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EVALUAREA ON-GOING A PNDR 2014-2020 ÎN PERIOADA 2017-2020

THE ON-GOING EVALUATION OF THE NATIONAL RURAL DEVELOPMENT PROGRAMME 2014- 2020 DURING 2017-2020

Evaluation study IV - Mountain area

Executive summary

August 2018





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1. Introduction

The on-going evaluation of the NRDP 2014-2020 aims to analyze the efficiency (the extent to which the set objectives have been met), effectiveness (the optimal relationship between the resources used and the results achieved), relevance (the extent to which the planned objectives are in line with the needs, problems and various other aspects encountered in the implementation of the programme) and the socio-economic impact generated by the programme interventions on the sustainable and balanced development of the Romanian rural area.

The evaluation study IV - Mountain Area - includes the results of the observation, analysis and evaluation activities on the interventions and actions which focused on the mountain area, funded during the 2015-2017 period through the NRDP 2014-2020.

Throughout the evaluation activities, the team of experts used qualitative and quantitative analysis methods and techniques, presented in Annex 1 of the study, that have substantiated the answers to the evaluation questions and allowed the elaboration of the conclusions and recommendations presented in the current evaluation study.

The data behind the Evaluation study IV reflects the situation of the NRDP 2014-2020 interventions in the mountain area until 31.12.2017.

2. Evaluation context

The overall objective of the Evaluation Study IV is to assess the relevance, efficiency and effectiveness of NRDP interventions in the mountain area, as well as the impact and the success or failure of the programme. Achieving the overall objective provides an analysis of how the rural development programme responds to the current needs of the mountain area in Romania.

Evaluation Study IV is provided in the context of carrying out the thematic evaluation studies under the "On-going Evaluation of the National Rural Development Programme 2014-2020 in the period 2017-2020" and contains answers to 11 specific NRDP evaluation questions related to the mountain area, to be reported in RAI 2017.

In accordance to the Joint Monitoring and Evaluation System requirements, the on-going evaluation of the National Rural Development Programme 2014-2020 is carried out by the independent evaluator ACZ Consulting SRL & t33 SRL, selected as a result of a public tender procedure. The contract "The on-going evaluation of the National Rural Development Programme 2014-2020 in the period 2017-2020" was signed on the 5th of April, 2017 and involves a implementation duration of 46 months, out of which 43 months for the project activities and 3 months required to prepare the

final payment, as suggested by the payment instructions.

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

Figure no. 1 Methodological phases of the on-going evaluation



3. Methodology

During the evaluation process, the team of experts used both primary and secondary sources of data. The analysis was performed taking into consideration the new projects funded through the NRDP 2014-2020 (not the projects in transition), located in the mountain area.

In what concerns the primary data sources used for the elaboration of the Evaluation Study IV regarding the mountain area, the data were collected through:

- Questionnaire survey among the beneficiaries of projects under implementation or completed, located in the mountain area, for collecting opinions and qualitative information useful for formulating the answers to the evaluation questions 1-8, 10, 11;
- Semi-structured interviews with key actors involved in managing, implementing and monitoring the NRDP 2014-2020;
- Case studies among beneficiaries with completed projects, located in the mountain area, in order to collect qualitative and quantitative information on the implementation of the projects and on the effects generated by the implementation of the projects;
- Focus group for presenting and discussing the preliminary results of the evaluation and of the analyses performed, as well as collecting information and opinions from key stakeholders on the adequacy of the programme implementation framework in relation to the identified needs in the mountain area.

The secondary sources used for data collection were represented by the documents included in the literature review, data from the programme monitoring system and NIS data.

Questionnaire survey

The questionnaire was used to collect information on beneficiaries' experience gained through the implementation of projects funded under the NRDP2014-2020, located in the mountain area. In this respect, four types of questionnaires were defined:

- a. Questionnaire addressed to beneficiaries of projects in the field of agricultural activities (it included beneficiaries of sM 4.1, 4.1a, 4.2, 6.1, 6.3, 9.1, 16.4);
- b. Questionnaire addressed to beneficiaries of projects in the field of non-agricultural activities



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(it included beneficiaries of sM 6.2, 6.4);

- c. Questionnaire addressed to the public beneficiaries (it included beneficiaries of sM 4.3, 7.2, 7.6);
- d. Questionnaire addressed to LAGs located in the mountain area.

The questionnaire survey was conducted between the 20th of March – 8th of April 2018.

Semi-structured interviews

The collection of qualitative data was realized through 13 semi-structured interviews conducted between 16th of January 2018 and 2nd of February 2018. The interviews were held face to face or by telephone, and the key actors involved were:

- Public institutions involved in the management and implementation of NRDP: representatives of the Managing Authority (8 interviews), representatives of AFRI (1 interview), representatives of PAIA (1 interview);
- Public institution involved in the implementation of policies related to the mountain area: representatives of the Mountain Area Agency (1 interview);
- Other key actors representative for the development of the mountain area: representatives of the Association of Communes in Romania (1 interview), representatives of the Ministry of Waters and Forests (1 interview).

Case studies

In order to collect detailed data on the completed projects and useful information to provide the answer to the evaluation questions, on the 4-12th of April 2018, five field studies were carried out at the project implementation site.

Case studies were selected according to the following main criteria: stage of implementation, location, contribution to focus areas, relevance to the evaluation questions and typology of investment.

Focus group

Another method applied for collecting information of a qualitative nature was the focus group. Thus, on 8th of May, 2018, a focus group was organized and conducted in order to complete the information gathered through the questionnaires, case studies and interviews, to answer the evaluation question no. 10 and to verify the specific conclusions of the other evaluation questions.

4. Description of the Programme, measures and budget, as appropriate, depending on the specificity of the evaluation studies

The NRDP 2014-2020 represents an opportunity to approach the weaknesses by consolidating the strengths and opportunities related to the rural area, based on the lessons learned and the progress recorded during the NRDP 2007-2013. Through the general objective of NRDP 2007-2013 the foundation of sustainable use of agricultural and forestry lands has been created, generating the premises for maintaining and preserving the rural natural heritage.

Thus, NRDP 2014-2020 aims to capitalize on and continue the efforts for rural development through the following strategic objectives:

- i) restructuring and increasing farm viability;
- ii) sustainable management of natural resources and tackling climate change;
- iii) diversification of economic activities, creation of jobs, improvement of infrastructure and services for improving the quality of life in rural areas.

In order to achieve the proposed objectives, 6 priorities have been defined at NRDP level, being transposed through focus areas (FA) which also facilitate cross-cutting objectives on innovation, environmental protection and climate change mitigation and adaptation.

All the interventions defined under NRDP 2014-2020, with the exception of the interventions related to sub-measures 13.2 and 13.3, address also to the mountainous area in Romania, with specific sub-measures that have specific allocation for the mountain area, ie sM 4.1, 4.2, 6.1, 6.3, 7.2 and 7.6 and a sub-measure exclusively addressed to the mountain area - sM 13.1.

The mountain area in Romania is designated under the NRDP 2014-2020 on the basis of the provisions of art. 32 par. 1 lit. (a) of Regulation (EU) No. 1305/2013, and the list of eligible areas for the mountain area can be found in Annex 8.2 - List of eligible areas M10, M11, M13 of the National Rural Development Program 2014-2020 approved by Decision C (2015) 3508/26.05.2015 with subsequent amendments and additions. At the same time, the mountain area is also identified under Memorandum no. 6941/21.05.2014 on the approval of the *National Strategic Guidelines for the Sustainable Development of the Less-favoured Mountain Area for the period 2014-2020*.

5. Overall analysis of the effectiveness, efficiency and relevance of the support provided through the programme

5.1. Programme effectiveness

The effectiveness of the sub-measures with distinct allocations for the mountain area, analyzed from the perspective of achieving the specific output indicators, respectively the program's capacity to achieve its objectives in mountain areas, highlights a mixed situation:

- *Some indicators are far from the final target*, such as RO-OA20 for sM 4.2, with a relatively low number of contracted projects. RO-OA20, which reflects the implementation of sM 4.2 in the mountain area, is far from achieving the final target, the final value registered at the end of 2017 representing only 8% of the final target;
- *Some indicators are in an intermediate situation*: indicator RO-OA24 (sM 7.6) is far from the final target, but its corresponding submeasure records a number of contracted projects which is already higher than the final target value; indicator RO-OA22 (sM 6.3) progresses towards the final target, its corresponding submeasure recording a high number of finalized projects, but with fewer contracted projects than the final target; indicator RO-OA19 (sM 4.1) which shows progress and capacity to reach the final target, given the number of projects contracted and finalized by the end of 2017.
- *Some indicators are progressing towards the target with a high potential to achieve it*, based on the contracted projects, such as RO-OA21 (sM 6.1) and RO-OA23 (sM 7.2), which prove to be the most effective sub-measures.

5.2. Programme efficiency

Related to the efficiency of the programme, the public expenditure (EAFRD and state budget), reported for the projects within the analyzed submeasures, does not differ substantially in mountain areas compared to the non-mountain areas.

Public expenditures needed for the creation of one new job in the field of non-agricultural activities, for investments in agriculture and support offered to the population by implementing local development strategies are usually higher in mountain areas. This confirms the need to invest in mountain areas to promote their development, which seems more expensive and more difficult to achieve, compared to other rural areas. Supporting the development of small farms generally costs

less in mountain areas than in other areas, and more if the support is also provided for the setting up of young farmers.

5.3. Programme relevance

In general, the NRDP interventions are of high relevance and present a direct or potential contribution to the development of the mountain area. The direct contribution is provided by the measures / submeasures under which the projects located in the territory of the mountain area have been contracted (e.g. sM 4.1, 4.1a, 4.2, 4.2a, 4.3, 6.1, 6.2, 6.3, 6.4, 7.2, 7.6 etc.), while a potential contribution can be provided through the remaining measures / sub-measures planned under the NRDP that can contribute to the integrated development of several territories, including those in mountain areas (e.g. sM 1.1). There are also measures that have not contributed so far to the development of the mountain area, namely those in which no projects were contracted by the end of 2017 or those specifically targeting other types of areas outside the mountain area (e.g. sM 1.2, 2.1, 3.1, 3.2, 6.5, 9.1a, 15.1 etc.).

6. Conclusions and recommendations

Transversal evaluation themes

Criterion: Type, size and sector of investment

Conclusions

Regarding the investment typologies, farmers' activities mainly concentrate on the management of the primary resources and less on processing or commercialization of products.

As expected, in mountain areas, most beneficiaries are concentrated in small-sized farms while the resources are spent mainly in farms of big size. As a matter of fact, 60% of the beneficiaries of sM 4.1 from mountain area have a farm smaller than 50ha, which is a higher value compared to the rest of the country. The value of the investments in farms smaller than 50ha represents 27% of the total funds in mountain area, and only 3% in the total funds allocated at national level.

The small-sized farms are less specialized in one sector and more prone to diversification and flexibility and deal mainly with internal demand. Therefore, small farmers are exposed to the factors that influence local markets and experience the decreasing of local demand in peripheral areas, characterised by depopulation and emigration towards places with higher living standards.

Recommendations

- Fostering and disseminating information on NRDP objectives and funding opportunities as well as on the added value of association/cooperation among beneficiaries. To this end, it could be helpful to start with the identification and dissemination of best practices or promote pilot



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initiatives involving small groups of farmers which cooperate to create networks and supply chains so as to overcome the land fragmentation and create new market opportunities;

- Strengthening communication activities when the calls for proposals are published (under all submeasures), through the organization of events and meetings with potential beneficiaries, with the involvement of the NRDN, Mountain Area Agency and other territorial structures of the MARD. The same institutions should support LAGs when promoting calls under LDSs;
- Encouraging the access to support offered through consultancy services
- Promoting training activities addressed to LAGs so as to support them in the implementation of the LDSs, based on their specific needs (i.e. drawing calls for proposals, assessing project proposals, procedures linked to payment requests, etc.).

Criterion: Relevance

Conclusions

Related to relevance, the evaluation process underlines that the main policy reference for the mountain areas remains the National Strategic Guidelines for Sustainable Development of Less-Favoured Mountain Areas, approved in 2014, and the Mountain Area Agency, as institution having the role to develop and implement the strategy and policies for the development of mountain areas in Romania. One of the main weaknesses is represented by the lack of a clear and common definition of "mountain area". In fact, the delimitation of the mountain area is not unitary, being defined in three different ways by the NRDP, the Carpathian Convention and Normative no. 321/2004. This is a central theme that needs to be solved through a joint effort by all institutions that promote programmes, both within the European and national funds context of mountain areas, not only through the NRDP, which could, however, become a testing field of innovative programming tools to define and better address the needs of mountain areas.

Recommendations

- For the following programming period, the findings of the evaluation process show the need for a more structured and tailored strategy for mountain areas, to be based on an updated context analysis and needs assessment. In the framework of a wider reprogramming process, such a strategy should be based on a clear and consistent definition/delimitation of mountain areas and should take into consideration the synergies with other national and EU funded programmes and tools addressing mountain areas' needs.
- The selection criteria should take into consideration the mountain areas particularities, for example by further capitalizing on cooperation among farmers along with the integration of food chains.

Criterion: Effectiveness of the implementation mechanisms

Conclusions

In mountain areas, the NRDP is experiencing uneven implementation, as some measures appear to be more attractive to beneficiaries than others. This is due both to exogenous factors (land fragmentation, legislative framework, administrative burdens) that can hardly be addressed only by NRDP and require structural reforms as well as synergies between different policies that address the needs of mountain areas, and other factors such as the communication activities carried out by the MA, which have improved especially through the institutional cooperation between the NRDN and the Mountain Area Agency, which contributes to the increase of the number of potential beneficiaries.

Recommendations

- Support the dissemination of information on the objectives and financing possibilities of the NRDP, as well as on the added value of the association/ cooperation between the beneficiaries. To this end, it may be useful to identify and disseminate best practices or by promoting pilot initiatives involving small groups of farmers and also by stimulating networking and supply chain cooperation to overcome the fragmentation difficulties and create new market opportunities;
- Strengthen communication activities when launching calls for proposals (within all sub-measures), by organizing events and meetings with potential beneficiaries, involving the NRDN, the Mountain Area Agency and other MARD territorial structures. The same institutions should support LAGs when promoting calls under LDS;
- Promote training activities for beneficiaries of M10, M11 and M13 to stimulate access to all packages and thus improve sustainable land management and biodiversity conservation;
- Encouraging access to support offered through consultancy services;
- Promoting training activities for LAGs to support them in implementing the LDS, starting from their specific needs (eg launching calls for proposals, evaluating project proposals, procedures for payment requests, etc.).

Criterion: Efficiency

Conclusions

The costs for creating a new job in non-agricultural activities, increasing agricultural investments and total public expenditure on the number of inhabitants targeted by LDS is slightly higher in mountain areas than in non-mountain areas. This confirms the need of investing in mountain areas in comparison to other rural areas, in order to foster an overall development of the rural area.

On the other hand, the support for the development of small farms (sM 6.3) usually cost less in mountain area compared to the rest of the country, while the support for the setting-up of young farmers (sM 6.1) involves higher costs in mountain area.



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Recommendations

The programme authorities should monitor the costs of finalized projects over time, to see if the finalized projects in the next future will be costlier than the already finalized ones.

Thematic: Economic growth and development

Criterion: increasing market participation, increasing diversification in the mountain area

Conclusions

The investments done through NRDP 2014-2020 allowed increasing sales and expansion in local market shares.

Local food products in the mountain area have significant potential to develop a new and diversified economy geared more towards the tourism sector. During the current period, the demand for products generated by the number of tourists in mountain areas, even if growing, is not equivalent to the supply provided by agricultural and livestock farms; however, mountain farmers are aware of the positive effects of diversification, but they are still focusing their activities on delivering common products.

Recommendations

- Further promote the *integration of the food chain*, within support measures of the programme, which is more difficult to achieve in mountain areas;
- Improve stakeholders' communication and participation within sM 16.4 in order to better understand their needs.

Criterion: development of small farms, new opportunities for capitalizing the production, increasing the coverage of the market in mountain area

Conclusions

The effects of sM 6.3 are limited in terms of small farm development and structural changes of the farms. Diversification is still low in small farms but it could be a solution as it is driven by the constraints imposed by the farmers' resources and age.

Recommendations

The programme could enhance the connection between activities and the cooperation among small farms, in order to promote a real market network in the territory and promote products on local markets and in restaurants.



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Criterion: the contribution of NRDP interventions to maintaining and setting-up of young farmers in the mountain area

Conclusions

In Romania, the share of young farmers in the total number of farmers is higher compared with other European countries. However the abandonment remains a key challenge for the development of mountain areas.

Recommendations

- Further support young farmers by giving the possibility to increase their educational level with specific activities under measures 1 and 2;
- Intensify the communication on the possibility offered by cooperation activities within measures 9 and 16.

Criterion: processing and marketing of agricultural products in the mountain area

Conclusions

In the mountain area, there is a high production potential of diversified agricultural products, which is not fully exploited by the food sector. The funds have reinforced the primary sector but they have not been able to enhance the development of food processing sector due to the lack of collaboration and insufficient knowledge regarding modern agricultural practices.

Recommendations

As to ensure a more effective and impactful implementation of NRDP, the programme could promote:

- Extended professional services, ranging from the setting up of producer groups and organizations to the certification of production processes and products, which can provide quality and food safety guarantees to the retail sector and therefore to the end-consumer;
- An improved implementation of submeasure 9.1, in order to encourage the development of producer groups also in the mountain area;

Criterion: contribution to stopping the abandonment of agricultural land of mountain areas

Conclusions

The abandonment of agricultural lands is the consequence of the evolution of agricultural activity and of the life style.

Moreover, in Romania, there are also other factors which influence the abandonment of the agricultural lands, such as poor attractiveness of rural areas, lack of successors, health and age constraints, as well as a number of persisting problems regarding unresolved land ownership in



some areas.

Recommendations

As to make the system of measures more efficient and effective, it is recommended to introduce the possibility of combining M13 with different investment measures, for instance, by prioritizing, within the investment measures, the applicants already receiving support under Measure 13.

Thematic: social and cultural development

Criterion: contribution to living standards of the inhabitants and social inclusion in the mountain area

Conclusions

The investments done within submeasures 4.3, 6.2, 6.4, 7.2, 19.2 have contributed to the development of services in rural area improving the standard of living of the population.

The available monitoring data and qualitative information collected from the field research show that the NRDP is positively contributing to social inclusion and local development in mountain areas, mainly because the implemented measures and LDSs are creating job opportunities for youngsters, men and women.

Recommendations

- For the next programming period: It is recommended to consider the possibility of updating the analysis of tourism potential in the Romanian territory and mountain areas, including from the perspective of local activities and the participation of local key actors in the tourism sector.
- Based on the experience accumulated by LAGs, it is recommended to promote the use of specific selection criteria and indicators to better evaluate the NRDP contribution to social inclusion at LDS level (involvement of vulnerable groups and/ or NGOs and other associations that work, for example, with disabled personnel or with members of national minorities). This measure will have a dual objective of assessing both local development through the bottom-up approach and social inclusion itself;

Criterion: preservation of cultural heritage in mountain area

Conclusions

The activities undertaken by NRDP for cultural heritage can be considered mainly positive: the financial resources have been concentrated on those regions which exhibit more dynamism and a better capacity towards tourism development.



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Recommendations

For the next programming period: It is recommended to consider the possibility of updating the analysis of tourism potential in the Romanian territory and mountain areas, including from the perspective of local activities and the participation of local key actors in the tourism sector

Thematic: Growth and sustainable development*Criterion: Reduction of GHG and ammoniac emissions and climate change adaptation in mountain areas**Conclusions*

Some measures indicate tangible and significant progress, while others are behind in terms of implementation. Concerning investment measures to reduce GHG emissions and provide support for adaptation to climate change, sM 4.1 and sM 6.1 present a more advanced implementation status with regards to contracted projects that have a high potential to reach targeted values, the number of contracted projects exceeding the targets set for the RO-OA19 and RO-OA21 indicators. Under sM 6.3, the targeted value of the RO-OA22 indicator was reached up to 15%, but the contracted projects within the sub-measure correspond to a level close to half of the final target. In relation to M10, unlike other areas of the country, the average mountain surface areas under commitments decreased between 2015 and 2017 (from 6.46 ha to 6.17 ha), while the number of beneficiaries and the total surface area under commitments has recorded an increase in the rest of the country. In general, the implementation of the intervention within sM 15.1 will contribute positively to an increase in GHG absorption. However, the state of play of sM 15.1 is lagging behind and it is not possible to carry out a concrete assessment of the NRDP contribution to climate change. The authorities involved in the programme's management make efforts to overcome the problems that led to the implementation delay. One of the main obstacles observed in implementing the sub-measure was the need for advanced knowledge from beneficiaries to implement the commitments or to prepare the project.

Recommendations

As to speed up the programme implementation and increase its attractiveness for measures that directly contribute to the reduction of GHG emissions, further effort is required to enhance the knowledge of potential beneficiaries of sM 15.1, in what concerns their skills for project preparation and their compliance with the specific commitments. This will be later materialized in increasing the attractiveness of sM15.1. Moreover, it is important to stimulate the access to the packages less requested under sM10.1 (especially P2 and P6), for example by enhancing support for the submission and during the implementation period.

*Criterion: sustainable management of forests and conservation of biodiversity in mountain area**Conclusions*

Programme implementation and contribution to the conservation of biodiversity. The NRDP has



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directly contributed to biodiversity in agricultural lands having incremented the surfaces under environmental commitments (M10) and under organic farming (M11). In relation to the environmental commitments, not all packages relevant to maintaining biodiversity in the mountain area were requested.

Within sM 8.1 and sM 15.1 problems have been encountered during the implementation, so no data is available for the mountain area to evaluate the contribution of these submeasures. The procedure for requesting support under these measures is complex and involves different responsible authorities.

There is a possible positive contributions to biodiversity and natural environment conservation also through other measures, such as 6.1 and 6.3. In any case, according to the majority of beneficiaries interviewed, a safe natural environment (where biodiversity components are in a good state of conservation), represents an added value for their activity.

Recommendations

In what concerns implementation of the programme and contribution to the conservation of biodiversity, it is important to stimulate the access to the packages significant for biodiversity conservation and less requested until now under sM 10.1 (especially P2, P6, P7 and P8). Since some difficulties are related to complex administrative requirements, involving a series of calculations and the application of specific formulas (as in case of P7), a possible way to stimulate the access is to enforce the support to applicants during submission and project implementation period.

Moreover, further efforts are also necessary in order to expand the knowledge of beneficiaries under sM 8.1 and sM 15.1 (with regards to competencies for project preparation, knowledge about commitments, while also including other specific competencies).

In order to ensure the maintenance over time of forests planted under sM8.1, could be included as a mandatory condition for signing the commitments an additional criterion for those projects that plan to change the usage of land eg. from agriculture with forest vegetation to forest.

At the same time, biodiversity conservation could be further addressed through sM6.1 and sM6.3 by including specific selection criteria within these submeasures, that specifically address biodiversity conservation issues.