that were under implementation bottlenecks (5D) to better

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performance areas (2A); Improving the implementation of less performing priorities e.g. P5: The last session of submission of projects under sM4.1 was directed to the selection of zootechnical projects contributing to DI 5D. Among the factors with potential negative effect in achieving the objectives of the performance framework are the delayed launch of the financial instrument (2018), which supports potential beneficiaries in securing the co-financing rate of the project.

6.7 External factors influencing the achievement

The main external factors influencing the achievement of the objectives / target encompass:

- 'Social factors' - Aging population and the reluctance of potential beneficiaries to access new packages negatively affect the propensity to invest in innovative practices and to apply for calls for projects;
- 'Legal and administrative factors not completely due to programme procedures but also related to them'. These include difficulties with the implementation of the public procurement law and difficulties with the introduction and start-up of the mutual fund (related to sM 17.1). These external difficulties were combined with the complexity of the conditions for applicants and the specific knowledge required, especially in the case of new packages, e.g. P 9, 10, 11 of the M10. Moreover, the late launch of the financial instrument did not support the programme implementation with the necessary co-financing for beneficiaries;
- Last but not least, new issues coming from swine fever required resources (e.g. sM 17.2)

The Managing Authority and the Agencies have improved communication and information activities, in spite of the slow start of M1 and M2 and in 2018, the financial instrument was launched and started to support farmers' investments.

PAIA has improved information towards potential beneficiaries, e.g. in the case of M15, if in the first session there were 16 beneficiaries with an area of 16.000 ha, in the second session there were 300 beneficiaries with 300.000 ha.

The Managing Authority has also launched various initiatives:

- activities to inform the general public regarding access to the NRDP 2014-2020;
- simplification of procedures (introduction of the possibility of on-line filing of documentation, creation of reference price databases, etc.) and reduction of the number of requested documents for potential beneficiaries;
- the reallocation of available funds from focus areas that were under implementation bottlenecks (5D) to better performing areas (2A);
- improving the implementation of less performing priorities, for example for P5, the last session of submission of projects under sM 4.1 was directed to the selection of zootechnical projects contributing to DI 5D.

7. Conclusions and recommendations

External factors and performance framework

Conclusions - The analysis of the milestones in 2018 shows the programme priorities have achieved the planned values in spite of the negative contribution of the following external factors: social factors (aging population and the reluctance of potential beneficiaries to access new packages); legal and administrative complexity and swine fever. Meanwhile, the Managing Authority has also launched various initiatives to improve information and communication activities, simplifying the procedures (introduction of the possibility of on-line filing of documentation, creation of reference price databases, etc.), reducing the number of requested documents for potential beneficiaries, reallocating available funds from focus areas that were under implementation bottlenecks. In the evaluator's opinion, the aforementioned external factors should not hinder programme implementation in the future since all the possible remedies have been defined to reduce their impact. The main focus should be on the capacity of the single focus areas and measures to contribute to achieving performance framework final targets. However, this capacity is expected to depend on the programme implementation internal factors and project implementation rather than on exogenous factors. No specific recommendation is needed.

Milestones for 2018

Conclusions - Considering the achievement of the milestone values in 2018, there seems not to be any reason related to programme performance framework why the performance reserve would not be allocated to the programme and priorities as initially planned.

Recommendations – No specific recommendation is proposed considering the positive result of the programme performance.

Target for 2023 achievement

Conclusions – Priorities 2, 4 and 6 are more likely to achieve 2023 targets than priorities 3 and 5. Priorities 2, 4 and 6 show a higher probability to successfully achieve the final target of the priority because their output indicator has already overcome the threshold of 85% of the final target. Therefore, this situation shows the higher potential of these priorities and that the risk of serious failure (occurring when at least two indicators are below 85%) should be avoided. Financial indicators are still lagging behind the output indicators, however, considering the previous programme performance and the current programming period, target achievement is reasonable.

Recommendations – In case of priorities 2, 4 and 6 the Paying Agencies should mainly take actions to monitor carefully payment procedures and public expenditure in order to achieve the final targets of financial indicators. Moreover, the Managing Authority should concentrate the main efforts on the implementation of sM 4.1 and 4.2 to ensure the adequate achievement of targets for 2023 respectively for Priority 3 and 5.

Annex – Additional findings at focus area level

The annex provides further elements of detail to paragraph 6.6 on the single focus area and priority contribution coming from:

Evaluation study II, which has been already delivered to support to submission of the AIR;

Additional elaborations made of the data from AIR Monitoring Annex.

The following table shows the financial contribution of each focus area to the achievement of the financial indicator of each priority. Considering the allocated budget and the actual implementation, the

Table 1 FA contribution to the priority financial indicator

Priority	Focus Area	Total public Euro	Contribution of the FA to the 2018 value
P2	2A	547.336.593,14	61%
P2	2B	346.550.545,95	38%
P2	2C+	7.457.068,61	1%
P3	3A	471.468.885,30	100%
P3	3B	-	0%
P4	4A	276.884.460,56	22%
P4	4B	81.621.583,78	6%
P4	4C	900.019.589,68	71%
P5	5A	26.217.821,00	31%
P5	5C	577.217,32	1%
P5	5D	58.181.712,13	68%
P5	5E	162.312,26	0%
P6	6A	171.858.951,95	31%
P6	6B	384.940.117,70	69%

Source: Evaluator's calculation and AIR Monitoring Annex

Priority 2 – The analysis of output and target indicators shows that focus area 2A and 2C+ have a medium effectiveness, while focus area 2B is the most advanced (high effectiveness). FA 2A has medium capacity (final target achievement of 40%) of restructuring and modernization of the farms, with a higher capacity to cover the expected target for medium farms than small farms. The medium effectiveness of the focus area is due to a medium performance of M4, low performance of M1 and M2 and high performance of SM 6.3. FA 2B proves high effectiveness, since the targets of both common and specific target indicator has been already achieved.

Priority 3 - Priority 3 has two focus areas, 3A proves high effectiveness while 3B is lagging behind since there are no submitted projects in M05 and M17. FA 3A reaches a high level of effectiveness being the target indicator over 50% of the target value. This occurs due to the contribution of M9 and in spite of the slow implementation of M3 and delayed implementation of M16.

Priority 4 – The analysis of the target indicators shows a high effectiveness of the focus areas for the indicators R7 / T9, R8 / T10 and R10 / T12. The analysis of output indicators shows the underperformance of interventions on 'padure' (M15), and high performance in covering hectares with M10, M11, M13 despite the late implementation of M1 and M2.



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Priority 5 – It has four focus areas with diverse performance. Focus area 5A shows high effectiveness (target indicator achievement about 40%) with a lot of progresses have been done from a procedural point of view and contracting point of view and considering the interest of applicants and the number of contracted projects the target indicator is likely to become high in the future. FA 5B has a medium effectiveness, because it has registered some progress without reaching the achievement rate of 50% for target and output indicators. Focus area 5D – The effectiveness is high because the achievement rate of T17 and T18 is higher than 50%, while FA 5E has a low effectiveness because the implementation of SM 8.1 is still limited and regards only transition projects.

Priority 6 –FA 6A shows low effectiveness, while FA 6B is performing better. FA 6A has a low level of effectiveness in creating jobs despite the improvement in the period 2016-2018. FA 6B has a medium level of effectiveness, with a higher capacity to achieve the objective of improving the quality of living of inhabitants and a relatively lower capacity to create jobs.

The amendment to the Regulation presents positive aspects towards the achievement of the 2018 objectives, from at least two perspectives: i) consideration of projects which, due to the complexity of the investments and the long implementation period, could not record achievements by the end of 2018; ii) the overcoming of time differences and the de-synchronization between the approval of the program (May 2015), the finalization and approval of the European regulations (2014) and the signing of the first financing contracts under the NRDP (2016);



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